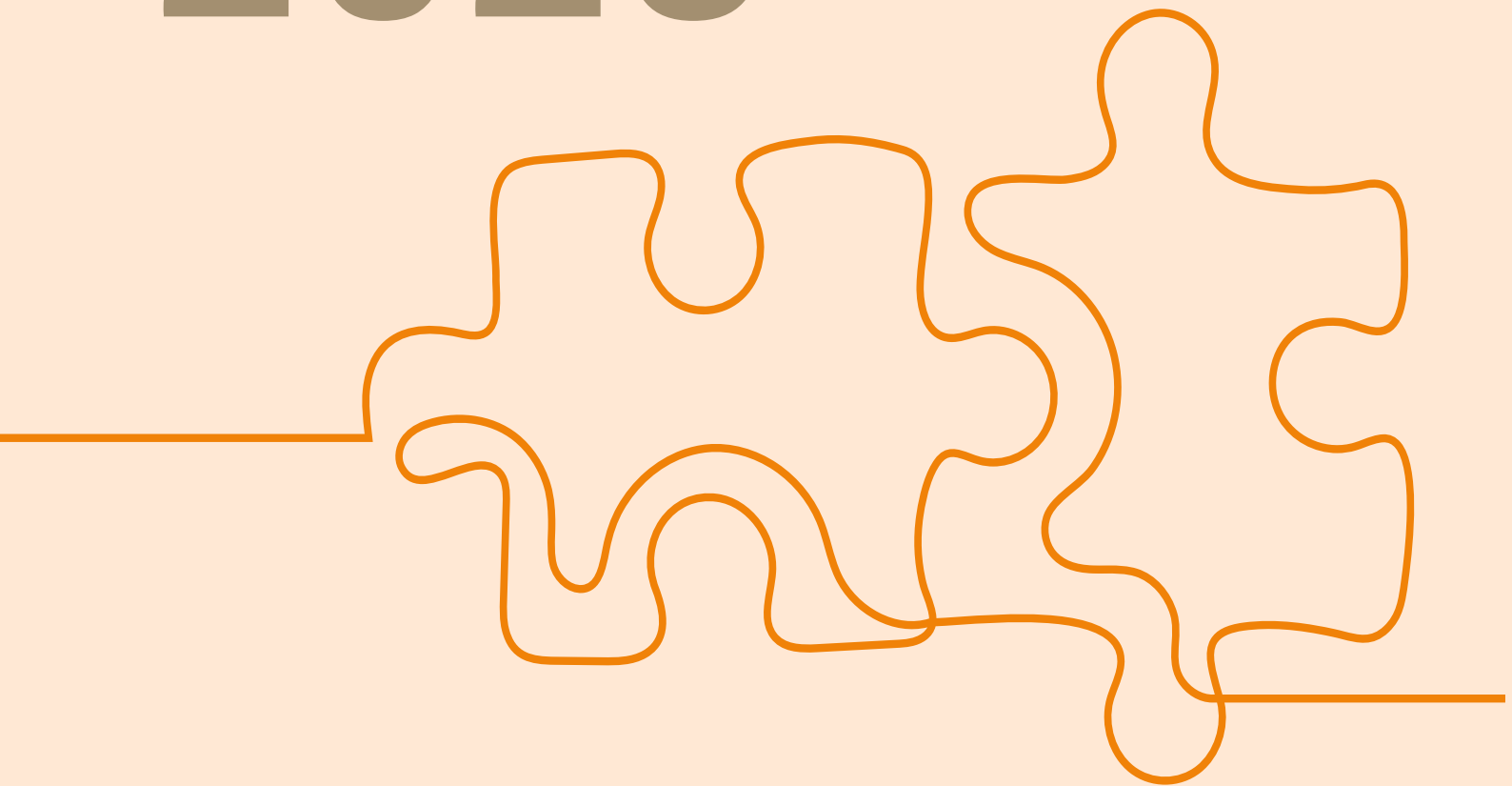


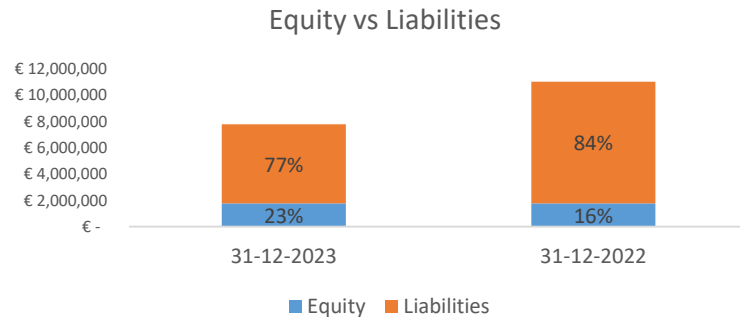
FINANCIAL REPORT

2023



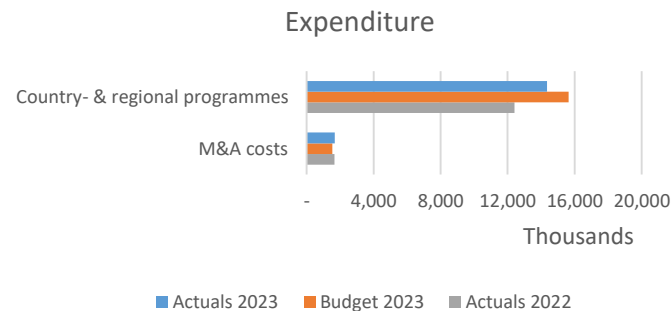
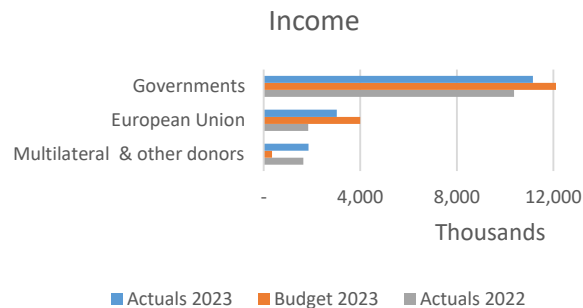
Key Figures 2023

Equity vs Liabilities



In 2023 NIMD had a modest positive result of €1K . Compared to last year, our equity increased in 2023, due to this result. This was due to corrections to some of the opening balances and taking into account all the necessary year end provisions. Our liabilities decreased in 2023, by €3 million. This is because of execution of large contracts during the year. As a consequence, the ratio of equity to liabilities became 23% of the total balance.

Income & Expenditure

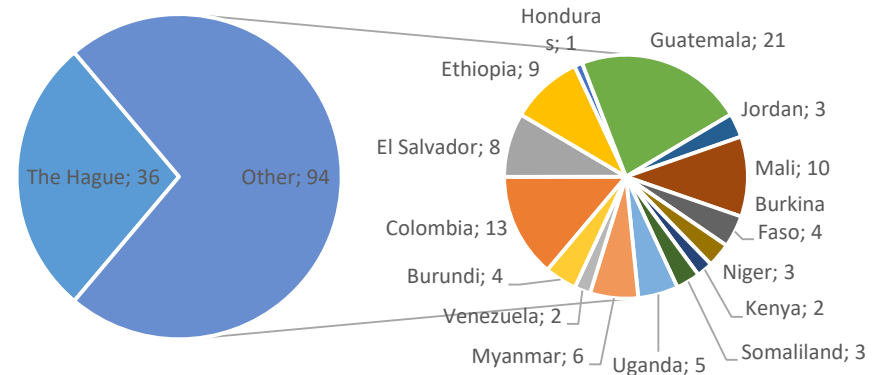


In 2023, NIMD received income for programmes from 27 different donors. These contributions brought our total annual income to €16 million, higher than NIMD's income of €13.8 million in 2022 and an alltime record for NIMD. This amount provided a solid basis for NIMD to continue its work worldwide in the coming years, and was slightly lower than the 2023 annual budget (€17.1 million). Of NIMD's total expenditure in 2023 (€16 million), we spent 89% (€14.3 million) on programmes. These included country and regional programmes, and thematic programmes (knowledge, innovation and positioning). The remaining 11% was allocated to non-direct human resources and office running costs (management and accounting costs).

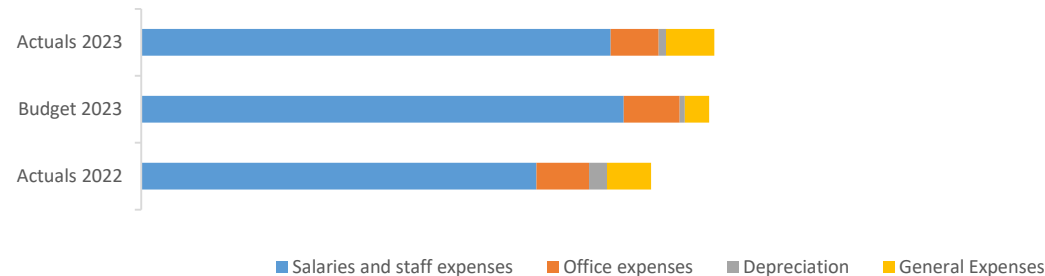
Key Figures 2023

Employees in offices NIMD (per 31/12/2023)

NIMD had sixteen offices in 2023 (including NIMD HQ), in which 130 people work, in total, either under a staff contract or as consultants. The biggest of these offices is our international office in The Hague (36 persons) and our office in Guatemala (21 persons). In most offices, the number of staff is generally in line with the previous year except for Colombia where 10 colleagues had to leave. Any major country-level changes compared to last year are due to the start (+) or finalization (-) of grants.



Management & Accounting Costs



Compared to last year, NIMD had more management and accounting costs in 2023 (€3.6 million in 2023, compared to €3.2 million in 2022). This was only in terms of volume, because in relation to the overall costs, the M&A costs went down (22% in 2023, compared to 23% in 2022). These figures include all expenditure from NIMD's international office, including the costs of staff in The Hague working directly on programmes. The increase was not foreseen in the budget and is mainly caused by higher general expenses due to revaluation and exchange rate differences.

CONTENT

	KEY FIGURES	1
	CONTENT	3
1.	NOTES TO THE FINANCIAL REPORT 2023	
1.1	Statement of the Executive Director	4
1.2	Statement of the Supervisory Council	7
1.3	Organization and Quality Management	9
1.4	Budget 2024	11
2	CONSOLIDATED FINANCIAL STATEMENTS	
2.1	Consolidated Balance Sheet	12
2.2	Consolidated Statement of Income and Expenditure	13
2.3	Consolidated Cash Flow statement	14
3	NOTES	
3.1	General notes and principles of valuation and calculation of results	15
3.2	Notes to the consolidated balance sheet	18
3.3	Consolidated Income overview	21
3.4	Notes to the consolidated statement of income and expenditure	22
3.5	Specification Wet Normering Topinkomens (WNT)	25
4	Other	
4.1	Auditors Report	

1.1 STATEMENT OF THE EXECUTIVE DIRECTOR

In 2023, NIMD continued its mission to support inclusive, peaceful and just democracies around the world and has further expanded its work. Today, we work in 20 countries that translates to the highest budgeted spend to date and a large number of contracts with a diverse array of funding partners. This speaks for the reputation of NIMD and the confidence our organization enjoys worldwide. It also highlights the view of our funding partners such as the EU, UN and our key partner, the Netherlands Ministry of Foreign Affairs towards NIMD in their strategic choice to invest in the support for democracy, in a context of backsliding democracies and clearly autocratic developments. Beyond our support to strengthen democratic institutions and training of young and aspiring politicians in our Democracy Schools, we build bridges between people. Our operations span across large countries like Kenya to smaller countries such as the Caribbean Island of St. Eustatius within the Kingdom of the Netherlands. In 2023 programming commenced in Armenia and Somaliland, while a contract was signed to start our programme in Liberia.

In total 45 contracts with 22 different funding partners were active throughout the year. This is a collective result of the clear investments we have been making in diversification of NIMD's funding base and the related capacity for fundraising. This diversification has enhanced the financial stability of the organization in the changing contexts of funding partners.

However, this increased number of contracts also puts more pressure on the organization in terms of staff that support these programmes from a programmatic, financial, PMEL, quality, knowledge or HR perspective. It remains a key concern for the management team to ensure the best capacity exists to support our global efforts.

The financial year 2023 ended with an all-time high turnover of €16 million and a slightly lower total cost, resulting in a nominal surplus. The budget for the year 2024 is around €19 million, illustrating the ongoing growth of the organization.

NIMD IN 2023

EXPENDITURE

The total expenditure in 2023 amounted to € 16 million, which is 7% lower than the budget, but 13.5% above the 2022 actual expenditure. The main reason for the slightly lower than expected budget is the non-materialization and delay of some expected contracts, while the overall increase is still related to the many new funding contracts that were signed in 2023 compared to 2022.

As in previous years and in order to offer more insight, in calculating the actual management and accounting costs, we have split the salary expenses of the office in The Hague over the two sub-categories "Programmes & Projects" and "Finance & Support". This is based on the direct hours included in the timesheets.

The largest part of our spending still relates to country and regional programmes (89% in 2023 compared to 88% in 2022) meaning the proportion of the budget allocated for total management and accounting costs went down to 11% (12% in 2022).

A more detailed overview of the management and accounting costs will be found in Section 3.4.2 (“Specified Statement Management & Accounting Costs 2023”). The figures shown here include all expenditure from NIMD’s headquarters, including the costs of staff in The Hague working directly on programmes, which in the statement of income and expenditure are divided over the two categories.

In terms of the management and accounting costs, the total expenditure was approximately 8.5% over budget and roughly the same as last year.

THE OPERATING RESULT

In 2023, the total result amounted to a nominal profit of around 1K. NIMD’s continuity reserve ensures that the organization can meet its future obligations and has sufficient means to react on eventualities. In addition, part of our equity (reserve) is an appropriated reserve formed to finance, in 2019 and 2020, the investment in our new Project Management System. Between 2020 and 2024, this reserve will serve to finance the depreciation of this system, and for 2023 this amount is 16.6K.

Section 3.3 (“Income Overview”) offers an overview of different donor partners that contributed to this result. Section 3.4 (“Specified statement Expenditure 2023”) gives a more detailed explanation of the expenses in 2023, including the management and accounting expenses.

FUNDRAISING

In 2023, the Netherlands Ministry of Foreign Affairs, including the different grants from separate Royal Netherlands Embassies (RNE) provided 60.7% of the organization’s overall income. This is similar to last year when it was 60.7%. If the embassy grants are deducted, this figure is only 47%, which is the result of the fundraising efforts described above and in line with our ambition to decrease the proportional weight of the Dutch MFA.

In 2023, contracts with the European Union (Burundi, El Salvador, Ethiopia, Honduras, Mali and Somaliland) represented 17.5% of our income (in 2022 this was 13%). Other governments, together with other (multilateral) donors provided 22% of the income (in 2022 this was 25%).

STAFF

NIMD works both with partner organizations and through its country/regional offices. Together, these form the organization’s network, linking NIMD’s worldwide expertise and resources to national knowledge and experience in the countries where NIMD implements programmes, ensuring that strategies and programmes are custom-built to reflect the political needs and contexts.

In addition to our headquarters in The Hague, NIMD has country offices in Burkina Faso, Burundi, Colombia, El Salvador, Ethiopia, Guatemala, Honduras, Jordan, Kenya, Mali, Myanmar (Bangkok), Niger, Somaliland and Uganda.

In total, 94 persons are working in NIMD’s country/regional offices, excluding the staff at headquarters in The Hague. At the beginning of 2023, NIMD’s headquarters in The Hague hosted 30 employees (28,21 FTE). By 31 December 2023, this number was 36 employees (29,04 FTE). In total, fourteen colleagues have joined the organization and eight have left.

FUTURE

We will continue striving to reach our objective to gradually enlarge our resilience against financial shocks by enlarging our portfolio of donors and programmes. The Dutch Ministry of Foreign Affairs has recently announced a reduction in budget towards development cooperation which affects NIMD from 2026 onwards. While we wait for the policy framework, we are focusing our fundraising with other partners based on the high quality of implementation of programmes while preparing an updated strategy to reflect the current realities.

Our deep gratitude goes out to all colleagues throughout the world, to our network and all partners who contribute to this confidence. They allow us to work on what is motivating all of us, our mission to support democracy.

Tijmen Rooseboom (Executive Director), January 2025

1.2 STATEMENT OF THE SUPERVISORY COUNCIL

THE SUPERVISORY COUNCIL

The Supervisory Council is charged with the supervision of day-to-day affairs of NIMD and with the financial management and policy pursued by the Executive Director. The Supervisory Council also has an advisory role. Based on the statutes, the remit of the Supervisory Council extends to the following:

- Appointment and dismissal of the Executive Director and remuneration of the Executive Director;
- Approval of the annual plan, including the budget;
- Approval of the Multi-Annual Plan including multi-annual budget (issued once every four years);
- Approval of the yearly accounts, including financial report;
- Discharging the Executive Director from liability for his management in the past financial year;
- Appointment of the external auditors;
- Approval of intended decisions by the Executive Director regarding specific issues and agreements of, amongst others, far-reaching changes to the organizational structure and/or the terms of employment.

THE COMPOSITION OF THE SUPERVISORY COUNCIL

According to the constitution of NIMD, members of the Supervisory Council are elected for four years and can be re-elected for one additional term. Members are elected by the Supervisory Council based on a profile decided by the Supervisory Council with input from the Executive Director. Since October 2020 Mr. E. Kronenburg is the chair of the Supervisory Council. On 25 March 2023, Ms. A. Mijnsbergen and Ms. I. van Biezen left the Supervisory Council at the end of their second term and suitable replacements were found in both cases. The composition of the Council at the end of 2023 and starting in 2024 as per the date of approval of this report is as follows:

Name	Appointed to the Council	End 1st term	Date re-appointment	End 2 nd term
Mr E. Kronenburg, Chair	14 October 2020	13 October 2024		
Ms W.J.J.M. van Eupen	1 November 2018	31 October 2022	1 November 2022	1 November 2026
Mr F.J.M. de Lange	1 January 2019	31 December 2022	1 January 2023	1 January 2027
Ms K.G. Ferrier	1 March 2020	29 February 2024	1 March 2024	1 March 2028
Ms M. Smit	24 April 2023	23 April 2027		
Mr U. Kock	24 April 2023	23 April 2027		

To improve the governance structure and in line with generally accepted good governance policies, the Supervisory Council updated their own regulations in 2019. This led to the decision to create a separate Audit Committee dealing with the annual accounts, institutional audit and financial affairs, and a Remuneration Committee dealing with the employment of the ED. There are dedicated

regulations for those committees, approved on 7 May 2020 with the committees installed as per that date.

As at the date of this report, the members of the Audit Committee are Ms Marieke Smit, Mr Udo Kock and, Ms Lem van Eupen (in a temporary capacity in order to bridge over from the previous two members that left at the end of their second term). Members of the Remuneration Committee are Mr E. Kronenburg (the regulations state the Chair is *qualitate qua* member of the Remuneration Committee) and Mr F.J.M. de Lange.

FOCUS OF THE SUPERVISORY COUNCIL

The Supervisory Council meets according to the NIMD statutes at least four times a year. As a rule and unless the Council decides otherwise, the Executive Director will be present at these meetings and, depending on the subjects, together with other members of the Management Team. During most of the meetings of the Supervisory Council, a thematic presentation by a staff member is part of the agenda.

A delegation of the Supervisory Council meets the employee representative body at least once a year. Members of the SC also participate at external events organized by NIMD and aims to have a good and close relationship with all staff in order to execute its supervisory and advisory roles as effectively as possible.

The Supervisory Council had five meetings in 2023. During these meetings all relevant and necessary topics were on the agenda, with the late Spring version reserved to discuss the annual financial accounts, and the late Autumn session reserved to approve the annual budget of the subsequent year. In addition to the oversight meetings, there was also a thematic discussion organized on the challenges (and opportunities) of working in difficult and dangerous context and how to navigate a rapidly changing landscape for instance after a *coup d'état*.

AUDIT COMMITTEE 2023

The Audit Committee (AC) has regular contact with the Executive Director and the Head of Finance, Control & Support on specific issues related to the financial plans and reports, or when the Executive Director requested the advice of the AC. The Chair of the AC informs the Chair of the Supervisory Council about the activities of the AC and reports to the Supervisory Council during its meetings.

Permanent issues on the agenda are the financial situation; the administrative organization including internal control; ICT, information management and legislation and regulation regarding privacy; human resources; risk assessment; fundraising and the relation with the donors; and findings of the external auditors. The Executive Director or Head of Finance, Control & Support will contact the AC directly should there be a suspicion of financial mismanagement.

REMUNERATION COMMITTEE 2023

On 18 January 2023, the Remuneration Committee conducted the annual performance review with the Executive Director, to which all members of the Supervisory Council and the employee representation body gave their input.

The Supervisory Council performs a yearly self-evaluation as part of its regular responsibilities. In 2023, the self-evaluation took place in Q3 and was facilitated by the Remuneration Committee.

1.3 ORGANIZATION & QUALITY MANAGEMENT

In order to be accountable to our stakeholders, NIMD has a Quality Management System that serves as a framework for all NIMD policies, guidelines and procedures, based on the ISO 9001:2015 standard. Last November NIMD was re-certified by SGS, the certificate is valid from January 2024 to January 2027 and will remain valid subject to satisfactory surveillance audits. NIMD is also certified with PARTOS ISO 9001:2015 version 2018 (edition August 2023).

During 2023, NIMD provided quality management system implementation support to two offices (Guatemala and Ethiopia). This workshop was held in the country offices and addressed to all staff. The workshop was given over the course of one week, and has been followed up from headquarters afterwards with the support of the quality manager.

In 2023, NIMD conducted internal audits of its quality management system in a team effort to ensure continuous improvement and accountability to our stakeholders. This serves as the basis for the annual organisational management review, which is monitored twice a year by the management team.

NIMD also complies with the International Aid Transparency Aid, a global initiative to improve the transparency (IATI) of development and humanitarian resources and their results in the fight against poverty and crises.

Integrity

NIMD is committed to safeguarding and promoting integrity. We expect all employees to display an open and responsible attitude towards each other, respect and embraces differences, and be honest and accountable, thus promoting a healthy and safe working environment for our employees and the partners whom we work with. We do this by ensuring that all employees, at all levels of the organization, takes responsibility for integrity. We share our integrity policy and code of conduct at the start of any work relation. The integrity policy was reviewed during 2023, which underlines the principle that every person working for NIMD for and with NIMD will be treated with respect and dignity.

In 2023 we held our annual integrity event 'Integrity Refreshment', a day dedicated to integrity for all staff in the Netherlands, where we discussed and addressed hypothetical integrity dilemmas and how to deal with them. At this event we also looked at our intercultural communication within NIMD this was done by an external party, the Clingendael Institute.

During this event, the Integrity Policy was adopted and updated and the Code of Conduct was re-signed by staff in the Netherlands.

At NIMD, we make sure that people feel safe to speak up, to address any kind of misconduct and to be informed. At NIMD, we are constantly working to improve measures to ensure the prevention of sexual exploitation, abuse and harassment, which is why in 2023 we held a webinar with our network on SEAH, where important discussions on the topic were shared with our partners and our country offices. The aim was threefold. First, to make NIMD network members aware of what SEAH stands for and its importance. Second, to introduce participants to tools and steps (NIMD policy). Thirdly, action and exchange, that participants explore experiences and how to appropriate their role in preventing and responding to SEAH and how to work on this in their specific contexts. In 2024, we would like to follow up on the lessons learned by the network during the webinar sessions.

NIMD has two Confidential Counsellors at headquarters (one internal and one external) and a network of three Confidential Counsellors for NIMD country offices. In general, the Confidential Counsellors guide and support staff with questions and complaints related to unwanted behaviour such as sexual intimidation, aggression and violence, bullying and discrimination.

At NIMD, we value and learn from our mistakes; that is how we maintain our commitment to integrity. We exchange and work together with integrity specialists and learn from the practices of other organizations, through the Partos platform.

1.4 BUDGET 2024

All amounts in euros

		BUDGET 2024
INCOME		
Grants from Governments	Power of Dialogue	6,358,155
	LEAP 4 Peace	1,012,386
	Other	3,331,694
Grants from the European Union		6,647,245
Grants from bi- & multilateral donors		1,972,221
		19,321,701
EXPENDITURE		
Spent on country- & regional programmes (including Knowledge, positioning & Innovation)		17,848,994
Management & accounting costs		1,454,466
		19,303,459
Result		18,242

In the setup of our budget we present the income in three categories (Governments, European Union and Other donors). Our long-term programmes (PoD & L4P) financed by the Ministry of Foreign Affairs The Netherlands for the period 2021 to 2025, provide a stable basis for financing our activities around the world.

As in previous years, the expenditure in 2024 is split in two categories. One directly linked to our programming and a second for our Management and Accounting costs.

All expenses in our countries are included under country and regional programmes. As in previous years, the 2024 budget directly allocates the cost of country and regional programme staff in The Hague to this budget line. This is also the case for the cost of staff dedicated to knowledge, positioning and innovation. This means that the non-direct time of these colleagues, and the other costs incurred by the office in The Hague, are included in the Management and Accounting costs.

As of 2023 the new programmes provide a stable source of income, however NIMD needs to find new ways to finance our management and accounting costs. This is an ongoing search and fundraising is one of our top priorities.

2.1 CONSOLIDATED BALANCE SHEET

All amounts in euros

	31/12/2023	31/12/2022	
ASSETS			
FIXED ASSETS			
Intangible fixed assets	-	16,613	3.2.1
Tangible fixed assets	64,362	179,005	3.2.2
CURRENT ASSETS			
Receivables			3.2.3
Accrued subsidies	593,971	996,123	
Programme receivables & prepayments	746,883	574,695	
Other advance payments & accrued receivables	160,953	103,026	
	1,501,807	1,673,844	
Liquidities	6,099,910	9,131,325	3.2.4
TOTAL ASSETS	7,666,080	11,000,787	
LIABILITIES			
EQUITY			3.2.5
Continuity reserve	1,755,599	1,737,928	
Appropriated reserve	-0	16,613	
	1,755,599	1,754,542	
LONG-TERM LIABILITIES			3.2.6
Rental debt	36,234	50,060	
	36,234	50,060	
CURRENT LIABILITIES			3.2.7
Advance received subsidies	4,909,058	7,954,308	
Programme liabilities	629,611	875,254	
Other advance receipts & accrued liabilities	335,577	366,623	
	5,874,246	9,196,185	
TOTAL LIABILITIES	7,666,080	11,000,787	

2.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	ACTUAL 2023	BUDGET 2023	ACTUAL 2022	
INCOME				3.3
Grants from Governments	11,151,196	12,796,835	10,371,455	
Grants from the European Union	3,023,550	4,001,714	1,847,928	
Grants from bi- & multi lateral donors	1,861,041	351,123	1,639,597	
TOTAL INCOME	16,035,787	17,149,671	13,858,980	
EXPENDITURE				3.4
Spent on country- & regional programmes (including Knowledge, positioning & Innovation)	14,345,451	15,633,281	12,413,231	
Management & accounting costs	1,689,278	1,530,753	1,659,277	
TOTAL COSTS	16,034,729	17,164,034	14,072,507	
RESULT BEFORE APPROPRIATION	1,058	-14,363	-213,528	
Added to/withdrawn from:				
Reserves				
Appropriated reserve Project Connect	-16,613		-91,510	
	-16,613	-	-91,510	
RESULT AFTER APPROPRIATION	17,671	-14,363	-122,018	
ALLOCATION OF RESULTS	RESULT 2023		RESULT 2022	
Continuity reserve	17,671		-122,018	
Appropriated reserve Project Connect	-16,613		-91,510	
	1,058		-213,528	

2.3 CONSOLIDATED CASH FLOW STATEMENT

All amounts in euros

	2023	2022
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result	1,058	213,528-
Corrections for:		
- Depreciation assets	46,346	114,148
Changes in working capital:		
- Receivables	74,000	414,734-
- Liabilities	-3,237,728	839,272
	3,163,728-	424,537
NET CASH GENERATED FROM OPERATIONAL ACTIVITIES	3,116,326-	325,157
CASH FLOW FROM INVESTING ACTIVITIES		
- Investments	84,911	78,602-
NET CASH USED IN INVESTING ACTIVITIES	84,911	78,602-
IN- / DECREASE IN LIQUIDITIES	3,031,415-	246,555
CHANGE IN LIQUIDITIES		
Liquidities as of 01 January	9,131,325	8,884,769
Liquidities as of 31 December	6,099,910	9,131,325
IN- / DECREASE IN LIQUIDITIES	3,031,415-	246,555

3.1 GENERAL NOTES AND PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

3.1.1 GENERAL

OBJECTIVE

The object of the NIMD is to support the democratization process in young and emerging democracies by strengthening political parties/political groupings as the backbone of an inclusive democracy. The dialogue between the supported parties is a key priority, as it facilitates the establishment of an effective sustainable pluralistic and multiparty political system. NIMD links its activities to the objectives of national and international policy on sustainable poverty reduction in DAC countries (development assistance committee countries) and other countries, and to the objectives of the international human rights framework, including specifically women rights and the rights of other underrepresented groups.

INTEGRATION OF COUNTRY OFFICES

These Annual Accounts combine:

- the balance sheets and statements of income and expense of NIMD's offices in the programme countries
- the Annual Accounts of the NIMD office in The Hague.

NIMD's Executive Director has full accountability for all NIMD offices, and management is organized centrally. There is organizational connectedness and economic unity between the entities that form part of the NIMD family, both when it comes to programming and operationally. As all entries from NIMD offices are registered in one system, transactions between the different offices are eliminated. The legal entities included in the consolidated Annual Accounts are the NIMD offices in the following countries: Burkina Faso, Burundi, Colombia, El Salvador, Ethiopia, Honduras, Guatemala, Jordan, Mali, Myanmar, Niger, the Netherlands and Uganda. Local offices in Kenya and Somaliland are in the process of local registration.

RELATED PARTIES

International Lobby and Advocacy (ILA) towards the United Nations, the European Union and other regional organizations formed a key component of the Power of Dialogue Programme (PoD) between the Netherlands Ministry of Foreign Affairs and NIMD for 2021-2025. NIMD is a member of the European Partnership for Democracy (EPD), which focuses its work on the strategic priorities for ILA vis-à-vis the EU. NIMD has a seat (as Vice-Chair) in the Board of EPD. For 2023, NIMD paid a membership fee of €25.000 (2022: €25.000) and there was no separate contract for ILA towards lobbying of the EU (2022: € 0).

In 2016, NIMD founded the Global Partnership for Multiparty Democracy (GPMD). The objective of GPMD is to strengthen the position of organizations supporting political parties from a multiparty perspective within the democracy assistance sector. This is done by developing joint positions on issues relating to political party support, and lobbying for and advocating these positions to the international donor community. GPMD partner organizations are provided with a communication and coordination channel to continuously support the improvement of their approaches through knowledge-sharing activities. This channel also aims to assist them in performing any tasks that are directly or indirectly conducive to achieving GPMD objectives. As GPMD is an independent foundation, representation in NIMD's financial statements is through the membership fee and our contribution to the formalization and set up of the foundation. In the reporting year, the decision was taken to close GPMD and this was effectuated in 2024.

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The financial resources in the cash flow statement comprise both cash at bank and cash in hand. Cash flows denominated in foreign currencies have been translated at an average of the exchange rate for at year end. Interest income and expenses from operating activities are included in the cash flow. Transactions that do not involve any incoming or outgoing cash flows are not presented in the cash flow statement.

ESTIMATES

To apply the accounting principles and rules for compiling the Annual Accounts, the NIMD Management Team is required to form opinions about various matters and make estimates that might be essential for the amounts presented in the Annual Accounts. Estimates have been made regarding provisions and monitoring and the collectability of claims. NIMD is not exposed to any risks to its results in this respect.

3.1.2 PRINCIPLES OF VALUATION AND CALCULATION OF RESULTS

FINANCIAL REPORTING PRINCIPLES

The Financial Statements have been prepared in accordance with the Dutch Accounting Guidelines for Annual Reporting (RJ 640 for not-for-profit organizations) .

PRESENTATION

The annual accounts are presented in Euro.

GENERAL PRINCIPLE OF VALUATION

The annual accounts are based on accrual accounting and use the historical cost basis. Assets and liabilities are accounted for with their nominal values unless stated differently. Receivables are discounted for provisions when necessary.

OTHER CURRENCIES

Values of assets and liabilities in currencies other than Euro are converted into Euro using the exchange rates as of 31 December. Exchange rate differences are directly included in the results. During the financial year transactions in other currencies are accounted for using the exchange rate of the last payment made or -in the case of some country office administrations- using the end of cumulative period interbank exchange rate.

COMPARISON WITH PREVIOUS ANNUAL ACCOUNTS

The principles of valuation and calculation of results are the same as those in the previous annual accounts. The presentation of the figures have been changed. Less details are shown, this in line with general accepted standards within the NGO-sector and to increase the readability of our annual accounts.

INTANGIBLE FIXED ASSETS

Investments in developing programme management software and website are valued at historical cost. Depreciation is linear and in 3 years, starting when assets are taken into account.

TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at historical cost minus linear depreciation during estimated economic life span. Fixed Assets are depreciated as follows:
Renovation real estate - 4/5 years
Furniture - 4 years
Computer equipment - 3 years
Fixed Assets at Country Office - 2-5 years depending on assets

RECEIVABLES

In the receivables the claims on grants are included under accrued subsidies and these refer to claims on governments and other authorities arising from liabilities into which NIMD has entered based on agreements to that effect as part of its program; these amounts include the related program management fee. Upon initial recognition, other receivables are presented at the fair value of the consideration, expressed in euros. Allowances for bad debts are deducted from the claim's book value.

LIQUIDITIES

Cash at bank and in hand is presented at face value and is denominated in euros.

EQUITY

The equity includes two different types of reserves: the continuity reserve and an appropriated reserve for Project Connect. The continuity reserve is meant to create a sufficient-sized buffer that can be used to complete pending programmes appropriately, including staffing them with NIMD employees, if one or more key sources of funding were to dry up unexpectedly, and with due observance of existing legal and moral obligations. The continuity reserve is also meant to cover unexpected losses. The appropriated reserve for Project Connect (Programme Management System) is used to cover the depreciation of our investment in Project Connect over three years.

LIABILITIES

Programme liabilities are recognized as costs set out in the statement of costs and revenues, and as liabilities in the balance sheet at the moment that the decision to grant a subsidy is laid down in a contract. Contractual obligations to subcontractors (organizations or individuals without outcome responsibility as they implement activities on the basis of instructions by NIMD) are not recognized as costs until their expenditure is invoiced or otherwise reported. Programme liabilities are valued at the maximum NIMD commitment (according to the contract) minus any advance payments already transferred..

GENERAL PRINCIPLE OF CALCULATION OF RESULTS

The general principle of calculation of results is historical cost. Revenue is accounted for in the year in which it is realized. Expenditure is taken into account in the year in which it is incurred. Costs and revenue are thus accrued to the financial year in which the activities concerned take place. In the case of granting subsidies to partner organizations, the relevant activity is signing the grant contract that sets out the obligation, according to Accounting Guideline RJ 640.

SUBSIDIES

The subsidies NIMD receives are reported based on accrual accounting. Average duration of funding is between one and three years.

3.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

3.2.1 INTANGIBLE FIXED ASSETS

PROJECT CONNECT

Acquisition price at beginning of year	274,530
Mutations in year	-
Acquisition price at year end	274,530
Accumulated amortization at beginning of year	257,917
Mutations in year	16,613
Accumulated amortization after mutations at year end	274,530
Book value at beginning of year	16,613
Added: investments	-
Deducted: depreciation 33%	16,613
Book value at year end	-

3.2.2 TANGIBLE FIXED ASSETS

	COMPUTER EQUIPMENT	FURNITURE	RENOVATION REAL ESTATE	FIXED ASSETS COUNTRY OFFICES	TOTAL TANGIBLE FIXED ASSETS
Acquisition price at beginning of year	269,382	179,560	117,134		566,077
Mutations in year	5,013	-	-		5,013
Acquisition price at year end	274,395	179,560	117,134		571,089
Accumulated depreciation at beginning of year	209,641	175,453	112,270		497,364
Depreciation in year	26,656	1,338	1,738		29,732
Accumulated depreciation after mutations at year end	236,297	176,791	114,008		527,096
Book value at beginning of year	59,741	4,107	4,864	110,292	179,005
Mutations in year	5,013	-	-	-89,923	-84,911
Depreciation in year	26,656	1,338	1,738		29,732
Book value at year end	38,098	2,769	3,126	20,369	64,362

The mutations presented under Fixed Assets Country Offices concern investments and depreciations done at country offices in local currency. The revaluation to Euros is done at the NIMD office in The Hague.

3.2.3 RECEIVABLES

ACCRUED SUBSIDIES

	31 December 2023	31 December 2022
Ministry of Foreign Affairs The Netherlands	-	-
European Union	157,196	425,029
Other	436,776	571,094
	593,971	996,123

The accrued subsidies show the claims of NIMD towards donors, based on signed agreements, which are part of the programme income in 2023, which have not been received yet. For the biggest part, this relates to claims towards EU funded programmes Honduras (26%), DEMO Finland (31%), Foundation Open Society Institute (14%) and UNDP (9%).

PROGRAMME RECEIVABLES & PREPAYMENTS

746,883

574,695

The programme receivables and pre-payments are either advance contract payments for 2024 or costs paid in 2023, but relating to 2024. The biggest part (68%) relates to unspent balances of 2023 (which become advances for 2024) for our (consortium) partners within our PoD grants. This year also the partners financed under the RNE programmes in Benin are represented under this category (17%) and therefore the amount is higher than last year (2022).

3.2.3	RECEIVABLES (continued)	31 December 2023	31 December 2022
OTHER ADVANCE PAYMENTS & ACCRUED RECEIVABLES			
Accrued interest		18,227	-
Advances to staff		15,364	5,186
Rent advance		55,907	52,717
Claim with regards to supplies and services International IDEA		18,964	-
Debtors		32,134	22,828
Other non-programme advances & accruals		20,357	22,294
		160,953	103,026

The other advance payments and accrued receivables mainly concern payments done in 2023, that relate to 2024. Of which the prepayment of the rent and prepayment of insurances form the biggest part (42%).

3.2.4	LIQUIDITIES	31 December 2023	31 December 2022
Bank accounts NIMD Head Quarter		3,250,008	6,792,261
Petty cash NIMD Head Quarter (EUR and foreign currencies)		3,281	3,370
Bank accounts Country Offices		2,841,811	2,331,321
Petty cash Country Offices		4,810	4,373
		6,099,910	9,131,325

Bank balances are directly retrievable, except for the security bank account. This bank account refers to a rent security for the office in The Hague and has a balance of EUR 50,100.

3.2.5	EQUITY	31 December 2023	31 December 2022
CONTINUITY RESERVE			
Accumulated as of 01 January		1,737,928	1,859,946
Added: result bookyear		1,058	-213,528
Added: from appropriation reserve		16,613	91,510
Deducted: used reserve		-	-
Accumulated as of 31 December		1,755,599	1,737,928
APPROPRIATED RESERVE PROJECT CONNECT			
Accumulated as of 01 January		16,613	108,123
Added: from continuity reserve		-	-
Deducted: used reserve		16,613	91,510
Accumulated as of 31 December		-0	16,613

The appropriated reserve for Project Connect has been created to cover the depreciation costs of the Project Management System that NIMD introduced in 2020. The reserve was created by including the full investment in the previous (2016-2020) Netherlands Ministry of Foreign Affairs programmes (SP & Dfs). At year-end 2023, this appropriated reserve is fully depleted.

3.2.6	LONG-TERM LIABILITIES	31 December 2023	31 December 2022
RENTAL DEBT			
Balance as of 01 January		50,060	63,885
Added			
Deducted		13,826	13,826
Balance as of 31 December		36,234	50,060

Of the open balance at year end 2022, an amount of EUR 13.826 was paid in 2023. The rest (EUR 36,234) will be used in the period 2024-2025.

3.2.7	CURRENT LIABILITIES	31 December 2023	31 December 2022
ADVANCE RECEIVED SUBSIDIES			
Ministry of Foreign Affairs The Netherlands	See specification below	1,429,051	3,902,717
European Union		1,816,439	2,118,412
Other		1,663,568	1,933,178
		4,909,058	7,954,308
ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS			
Subsidy LEAP 4 Peace		1,056,796	1,169,987
Subsidy Power of Dialogue		372,255	2,732,731
	-	1,429,051	3,902,717

Advance received subsidies all relate to pre-financing from donors on running programmes.

For the period 2021-2025 NIMD has been selected to receive funding in the Dutch MFA's Power of Voices framework. The Dutch Ministry decided on 02-12-2020 (project number 4000004353) to grant a consortium of four organisations (NIMD, Akina Mama Wa Afrika (Uganda), Institut Gorée (Senegal), Centre d'Etudes Méditerranéennes et Internationales (CEMI, Tunisia)) in which NIMD is the leading partner, a subsidy for the period from 1 January 2021 to 31 December 2025. The maximum contribution for these 5 years is €32,677,156.

For the period 2021-2025 NIMD has been selected to receive funding in the Dutch MFA's Women, Peace & Security framework. The Dutch Ministry decided on 10-12-2020 (project number 4000004358) to grant a consortium of four organisations (NIMD, Gender Equality Network (GEN, Myanmar), Burundi Leadership Training Programme (BLTP, Burundi) and Gender Action for Peace and Security (GAPS, UK)) in which NIMD is the leading partner, a subsidy for the period from 1 January 2021 to 31 December 2025. The maximum contribution for these 5 years is €4,933,530.

PROGRAMME LIABILITIES	629,611	875,254
------------------------------	----------------	----------------

Programme liabilities can be either contract liabilities to be paid in 2024 (for costs related to 2023), or payments made in 2024 which relate to 2023. 50% relates to partner contract liabilities, mainly in Armenia, Kenya, Mozambique and Myanmar. 47% relates to liabilities included in the accounts of our country offices.

OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES			
Creditors		18,203	37,000
Other non-programme advances & accruals		-	8,470
Personnel related liabilities	See specification below	317,373	321,153
		335,577	366,623
PERSONNEL RELATED LIABILITIES			
Capitalised holiday allowance rights		96,730	105,683
Holiday allowance		109,586	91,036
Income insurance premiums due		25,596	28,643
Salary to be paid		53	-
Other personnel related liabilities		-4,139	11,457
Tax withheld from salary		89,546	84,334
		317,373	321,153

Other advance receipts and accrued liabilities relate mainly to personnel related liabilities of our staff in The Hague. The other non-programme advances and Creditors are all items paid in 2024, but related to 2023 (audit fees, interest, subscriptions, etc).

3.2.8 CLAIMS AND LIABILITIES NOT TAKEN INTO ACCOUNT IN THE BALANCE SHEET

Rent agreement

The contract period for the rent of NIMD's office in The Hague is 1 September, 2021 renewed for five years. The rent is € 138,257 per annum (without VAT) and service costs. The Rabobank guarantees rent and service costs for €50,100 on the basis of the balance on a separate bank account. International IDEA is subtenant of NIMD for the same period and pays a rent of € 52,932 per annum (not including VAT and service costs).

Power of Dialogue

For the period 2021-2025 NIMD has been selected as one of the Dutch MFA's to receive funding in the Power of Voices framework. The Dutch Ministry decided on 02-12-2020 (project number 4000004353) to grant a consortium of four organisations (NIMD, Akina Mama Wa Afrika (Uganda), Institut Gorée (Senegal), Centre d'Etudes Méditerranéennes et Internationales (CEMI, Tunisia)) in which NIMD is the leading partner, a subsidy for the period from 1 January 2021 to 31 December 2025. The maximum contribution for these 5 years is €32,677,156.

LEAP 4 Peace

For the period 2021-2025 NIMD has been selected as one of the Dutch MFA's to receive funding in the Women, Peace & Security framework. The Dutch Ministry decided on 10-12-2020 (project number 4000004358) to grant a consortium of four organisations (NIMD, Gender Equality Network (GEN, Myanmar), Burundi Leadership Training Programme (BLTP, Burundi) and Gender Action for Peace and Security (GAPS, UK)) in which NIMD is the leading partner, a subsidy for the period from 1 January 2021 to 31 December 2025. The maximum contribution for these 5 years is €4,933,530.

3.3 CONSOLIDATED INCOME OVERVIEW

All amounts in euros

DONOR	INCOME 2023	INCOME 2022
Grants from Governments		
Ministry of Foreign Affairs The Netherlands	7,579,866	7,712,493
Embassy of the Netherlands	2,210,251	945,336
Swedish International Development Cooperation Agency (SIDA)	1,012,597	1,572,370
Finnish Ministry of Foreign Affairs	182,221	31,715
Dutch Ministry of the Interior and Kingdom Relations	166,261	109,540
Grants from Governments	11,151,196	10,371,455
Grants from the European Union		
European Union	3,023,550	1,847,928
Grants from the European Union	3,023,550	1,847,928
Grants from multilateral & other donors		
Different donors	1,861,041	1,639,597
Grants from multilateral & other donors	1,861,041	1,639,597
	16,035,788	13,858,980

3.4 NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

3.4.1 SPECIFIED STATEMENT EXPENDITURE 2023

NIMD's budget contains two categories: items spent on country and regional programmes, which includes knowledge, positioning and innovation, and management & accounting costs. The core of our work, of course, relates to the first category and this is the biggest part of our budget. The budget and actual project expenses for the country and regional programmes comprise direct activity costs (e.g. mission costs, or activities in The Netherlands), as well as direct local overhead costs of the implementing partner organizations and NIMD country offices.

Based on our timewriting, we have split the salaries and staff expenses into two parts. The direct time has been listed under the country and regional programmes, and under knowledge, positioning & innovation. All indirect time of our staff expenses and all other general expenses have been included under management and accounting costs, which are shown in the second category of our budget. For a specification of the split of the salary costs and the detailed management and accounting costs, please see chapter 3.5.

		EXPENDITURE 2023	BUDGET 2023	ACTUALS 2022
Spent in country- & regional programmes	a	12,433,625	13,596,087	10,868,116
Spent on country- & regional programmes in NIMD HQ	b	1,911,827	2,037,193	1,545,115
Management & accounting costs in NIMD HQ		1,689,278	1,530,753	1,659,277
		16,034,729	17,164,034	14,072,507

See 3.4,2

Of our spending in country & regional programmes (a) most has been spent in Ethiopia (13%), Guatemala (8%), Uganda (6%) and Benin (6%). The PoD programme granted by the Ministry of Foreign Affairs, The Netherlands forms the biggest contribution to the total income of EUR 16 million with 28%, followed by the European Union (18%), the Leap 4 Peace Programme granted by the Ministry of Foreign Affairs, the Netherlands (15%), and several Royal Dutch Embassies (14%). In 2023, we had 11 contracts running financed via the European Union (Benin, El Salvador, Ethiopia, Guatemala, Honduras, Kenya, Mali and Somaliland).

3.4 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

3.4.2 SPECIFIED STATEMENT MANAGEMENT & ACCOUNTING COSTS 2023

	ACTUALS 2023	BUDGET 2023	ACTUALS 2022	
Salaries and staff expenses	2,948,969	3,032,049	2,483,967	3.4.2.1
Office expenses	301,599	350,236	328,945	3.4.2.2
Depreciation	46,346	33,400	114,148	3.4.2.3
General Expenses	304,191	152,262	277,332	3.4.2.4
	3,601,105	3,567,947	3,204,392	

Based on our timewriting, we have split the salaries and staff expenses into two parts. The direct time has been listed under the country and regional programmes, and under knowledge, positioning & innovation. All indirect time and other expenses have been included under management and accounting costs. Below, under 3.4.2.4. a detailed explanation can be found.

Salaries and staff expenses					
Spent on country- & regional programmes	77.5%	Direct	70.1%	1,603,038	a
		Indirect	29.9%	683,647	b
Management & accounting costs	22.5%	Direct	46.6%	308,789	a
		Indirect	53.4%	353,495	b
				2,948,969	-

		Salaries and staff expenses	Office-, general expenses and depreciation	Total
Spent on country- & regional programmes	a	1,911,827	-	1,911,827
Management & accounting costs	b	1,037,142	652,136	1,689,278
		2,948,969	652,136	3,601,105

NOTES TO THE SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS

3.4.2.1 Salaries and staff expenses

Breakdown of the employee costs:

	ACTUALS 2023	BUDGET 2023	ACTUALS 2022
Gross Salaries	2,216,221	2,240,793	1,802,058
Social Securities	386,585	412,425	311,927
Other salary costs	4,671	2,500	19,069
Pension	199,544	187,809	207,621
Commuting	51,371	28,400	26,764
Mission costs for indirect staff	39,737	29,900	13,539
Education & Training	49,786	77,900	27,353
Staff Insurances	-	-	178
Security Policy	10,500	15,000	5,100
Other personnel costs	24,202	43,250	76,287
Reimbursements from staff insurances	-33,650	-5,928	-5,928
	2,948,969	3,032,049	2,483,967

Salaries and staff expenses are in line with the budget of 2023 and higher than the previous year (3% below budget, 19% above 2022). In 2022, NIMD employed 29,04 FTE, in 2023 this was 31,68 FTE. As indicated our overall spending is within budget, but some deviation can be seen on certain items, which we will explain below. We started in 2023 with 33 colleagues and ended the year with 36 persons working in The Hague office. In total 10 colleagues joined and 7 colleagues left NIMD during the year.

NOTES TO THE SPECIFIED STATEMENT PROGRAMME MANAGEMENT COSTS (Continued)

The gross salaries, social securities expenses all were in line with the budgeted amounts and a bit higher than last year. The major increases this year were on account of local and international travelling due to cost inflation and higher spend on staff training compared to previous year.

The other salary costs are lower compared to the budgeted amount and previous year, due to lower recruitment costs in 2023.

In 2023 we did not use the full amount for Training and Development, nor for Safety and Security. The expenses related to the remuneration of the supervisory council (see WNT in chapter 3.5) and temporary staff are included here.

Like last year, costs of illness of staff members for an extended period were covered by our insurance. The reimbursement of staff insurances in 2023 was higher than budgeted and also higher than the 2022 actuals.

3.4.2.2 Office expenses

Breakdown of the office costs:

	ACTUALS 2023	BUDGET 2023	ACTUALS 2022
Rent	128,799	130,000	126,127
Cleaning	13,483	42,936	43,159
Other housing expenses	4,822	16,200	9,742
ICT-expenses	69,121	99,900	80,695
Phone and Internet expenses	61,086	30,200	34,498
Bank charges	4,089	15,000	21,030
Other Office expenses	20,199	16,000	13,694
	301,599	350,236	328,945

Within the office expenses overall we are in line with the budgeted amount and higher than previous year by 9%. Rent, which is the biggest budget line in this category shows an increase of 30%, which is caused by inflation corrections and higher service costs in general.

Our ICT expenses are a bit below budget. Bank charges include the negative interest to be paid for cash balances above a certain amount.

3.4.2.3 Depreciation

Breakdown Depreciation

	ACTUALS 2023	BUDGET 2023	ACTUALS 2022
Depreciation furniture	1,338	3,500	2,404
Depreciation computer equipment	26,656	27,300	18,734
Depreciation Project Connect	16,613	-	91,510
Depreciation Renovation Office	1,738	2,600	1,499
	46,346	33,400	114,148

Depreciation is in line with the budget and lower than 2022 with the exception of the depreciation of Project Connect and computer equipment. As we have an appropriated reserve for Project Connect, costs will not have an impact on the overall result and were therefore not budgeted. For the computer equipment, the foreseen investment in new equipment was done in 2022 resulting in a higher depreciation during 2023.

3.4.2.4 General expenses

Breakdown General Expenses

	ACTUALS 2023	BUDGET 2023	ACTUALS 2022
Third party services	40,495	63,000	87,396
Audits	174,414	38,000	41,440
Insurances	21,191	21,100	16,111
Other General expenses	17,389	30,162	26,974
Differences / other gains & losses	50,702	-	105,411
	304,191	152,262	277,332

The general expenses are higher than budgeted which was caused by the amount included under "Differences / Other gains & Losses" and provision of audit costs for 2023. The differences / other gains and losses also include exchange rate differences where amounts in foreign currency are translated into euros at the exchange rates of the balance sheet date. Transactions denominated in foreign currency are translated at the exchange rates ruling at the time of the transaction. The result of all these differences are not budgeted, because of their unpredictability, but have been incorporated in the statement of income and expenditure.

3.4 Specification Wet Normering Topinkomens

The Supervisory Council determines the remuneration policy, the amount of the remuneration of the Executive Board, and the amounts of the other elements of remuneration. Following the agreements in 2011, this parcel was once more confirmed in 2016.

The Law "Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector" (WNT) applies since 2013. The justification is based on the WNT-limits for development.

The maximum remuneration in 2023 for NIMD's senior executive is €205.000. The displayed individual WNT-limit is calculated in proportion to the size and also to the time of employment, with the knowledge that the calculation can never be greater than 1.0 FTE. The individual WNT-limit for the members of the Supervisory Board is for the chairman 15% and for the other members 10% of the maximum remuneration of the senior executive, calculated in proportion to the duration of employment.

Mr T. Berman	
2023	
Function	Executive Director
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	0.9474
Contract Type	Employment
<u>Remuneration</u>	
Remuneration	102,671
Remuneration payable in time (Pension Contribution)	17,753
Total	120,424
Individual Remuneration maximum (WNT)	194,211
Minus: unduly paid and not yet reimbursed	0
Total remuneration	120,424
Reasons for acceptance/rejection exceeding maximum remuneration	Not Applicable
Explanation of unduly paid and not yet reimbursed	Not Applicable

2022	
Function	Executive Director
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1 / 0,9474 *
Contract Type	Employment
<u>Remuneration</u>	
Remuneration	102,182
Remuneration payable in time (Pension Contribution)	15,483
Total	117,665
Individual Remuneration maximum (WNT)	195,509
Minus: unduly paid and not yet reimbursed	0
Total remuneration	117,665
Reasons for acceptance/rejection exceeding maximum remuneration	Not Applicable
Explanation of unduly paid and not yet reimbursed	Not Applicable
* As of 01-09-2022 the size of the employment became 0,9474 (36 hours)	

Remuneration of supervisory council

2023

	Mr E. Kronenburg	Mrs. I. van Biezen	Mrs. A. Mijnsbergen	Mrs. W.J.J.M. van Eupen	Mr. F. de Lange	Ms. K.G. Ferrier	Mr. U. Kock	Ms. M. Smit
Function	Chairman	Member	Member	Member	Member	Member	Member	Member
Duration of membership	01-01 / 31-12	01-01 / 25-03	01-01 / 25-03	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	24-04 / 31-12	24-04 / 31-12
Individual WNT maximum	30,750	4,662	4,662	20,500	20,500	20,500	14,097	14,097
<u>Remuneration</u>								
Salary		0	0	0				
Remuneration	1,000	0	250	1,250	1,000	1,250	750	500
Pension Contribution	0	0	0	0	0	0	0	0
Total remuneration	1,000	0	250	1,250	1,000	1,250	750	500

2022

	Mr E. Kronenburg	Mrs. I. van Biezen	Mrs. A. Mijnsbergen	Mrs. W.J.J.M. van Eupen	Mr. F. de Lange	Ms. K.G. Ferrier	Mrs. E. Nauta - van Moorsel
Function	Chairman	Member	Member	Member	Member	Member	Member
Duration of membership	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12	01-01 / 31-12
Individual WNT maximum	29,850	19,900	19,900	19,900	19,900	19,900	19,900
<u>Remuneration</u>							
Salary		0	0	0			
Remuneration	1,250	1,250	1,000	1,250	1,250	750	1,000
Pension Contribution	0	0	0	0	0	0	0
Total remuneration	1,250	1,250	1,000	1,250	1,250	750	1,000

Remuneration of supervisory council

INDEPENDENT AUDITOR'S REPORT

To: the supervisory board and the management of
Stichting Netherlands Institute for Multiparty Democracy.

A. Report on the audit of the consolidated financial statements 2023 included in the annual report.

Our opinion

We have audited the consolidated financial statements 2023 of Stichting Netherlands Institute for Multiparty Democracy based in 's-Gravenhage, the Netherlands.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Stichting Netherlands Institute for Multiparty Democracy at 31 December 2023 and of its result for 2023 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board) and the 2023 Policy rules implementation of the Standards for Remuneration Act (WNT).

The consolidated financial statements comprise:

1. The consolidated balance sheet as at 31 December 2023;
2. the consolidated statement of income and expenditure for 2023; 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 and the Audit Protocol WNT 2023. 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 Netherlands Institute for Multiparty Democracy 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.

Wamberg Offices
Wamberg 37
1083 CW Amsterdam
Postbus 53028
1007 RA Amsterdam
Telefoon 020 571 23 45

E-mail info@dubois.nl
www.dubois.nl
KvK nummer 34374865



Compliance with rule against overlapping pursuant to the WNT not audited

In accordance with the 2023 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)(n/o) 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.

The annual report contains other information, in addition to the financial statements and our auditor's report thereon, being 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 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations').

C. Description of responsibilities regarding the financial statements

Responsibilities of the supervisory board and the management for the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations') and the 2023 Policy rules implementation of the Standards for Remuneration Act (WNT). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

Management 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 overseeing the organisation's financial reporting process.

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 skepticism throughout the audit, in accordance with Dutch Standards on Auditing and the Audit Protocol WNT 2023, 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 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 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.



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

Amsterdam, 12 February 2025

Dubois & Co. Registeraccountants

A.P. Buteijn RA

A. Koek RA