



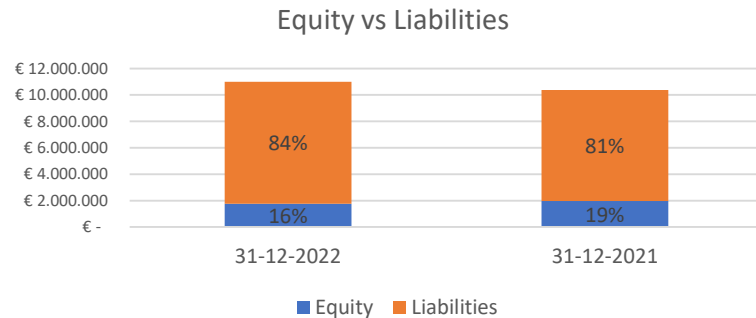
2022

financial report

Netherlands Institute for
Multiparty Democracy

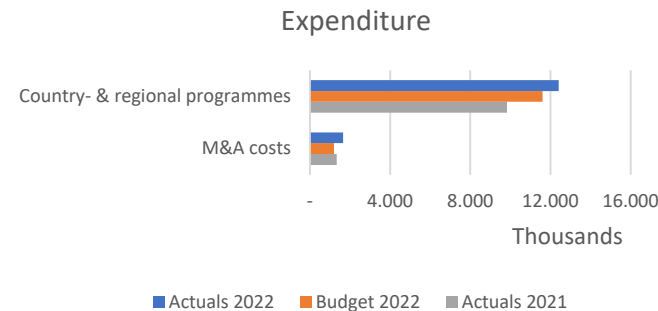
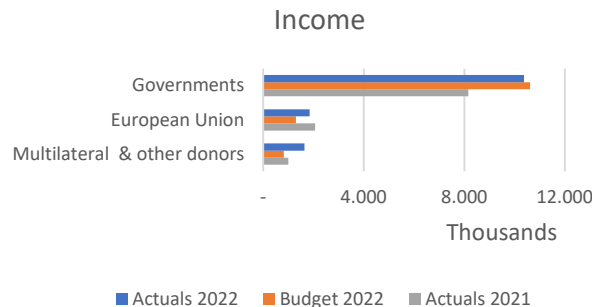
Key Figures 2022

Equity vs Liabilities



In 2022 NIMD had a modest negative result of €0.2 million. Compared to last year, our equity decreased in 2022, due to this result. This was foreseen in our 2022 budget and is mainly caused by the revaluation. Our liabilities increased in 2022, by almost €1 million. This is because we received more pre-financing from donors. As a consequence, the ratio of equity to liabilities became 16% of the total balance.

Income & Expenditure

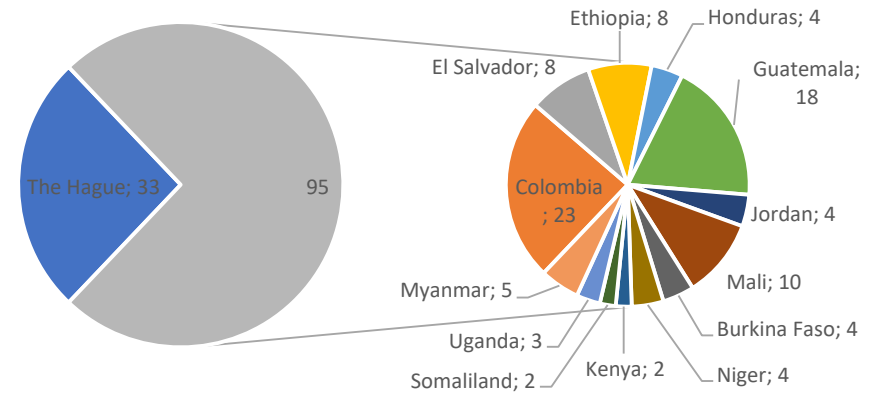


In 2022, NIMD received income for programmes from 21 different donors. These contributions brought our total annual income to €13.9 million, higher than NIMD’s income of €11.2 million in 2021 and an altime record for NIMD. This mainly due to spending more in the ongoing MFA grants and the starting new grants in 2022. This amount provided a solid basis for NIMD to continue its work worldwide in the coming years, and is a above the 2022 annual budget (€12.7 million). Of NIMD’s total expenditure in 2022 (€14.0 million), we spent 88% (€12.4 million) on programmes. These included country and regional programmes, and thematic programmes (knowledge, innovation and positioning).. The remaining 12% was allocated to non-direct human resources and office running costs (management and accounting costs).

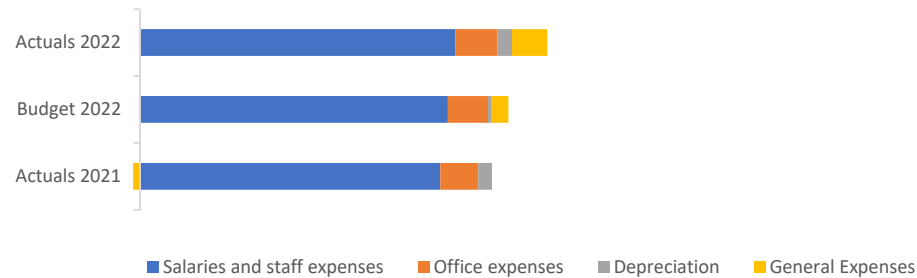
Key Figures 2022

Employees in offices NIMD (per 31/12/2022)

NIMD had fourteen offices in 2022 (including NIMD HQ), in which 128 people work, in total, either under a staff contract or as consultants. The biggest of these offices is our international office in The Hague (33 persons) and our office in Colombia (23 persons). In most offices, the number of staff is generally in line with the previous year except for Guatemala where 8 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 2022 (€3.2 million in 2022, compared to €2.7 million in 2021). This only in terms of volume, because in relation to the overall costs, the M&A costs went down (24% in 2021, 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 2022	
1.1	Statement of the Executive Director	4
1.2	Statement of the Supervisory Council	7
1.3	Organization and Quality Management	10
1.4	Budget 2023	12
2	CONSOLIDATED FINANCIAL STATEMENTS	
2.1	Consolidated Balance sheet	13
2.2	Consolidated Statement of income and expenditure	14
2.3	Consolidated Cash flow statement	15
3	NOTES	
3.1	General notes and principles of valuation and calculation of results	16
3.2	Notes to the consolidated balance sheet	19
3.3	Consolidated Income overview	22
3.4	Notes to the consolidated statement of income and expenditure	23
3.5	Specification Wet Normering Topinkomens (WNT)	26
4	Other	
4.1	Auditors Report	

1.1 STATEMENT OF THE EXECUTIVE DIRECTOR

In 2022, NIMD has been able to consolidate and expand its activities. The clear backlash against democracy observed in many parts of the world has been met with an increase in the demands for NIMD to engage, both in regions where we already are active and in regions where NIMD has not had programmes since several years.

The expansion of our portfolio is not only the result of an increased demand for democracy support and the attempt to counter the gradual erosion of democracy globally. It is also a clear result of our strategic decision to invest in external relations and fundraising, primarily by actively engaging in a dialogue with existing and potential donor partners, and by lending more support from our headquarters to our country offices in our efforts to acquire new contracts. This decision, based on the need to diversify the array of donor partners and reach a higher level of financial stability in the years to come, has been successful within two years. The disproportional weight of the Dutch Ministry of Foreign Affairs in our funding has decreased and while the Ministry will likely remain the most important 'natural ally' of NIMD, it is a welcome development for NIMD to see its horizon enlarged and become more resilient.

A higher number of contracts, all with their own timetable for implementation and reporting, puts more pressure on NIMD colleagues and highlights our need to access un-earmarked funding that would allow NIMD to invest in additional staff. This is crucial, not only for the implementation of existing contracts, but also for the constant adaptation and innovation of our products to changing contexts with the flexibility that has made NIMD one of the leading democracy support organizations in the world.

The financial year 2022 ended with a slightly bigger negative result than foreseen in 2021, but with a stable and expanding funding position. We continued on this path of growth in our donor base in 2023, and will make sure next year a satisfactory result can be shown again.

NIMD IN 2022

EXPENDITURE

The total expenditure in 2022 amounted to € 14.1 million, which is 10% above the expected 2022 budget and 26% above the 2021 actual expenditure. The main reason for this increase are the new donor contracts that started in 2022. This increase is gradual and continuous.

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 (88% in 2021 compared to 88% in 2022). As can be seen, the proportion of the budget allocated for total management and accounting costs also remained on the same level (12% in 2021 and 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 2022"). 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 38% over budget and 25% higher than last year. This increase is explained by different reasons. The start of new contracts implied that additional staff has been hired for their implementation, the costs have increased considerably in 2022 (general inflation), and the revaluation of our foreign currency positions had a negative effect on this balance.

THE OPERATING RESULT

NIMD's continuity reserve ensures that the organization can meet its future obligations and has sufficient means to react on eventualities. In 2022, NIMD has had to spend € 122.000 from our **continuity** reserves (in 2021 we added: € 157.000). 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.

Section 3.3 ("Income Overview") offers an overview of different donor partners that contributed to this result. Section 3.4 ("Specified statement Expenditure 2022") gives a more detailed explanation of the expenses in 2022, including the management and accounting expenses.

FUNDRAISING

NIMD's funding base will need to be further diversified over the coming years and the organization has assigned dedicated fundraising staff to materialize this ambition, together with our Programme & Knowledge Advisors and colleagues at the country offices. With each donor presenting its own programme demands and requirements for accountability, the task of delivering and reporting progress to a wider variety of donors will be increasingly complicated. To address this, NIMD is adopting a continuous improvement process for its internal management information system and procedures (e.g. approval of new funding opportunities). Next to the use of our Project Management System, a separate team within the office in The Hague is tasked with the responsibility to manage these different demands, in close collaboration with our colleagues abroad.

In 2022, the Netherlands Ministry of Foreign Affairs including the Royal Netherlands Embassies (RNE) again provided 62,1% of the organization's overall income, this is more or less on the same level compared to 2021 (61,5%). The figure is a consequence of NIMD's ambition to decrease the proportional weight of the Dutch MFA funding (2019: 74%, 2018: 72%, 2017: 80%, 2016: 79%). The percentage is in line with our budget for 2022, where we expected 61%.

In 2022, contracts with the European Union (Burundi, El Salvador, Ethiopia, Honduras, Mali and Somaliland) represented 13% of our income (in 2021 this was 18%). Other governments, together with other (multilateral) donors provided 25% of the income (in 2021 this was 20%). Within this last category, our programmes in Colombia and Guatemala, financed by Swedish International Development Cooperation Agency (SIDA) cover 12%.

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 thirteen country offices, offices in Burkina Faso, Colombia, El Salvador, Ethiopia, Guatemala, Honduras, Jordan, Kenya, Mali, Myanmar, Niger, Somaliland and Uganda.

In Myanmar, the 2021 coup d'état has forced us to leave the country, but we have been able to adapt the implementation of our programmes and now work from Thailand (Bangkok), where we continue our work in and for Myanmar.

In total, 95 persons are working in NIMD's country/regional offices, excluding the staff at headquarters in The Hague. This increase compared to 2021 (85) is mainly due to the new project offices in Somaliland and Kenya and new staff in Colombia and Mali. At the beginning of 2022, NIMD's headquarters in The Hague hosted 30 employees (28,21 FTE). By 31 December 2022, this number was 33 employees (29,04 FTE). In total, eleven 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. Within two years, NIMD should be able to engage the next round of Dutch MFA funding with confidence, thanks to the high quality implementation of programmes by NIMD as a strong network organization, and thanks to an increased financial stability through the diversification of donor partners. This is a realistic objective, because we can build on the strong confidence shown to NIMD by its partners and the people we work with.

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.

Thijs Berman (Executive Director), February 2024

1.2 STATEMENT OF THE SUPERVISORY COUNCIL

THE SUPERVISORY COUNCIL

The Supervisory Council is charged with the supervision of the 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 Supervisory Council is responsible for the following duties and powers:

- 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 January 2021 Mr E. Kronenburg is the chair of the Supervisory Council. On 31 December 2022, Ms H.A.M. Nauta – van Moorsel has left the Supervisory Council at the end of her first term, followed on 25 March 2023 by two other members, Ms A. Mijnsbergen and Ms. I. van Biezen, both at the end of their second term. The composition of the Council in 2023 and as per the date of approval of this report is as follows:

Name	Appointed to the Supervisory Council	End 1st term	Re-appointed	End 2 nd term
Mr E. Kronenburg, Chair	14 October 2020	13 October 2024		
Mrs W.J.J.M. van Eupen	01 November 2018	31 October 2022	01 November 2022	01 November 2026
Mr F.J.M. de Lange	01 January 2019	31 December 2022	01 January 2023	01 January 2027
Mrs K.G. Ferrier	01 March 2020	29 February 2024		
Mrs M. Smit	24 April 2023	23 April 2027		
Mr U. Kock	24 April 2023	23 April 2027		

FOCUS OF THE SUPERVISORY COUNCIL

The Supervisory Council meets regularly and, 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 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. In 2022, there were several meetings with the employee representative body and a few times with all the staff. Individual members of the Supervisory Council do meet the Executive Director, other members of the Management Team and of the rest of the staff on specific topics. The Supervisory Council aims to have a good and close relationship with all the staff in order to execute its supervisory and advisory roles as effectively as possible.

To improve the governance structure and in line with generally accepted good governance policies, the Supervisory Council started to work on their own regulations in 2019. This discussion led to the decision to create an Audit Committee and a Remuneration Committee, with dedicated regulations for those committees. The regulations were approved on 7 May 2020. The committees are installed as per that date.

As of 7 May 2020, the members of the Audit Committee are Mrs A. Mijnsbergen (Chair) and Mrs I.C. van Biezen. 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.

The Supervisory Council had five meetings in 2022. During these meetings the following topics were on the agenda:

- Self-evaluation Supervisory Council;
- Financial - and operational management including Human Resources;
- Follow up and monitoring on the fundraising strategy;
- Give input to entry and exit criteria, including a country focus;
- Opening of country office in Kenya;
- Approval of the Annual Report including Financial Statements 2021;
- Reporting of findings based on the audit executed in 2021 by Dubois & Co Register-accountants;
- Discussion on the Social Annual Report provided by the Confidential Advisor 2021;
- Approval of the annual plan for 2023, including budget;
- The composition of the Supervisory Council related to upcoming vacancies and the regulations of the Supervisory Council, Audit Committee and Remuneration Committee;
- Policy and activities - related to programmes and projects and to knowledge and strategic relations (including communications) - of NIMD and the decision-making process related to the starting and ending of activities (including in specific countries);
- Monitoring of the situation in Myanmar and what impact this has on the staff, office and programming;
- Regulations of the Advisory Council.

AUDIT COMMITTEE in 2022

The Audit Committee (AC) formally met twice in 2022. In between there was regular contact with the Executive Director and the Head of Finance, Control & Support on specific issues the AC needed to be informed about, 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 or in between, if necessary.

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 the moment there is a suspicion of financial mismanagement.

In 2022, specific attention was given to a number of subjects including the human resources and treasury. In addition, the annual financial report 2022, the budget for 2023, the way of dealing with exchange rate differences and the internal cost recovery policy have been discussed.

REMUNERATION COMMITTEE in 2022

On 20 January 2022 and on 18 January 2023, the Remuneration Committee also 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 strives to perform a yearly self-evaluation, as a regular part of its responsibilities. In 2023, the self-evaluation is scheduled to take place in Q3, it will be prepared by the Remuneration Committee.

The Remuneration Committee also prepared a discussion, held in May 2022, on the composition of the Supervisory Council related to upcoming vacancies and the regulations of the Supervisory Council, Audit Committee and Remuneration Committee.

1.3 Organization and Quality Management

GOVERNANCE STRUCTURE

The Netherlands Institute for Multi-Party Democracy (NIMD) is a foundation. Its highest governing body – the Supervisory Council (SC) – oversees NIMD’s work and strategic direction by approving important policy documents, such as the organization’s multi-annual plans, financial overviews and the selection of strategic partners. The Supervisory Council appoints the Executive Director, who is responsible for the governance of NIMD, its strategic development, financial position and overall performance. The Executive Director works in a Management Team (MT) of three persons (including himself, the Head of Programmes & Knowledge and the Head of Finance, Control & Support).

The Advisory Council (AC) is a body that at its inception consisted of representatives from NIMD’s seven founding political parties and serves as the linking pin with these parties. Following the statutes of NIMD, all more recent political parties elected in Dutch parliament are invited to join the Advisory Council, and in 2021 the pan-European party Volt has joined. The Advisory Council meets at least twice a year. Its main, formal role is to provide advice, including at its own initiative, to the Executive Director and the Supervisory Council.

At the NIMD’s headquarters in The Hague, the Staff Representation (SR) consists of three members elected by the staff and acts as the collective voice of the workforce at NIMD’s Headquarters.

NIMD is registered under RSIN identification number 810625921 and operates as a Public Benefit Organization under Dutch tax law with *Algemeen Nut Beogende Instelling* (ANBI) status. This entails a number of benefits and responsibilities such as tax advantages for funding partners.

The Financial Statement 2022 fulfills the requirements set out by the Guideline 640 for Non Profit Organizations and is audited by Dubois & Co. The Executive Director of NIMD adopts the Financial Statement after approval by the Supervisory Council.

QUALITY MANAGEMENT 2022

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. In 2021, NIMD was audited by SGS in December 2022 according to the ISO 9001:2015 and Partos 9001:2018 version, and its ISO-certificate has been renewed.

This certification ensures the effectiveness of our quality and control system and strengthens our accountability to our stakeholders.

NIMD continued to carry out internal audits of its quality management system, monitoring risks and looking at all opportunities for improvement. At the same time, in 2022, we took the time to review all of NIMD’s internal processes to ensure the quality of our work. Moreover, NIMD also complies with the general guidelines of the International Aid Transparency Initiative (IATI). NIMD is committed to the quality of its work and ensures that our work is efficient and transparent.

RISK MANAGEMENT

At NIMD, risk management is a system that evaluates, counters and mitigates risks at different levels of the organisation. This enables NIMD to observe and manage the impact of potential uncertainties and to ensure foresight and appropriate risk-based decision-making at all levels of the organization.

At NIMD, every employee has a role to play in managing risks, from identifying to countering and mitigating them. However, it is important that every member of staff understands what is expected of them in the risk management process. Within NIMD there are different levels at which risks are assessed.

Risks at the organizational level

The Supervisory Council meets with the Executive Director at least four times a year. Upon invitation, these meetings are held in the presence of the Management Team. In these meetings risks are discussed, as they are included in the progress reports. In addition, the MT is responsible for sending an annual plan and budget to the Supervisory Council indicating possible risks.

Risks at the program level

The Global Annual Work Plan is discussed on the Management Team level, where each country office provides their own risk assessment. This risk assessment is included and reviewed in the annual plans where risks are identified and evaluated by the Grant Coordinators to inform decision-making and used for monitoring.

Risks at the country program level

On the Country Programme level the Political Economic Analysis (PEA) review gives a good indication on what programmatic risks there are and how to mitigate them. NIMD also has a set of policies and procedures that are integrated to the Risk Management System at NIMD. These procedures and policies are applied to manage and avoid certain risks within the organization, including the risks on country level.

IDENTIFIED RISKS IN 2022

With the end of the two major grants funded by the Ministry of Foreign Affairs (The Netherlands Strategic Partnership Grant and the Dialogue for Stability Grant) in 2020, NIMD expects that income will fluctuate more than in previous years and the coverage of overhead costs will be less flexible than in previous years. This impacts on NIMD's selection of funding opportunities: if they require co-financing by NIMD, this is only feasible if matching funds from our continuity reserve are available and if their use can be justified.

As for the implementation of programmes, NIMD has been increasingly working in post-conflict areas, and will continue to work in conflicted-affected and fragile environments in the near future. The volatility of the political situation in these environments often leads to a degree of uncertainty about the potential to allocate funding as planned, as illustrated by the situation in Myanmar since the coup d'état early 2021. This risk is acknowledged and mitigated by continuous monitoring and evaluation, while keeping our donors informed and agreeing on any changes in programming with them.

Another financial risk arises from NIMD's model of working with organizations whose expertise and capacities sometimes need to further be developed. To mitigate this risk, programme progress and accountability are accurately monitored through financial and narrative reports, audits, missions and evaluations, as well as through a fraud and incapacity policy.

As indicated, in addition, a yearly risk assessment screens the organizational capacity of the implementing partner organizations and country offices. Based on these assessments, some partner organizations/country offices will need to further invest in optimizing their capacity and sustainability.

Aside from these risk assessments, NIMD normally visits each country office once every two years for an internal audit. This gives a good and quantifiable oversight of the country office's capacities, priorities, and ongoing responsibilities. In 2022, internal audits were carried out in the offices in Ethiopia, Jordan, Mali, Colombia and Uganda.

On the management of staff-related risks, we continued to invest in our integrity policy in 2022. This served to ensure that our policy properly reflects the most recent insights on how to respect the highest possible standards of integrity in NIMD's activities, both internally and in our contacts with partners, suppliers and clients. A more detailed description of this policy can be found in the 2022 annual report.

As part of our Safety & Security Policy we attach a high priority to personal safety. This applies to our colleagues working in The Hague office, colleagues in the different country offices, and the partner organizations involved in our programmes and projects.

1.4 BUDGET 2023

All amounts in euros

		BUDGET 2023
INCOME		
Grants from Governments	Power of Dialogue	6.836.586
	LEAP 4 Peace	1.175.355
	Other	4.784.893
Grants from the European Union		4.001.714
Grants from bi- & multilateral donors		351.123
		17.149.671
EXPENDITURE		
Spent on country- & regional programmes (including Knowledge, positioning & Innovation)		15.633.281
Management & accounting costs		1.530.753
		17.164.034
Result		-14.363

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 2023 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 2023 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 2022 the new programmes provide a stable source of income, still 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. With this in mind a deficit is expected and accepted and the coverage is increasing as the total amount of revenue.

2.1 CONSOLIDATED BALANCE SHEET

All amounts in euros

	31/12/2022	31/12/2021	
ASSETS			
FIXED ASSETS			
Intangible fixed assets	16.613	108.123	3.2.1
Tangible fixed assets	179.005	123.041	3.2.2
CURRENT ASSETS			
Receivables			
Accrued subsidies	996.123	757.851	3.2.3
Programme receivables & prepayments	574.695	333.625	
Other advance payments & accrued receivables	103.026	167.633	
	1.673.844	1.259.109	
Liquidities	9.131.325	8.884.769	3.2.4
TOTAL ASSETS	11.000.787	10.375.043	
LIABILITIES			
EQUITY			
Continuity reserve	1.737.928	1.859.946	3.2.5
Appropriated reserve	16.613	108.123	
	1.754.542	1.968.069	
LONG-TERM LIABILITIES			
Rental debt	50.060	63.885	3.2.6
	50.060	63.885	
CURRENT LIABILITIES			
Advance received subsidies	7.954.308	6.463.136	3.2.7
Programme liabilities	875.254	1.475.609	
Other advance receipts & accrued liabilities	366.623	404.343	
	9.196.185	8.343.088	
TOTAL LIABILITIES	11.000.787	10.375.043	

2.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

	ACTUAL 2022	BUDGET 2022	ACTUAL 2021	
INCOME				3.3
Grants from Governments	10.371.455	10.609.929	8.159.469	
Grants from the European Union	1.847.928	1.297.711	2.063.122	
Grants from bi- & multi lateral donors	1.639.597	813.227	995.501	
TOTAL INCOME	13.858.980	12.720.867	11.218.093	
EXPENDITURE				3.4
Spent on country- & regional programmes (including Knowledge, positioning & Innovation)	12.413.231	11.610.414	9.823.971	
Management & accounting costs	1.659.277	1.204.099	1.328.106	
TOTAL COSTS	14.072.507	12.814.513	11.152.077	
RESULT BEFORE APPROPRIATION	-213.528	-93.646	66.016	
Added to/withdrawn from:				
Reserves				
Appropriated reserve Project Connect	-91.510	-	-91.510	
	-91.510		-91.510	
RESULT AFTER APPROPRIATION	-122.018	-93.646	157.526	
ALLOCATION OF RESULTS	RESULT 2021		RESULT 2020	
Continuity reserve	-122.018		157.526	
Appropriated reserve Project Connect	-91.510		-91.510	
	-213.528		66.016	

2.3 CONSOLIDATED CASH FLOW STATEMENT

All amounts in euros

	2022	2021
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result	213.528-	66.016
Corrections for:		
- Depreciation assets	114.148	107.074
Changes in working capital:		
- Receivables	414.734-	134.867
- Liabilities	839.272	1.463.775
	<u>424.537</u>	<u>1.598.642</u>
NET CASH GENERATED FROM OPERATIONAL ACTIVITIES	325.157	1.771.732
CASH FLOW FROM INVESTING ACTIVITIES		
- Investments	-78.602	20.481-
NET CASH USED IN INVESTING ACTIVITIES	78.602-	20.481-
IN- / DECREASE IN LIQUIDITIES	246.555	1.751.251
CHANGE IN LIQUIDITIES		
Liquidities as of 01 January	8.884.769	7.133.519
Liquidities as of 31 December	<u>9.131.325</u>	<u>8.884.769</u>
IN- / DECREASE IN LIQUIDITIES	246.555	1.751.251

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.

CONSOLIDATION 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, Colombia, El Salvador, Ethiopia, Honduras, Guatemala, Jordan, Mali, Myanmar, Niger, the Netherlands and Uganda. At the end of 2020, the office in Benin was closed due to the end of the programming in Benin. In 2021 we started the process of registering an office in Thailand to continue our work in Myanmar.

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 2022, NIMD paid a membership fee of €25.000 (2021: €25.000) and in 2022 no separate contract for ILA towards lobbying of the EU (2021: €0 ; 2020: € 100.000).

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.

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					166.407
Mutations in year					91.510
Accumulated amortization after mutations at year end					257.917
Book value at beginning of year					108.123
Added: investments					-
Deducted: depreciation 33%					91.510
Book value at year end					16.613
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	194.819	174.679	112.751		482.248
Mutations in year	74.564	4.881	4.383		83.828
Acquisition price at year end	269.382	179.560	117.134		566.077
Accumulated depreciation at beginning of year	190.907	173.049	110.771		474.727
Depreciation in year	18.734	2.404	1.499		22.638
Accumulated depreciation after mutations at year end	209.641	175.453	112.270		497.364
Book value at beginning of year	3.911	1.630	1.980	115.519	123.041
Mutations in year	74.564	4.881	4.383	-5.226	78.602
Depreciation in year	18.734	2.404	1.499		22.638
Book value at year end	59.741	4.107	4.864	110.292	179.005

The mutations presented are the 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		31 December 2022	31 December 2021
ACCRUED SUBSIDIES			
Ministry of Foreign Affairs The Netherlands		-	-
European Union		425.029	585.597
Other		571.094	172.254
		996.123	757.851

The accrued subsidies show the claims of NIMD towards donors, based on signed agreements, which are part of the programme income in 2022, which have not been received yet. For the biggest part, this relates to claims towards EU funded programmes 43% (a global programme via EPD, Burundi, Honduras, Kenya and Mali). As our programme in Honduras will end mid 2023, the final installment from the delegation has not been received yet and explain the increase compared to last year. Also the (ongoing) EU Programme in Honduras shows a relatively big claim towards the European Union.

PROGRAMME RECEIVABLES & PREPAYMENTS	574.695	333.625
--	----------------	----------------

The programme receivables and pre-payments are either advance contract payments for 2023 or costs paid in 2022, but relating to 2023. The biggest part (68%) relates to unspent balances of 2022 (which is an advances for 2023) for our (consortium) partners within our PoD and L4P grants. This year also the partners financed under the RNE programmes in Benin are represented under this category and therefore the amount is higher than last year (2021).

3.2.3	RECEIVABLES (continued)	31 December 2022	31 December 2021
OTHER ADVANCE PAYMENTS & ACCRUED RECEIVABLES			
	Accrued interest	-	-
	Advances to staff	5.186	710
	Rent advance	52.717	48.250
	Claim with regards to supplies and services International IDEA	-	13.706
	Debtors	22.828	1.000
	Other non-programme advances & accruals	22.294	103.968
		103.026	167.633

The other advance payments and accrued receivables mainly relate to payments done in 2022, but which relate to 2023. Of which the prepayment of the rent and prepayment of insurances form the biggest part (52%)

3.2.4	LIQUIDITIES	31 December 2022	31 December 2021
	Bank accounts NIMD Head Quarter	6.792.261	6.833.749
	Petty cash NIMD Head Quarter (EUR and foreign currencies)	3.370	3.508
	Bank accounts Country Offices	2.331.321	2.042.957
	Petty cash Country Offices	4.373	4.555
		9.131.325	8.884.769

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 2022	31 December 2021
CONTINUITY RESERVE			
	Accumulated as of 01 January	1.859.946	1.702.420
	Added: result bookyear	-213.528	66.016
	Added: from appropriation reserve	91.510	91.510
	Deducted: used reserve	-	-
	Accumulated as of 31 December	1.737.928	1.859.946
APPROPRIATED RESERVE PROJECT CONNECT			
	Accumulated as of 01 January	108.123	199.633
	Added: from continuity reserve	-	-
	Deducted: used reserve	91.510	91.510
	Accumulated as of 31 December	16.613	108.123

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).

3.2.6	LONG-TERM LIABILITIES	31 December 2022	31 December 2021
RENTAL DEBT			
	Balance as of 01 January	63.885	18.667
	Added		68.494
	Deducted	13.826	23.275
	Balance as of 31 December	50.060	63.885

Of the open balance at year end 2021, an amount of EUR 13.825 will be paid in 2022 (within one year). The rest (EUR 36,234) will be used in the period 2024-2025. The increase in 2021 is caused by the signing of a new rent agreement in previous year (2021) (see below under "claims and liabilities not taken into account in the balance sheet")

3.2.7	CURRENT LIABILITIES	31 December 2022	31 December 2021
ADVANCE RECEIVED SUBSIDIES			
	Ministry of Foreign Affairs The Netherlands	3.902.717	3.757.024
	European Union	2.118.412	403.964
	Other	1.933.178	2.302.148
		7.954.308	6.463.136
	ADVANCE RECEIVED SUBSIDIES FROM MINISTRY OF FOREIGN AFFAIRS		
	Subsidy LEAP 4 Peace	1.169.987	154.387
	Subsidy Power of Dialogue	2.732.731	3.602.637
	-	3.902.717	3.757.024

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

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.

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.

PROGRAMME LIABILITIES	875.254	1.475.609
------------------------------	----------------	------------------

Programme liabilities can be either contract liabilities to be paid in 2023 (for costs related to 2022), or payments made in 2023 which relate to 2022. 54% relates to contract liabilities in Benin (IGD), Burundi (BLTP), Guatemala (Carter Center), Mozambique (IMD) and Myanmar (GEN). 38% relates to liabilities included in the accounts of our country offices.

OTHER ADVANCE RECEIPTS & ACCRUED LIABILITIES	31 December 2022	31 December 2021
Creditors	37.000	40.739
Other non-programme advances & accruals	8.470	49.504
Personnel related liabilities	321.153	314.100
	366.623	404.343
PERSONNEL RELATED LIABILITIES		
Capitalised holiday allowance rights	105.683	95.818
Holiday allowance	91.036	84.023
Income insurance premiums due	28.643	54.545
Salary to be paid	-	3.511
Other personnel related liabilities	11.457	-
Tax withheld from salary	84.334	76.202
	321.153	314.100

Other advance receipts and accrued liabilities relate mainly (57%) to personnel related liabilities of our staff in The Hague. The other non-programme advances and Creditors are all items paid in 2022, but related to 2021 (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 2022	INCOME 2021
Grants from Governments		
Ministry of Foreign Affairs The Netherlands	7.712.493	6.532.374
Embassy of the Netherlands	945.336	362.495
Swedish International Development Cooperation Agency (SIDA)	1.572.370	1.228.431
Finnish Ministry of Foreign Affairs	31.715	31.433
Dutch Ministry of the Interior and Kingdom Relations	109.540	4.736
Grants from Governments	10.371.455	8.159.469
Grants from the European Union		
European Union	1.847.928	2.063.122
Grants from the European Union	1.847.928	2.063.122
Grants from multilateral & other donors		
Different donors	1.639.597	995.501
Grants from multilateral & other donors	1.639.597	995.501
	13.858.980	11.218.093

3.4 NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

All amounts in euros

3.4.1 SPECIFIED STATEMENT EXPENDITURE 2022

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 2022	BUDGET 2022	ACTUALS 2021
Spent in country- & regional programmes	a	10.868.116	9.915.163	8.437.235
Spent on country- & regional programmes in NIMD HQ	b	1.545.115	1.695.251	1.386.735
Management & accounting costs in NIMD HQ		1.659.277	1.204.099	1.328.106
		14.072.507	12.814.513	11.152.077

See 3.4,2

Of our spending in country- & regional programmes (a) most has been spent in Guatemala (16%), Uganda (10%) and Mali (9%). The total amount of 11,1 mio has been financed mainly by our PoD programme granted by the Ministry of Foreign Affairs The Netherlands (42%), the European Union (15%) and SIDA (14%). In 2022 we had 8 contracts running financed via the European Union (Burundi, El Salvador, Ethiopia, Guatemala, Honduras, Mali and Somaliland).

The gross salaries, social securities expenses all were in line with the budgeted amounts and a bit higher than last year. The pension shows an increase of almost 47%, compared to the budgeted amount, but is in line with the total salary costs of previous year. In 2021 the pension costs were 10% of the gross salary, which is in 2022 12%.

The other salary costs are higher compared to the budgeted amount and previous year, due to more recruitment costs in 2022.

In 2022 we did not use the full amount for Training and Development, nor for Safety and Security. The actual other personnel cost are above budget, and relate to an investigation done by the complaints committee in 2022. Also 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, a credit amount was allocated to cover the costs of illness of staff members for an extended period. The reimbursement of staff insurances in 2022 was a bit lower than budgeted and also lower than the 2021 actuals.

3.4.2.2 Office expenses

Breakdown of the office costs:

	ACTUALS 2022	BUDGET 2022	ACTUALS 2021
Rent	126.127	113.100	107.114
Cleaning	43.159	38.500	25.623
Other housing expenses	9.742	16.300	6.567
ICT-expenses	80.695	86.700	90.617
Project Connect	-	-	-
Phone and Internet expenses	34.498	30.200	19.546
Bank charges	21.030	15.000	36.607
Other Office expenses	13.694	18.000	13.791
	328.945	317.800	299.864

Within the office expenses overall we are in line with the budgetted amount and previous year. Rent, which is the biggest budget line in this category shows an increase of 12%, which is caused by inflation corrections and higher costs in general. Cleaning costs are also 12% higher than foreseen, this mainly due the higher prices 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 2022	BUDGET 2022	ACTUALS 2021
Depreciation furniture	2.404	2.400	1.513
Depreciation computer equipment	18.734	18.200	5.108
Depreciation Programme Management Software & Website	-	3.300	-
Depreciation Project Connect	91.510	-	91.510
Depreciation Renovation Office	1.499	3.300	8.943
	114.148	27.200	107.074

Depreciation is in line with the budget and expenses of 2021 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.

3.4.2.4 General expenses

Breakdown General Expenses

	ACTUALS 2022	BUDGET 2022	ACTUALS 2021
Third party services	87.396	59.500	78.344
Audits	41.440	25.000	63.732
Insurances	16.111	22.900	15.016
Other General expenses	26.974	24.900	23.850
Differences / other gains & losses	105.411	-	-235.978
	277.332	132.300	-55.035

The general expenses are higher than budgeted, this is caused by the amount included under "Differences / Other gains & Losses". On almost all budget lines there is an overspending compared to budget. This goes for audit costs and some additional consultancies (translation services, proposal development and financial capacity). The higher audit costs are caused by the additional work done in the programmes and the closing of the previous grants with the Ministry. The differences / other gains and losses also include exchange rate differences (90k). 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 2022 for NIMD's senior executive is €199.000. 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	
2022	
Function	Executive Director
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1 / 0,9474 *
Contract Type	Employment
Remuneration	
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)	

2021	
Function	Executive Director
Duration of employment	01-01 / 31-12
Size of employment (in FTE)	1,0
Contract Type	Employment
Remuneration	
Remuneration	101.282
Remuneration payable in time (Pension Contribution)	15.322
Total	116.605
Individual Remuneration maximum (WNT)	191.000
Minus: unduly paid and not yet reimbursed	0
Total remuneration	116.605
Reasons for acceptance/rejection exceeding maximum remuneration	Not Applicable
Explanation of unduly paid and not yet reimbursed	Not Applicable

Remuneration of supervisory council

2022

	Mr E. Kronenburg	Mrs. I. van Biezen	Mrs. A. Mijnsbergen	Mrs. W.J.J.M. van Eupen	Mrs. E. Nauta - van Moorsel	Mr. F. de Lange	Ms. K.G. Ferrier
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	29.326	19.551	19.551	19.551	19.551	19.551	19.551
Remuneration							
Salary		0	0	0			
Remuneration	1.250	1.250	1.000	1.250	1.000	1.250	750
Pension Contribution	0	0	0	0	0	0	0
Total remuneration	1.250	1.250	1.000	1.250	1.000	1.250	750

2021

	Mr E. Kronenburg	Mrs. I. van Biezen	Mrs. A. Mijnsbergen	Mrs. W.J.J.M. van Eupen	Mrs. E. Nauta - van Moorsel	Mr. F. de Lange	Ms. K.G. Ferrier
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	01-03 / 31-12
Individual WNT maximum	28.650	19.100	19.100	19.100	19.100	19.100	19.100
Remuneration							
Salary		0	0	0			
Remuneration	1.250	1.000	1.000	750	1.250	1.250	1.000
Pension Contribution	0	0	0	0	0	0	0
Total remuneration	1.250	1.000	1.000	750	1.250	1.250	1.000

INDEPENDENT AUDITOR'S REPORT

To: the Executive Director and the Supervisory Council of
Stichting Netherlands Institute for Multiparty Democracy Foundation.

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

Our opinion

We have audited the financial statements 2022 of Stichting Netherlands Institute for Multiparty Democracy based in The Hague, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Netherlands Institute for Multiparty Democracy at 31 December 2022 and of its result for 2022 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 Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the consolidated balance sheet as at 31 December 2022;
2. the consolidated statement of income and expenditure for 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 and the Audit Protocol WNT 2022. 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.

Oranje Nassaulaan 1
1075 ah 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 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 financial report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of Chapter 1 'Notes to the financial report 2022', page 4 up to 12:

- the statement of the Executive Director;
- the statement of the Supervisory Council.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the statement of the Executive Director, 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 Executive Director and the Supervisory Council for the financial statements.

The Executive Director 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 Policy rules implementation of the Standards for Remuneration Act (WNT). Furthermore, the Executive Director is responsible for such internal control as the Executive 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 Executive Director is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Director 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.

The Executive 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 Council is responsible for monitoring the financial reporting process of the organisation.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit 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 and the Audit Protocol WNT 2022, 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.

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, 9 February 2024

Dubois & Co. Registeraccountants

A.P. Buteijn RA

A. Koek RA