



PharmAccess Foundation

Annual Accounts 2023

25 February 2025

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Amsterdam, the Netherlands



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MANAGEMENT BOARD'S REPORT

Introduction

Most countries in sub-Saharan Africa face systems failure in healthcare. The healthcare systems in these countries are caught in a downward spiral of poor supply and demand that leads to inequities. Since 2006 PharmAccess has been working to create a virtuous cycle of trust in sub-Saharan countries with underserved populations. With more and more trust, inclusive health systems are becoming a reality.

Now we see a new paradigm emerging in healthcare. In this paradigm connectivity and data are the catalysts. They have already profoundly changed how we live and interact with each other. They also have the potential to transform an overburdened healthcare system. The technical solutions are already here. By working with a coalition of the willing, care providers, and ecosystem partners, we can show that technology is not the barrier, but that it is a lever to build trust.

We make inclusive health systems a reality.

Our work is guided by 5 key strategic objectives:

Objective 1: Support digitally enabled health financing mechanisms (e.g. insurance) that improve access to healthcare & mobilize additional resources.

Our strategy for achieving Universal Health Coverage (UHC) focuses on working at the national, county, or state level to showcase approaches that improve access to healthcare regardless of individuals' financial status.

Kenya

In Kenya, there has been uncertainty and delay due to the new government's abolition of the NHIF (National Health Insurance Fund) and the introduction of four new health laws, including the Social Health Insurance Bill and the Primary Health Care Bill. We continued to support Kisumu County with a digitally enabled health insurance scheme as an example of a UHC model in Kenya. Kisumu County paid a premium for 5,250 indigent households, in total 27,165 people have been enrolled in the Kisumu program.

Tanzania

In Tanzania's mainland, enrolment into the national insurance scheme for the informal sector (iCHF) has stalled due to the government's decision to introduce universal health insurance for all. In Zanzibar, a health insurance agency (Zanzibar Health Services Fund) has been established and has started enrolling civil servants into health insurance, with premiums deducted from salaries.

Nigeria

Whilst lessons learned from our work in Kwara State have catalyzed subsidized health care financing across Nigeria, the scaling of the activity in Kwara itself has been slow. Lagos State has of 2023 prioritized the enrolment of civil servants. Starting health insurance with civil servants is an important step for mobilizing local financing to pay for health care. To ensure transparency in the management of health insurance, we also supported Lagos State to develop a digital portal to monitor the activities of HMOs and private insurers in Lagos.

Ghana

In Ghana, we continued our collaboration with the National Health Insurance Authority, (NHIA) which has enrolled about 17.8 million people. We also focused on strengthening the NHIA analytics team through capacity-building initiatives, including the setting up of Data Analytics Directorate. Together with NHIA and CHAG, we began an intervention, exploring value-based care solutions within the national health insurance scheme to help NHIA maximize healthcare delivery with existing financial resources.

Building toward UHC: our work in 2024 and beyond

In 2023 we saw delays in financing and implementation due to economic crises and elections. Because of this, we are supporting a greater focus on efficient spending. Digitalization is key here, and we will continue to work with health authorities to build their digital capacity.

Objective 2: Strengthen the quality-of-care delivery through the institutionalization of clinical and business standards (SafeCare).

To enable scale and reach more patients, SafeCare further transitioned from an implementation approach to implementation through partners. In 2023 SafeCare continued its approach of, providing data insights to our partners, empowering license partners, and also learning about new ways to prioritize quality that immediately impacts the patient.

To support healthcare providers to prioritize quality, an enabling and rewarding environment embedded in the healthcare framework is key. An important milestone was reached this year through the Lagos State Health Management Agency (LASHMA, Nigeria) which instituted differential tariffs based on the quality ranking of healthcare providers, using SafeCare. Further steps in creating an enabling environment and a behavioral change towards the improvement of quality were set through the finetuning of our digital approach, additional partner training on healthcare data insights, and a focus on positive competition.

At the end of 2023, PharmAccess' quality models were used by 30 partners with a patient reach of almost 5 million patients. For SafeCare to become sustainable in the future, it was further strengthened by detailing the growth trajectory, an increasing number of paying public/private partners, and more willingness to (co-) pay from clinics. Expansion to other countries was explored. A global license partnership with CRS International was signed for Kenya and Malawi and the partnership with Aga Khan Health Services was expanded in Africa and Asia.

To enable smooth administration, operations, and quality improvement support SafeCare optimized the back-end software architecture and enhanced the local adaptation in content and language.



Objective 3: Build patient-centric health solutions through the development of innovative financing and value-based care models.

Innovation is needed not only for the care delivery process but also around how care is being financed and purchased. Especially for digital solutions, a payment model that only rewards actual provider visits can be a barrier to introducing more efficient digital alternatives.

As of 2021 we already focused on payment models that reward the value of care rather than just volume of care. The MomCare principles lead to demonstrably better health journeys at limited costs and are ready for adoption by (local) governments, the first being the Hanang district in Tanzania.

In 2023, PharmAccess successfully tested a new payment model in MomCare Tanzania and closed the loop with patient-reported outcomes measurement in both Kenya and Tanzania. We created the first technical demonstrator in Tanzania and then partnered with two Kenyan companies to create an open-source framework for seamless data exchange. These activities will be continued in 2024 and aim to create a software package that can be used by anyone to support value-based care models.

In Kenya, we established that purchasing chronic care medication as a group is more attractive with a group digital wallet.

In the Nairobi private sector, we found that pregnant women spend a significant amount of their healthcare costs on low-value care. In partnership with CarePay and 26 private care providers in 2023 we introduced the program called MamaToto. The program emphasizes the engagement of mothers and creating transparency.

In Ghana, the chronic care pathway that was developed in 2022 has now been fully adopted into the mainstream care provision of two health care providers which both launched a noncommunicable disease (NCD) care service to its patients. We also started a value-based care project with NHIA and CHAG, focused on implementing and reimbursing group care for chronic diseases.

In 2024, our focus will be on scaling up and finalizing the business models for remote care in Ghana.



Objective 4: Mobilize investments into the health sector through digital and blended financing solutions (Medical Credit Fund).

2023 was a relatively successful year under challenging conditions. The Kenyan economy suffered from a very high 30% devaluation of the Shilling against the Euro and US Dollar, which caused very high inflation in the medical sector where most products are imported. In Ghana, inflation increased to over 50% in 2022 and has since come down to 25%, which is still a high level. For healthcare providers in Ghana, this meant increased expenses, also because of more expensive loans, while income from insurance remained stable.

Due to the difficult economic conditions with no end in sight, our clients are negative about the future and postpone capital-intensive projects while they mainly need working capital loans to continue operations. A similar trend was seen during Covid-19, and this effectively continues until today.

MCF is well equipped for this demand through our digital loans in Kenya. With this product, we are specifically focusing on female entrepreneurs. In Kenya, we contracted an agency who investigate how we can better reach female entrepreneurs. In Ghana, the new digital loan product was launched in September 2023, which will further support market demand and will make it more efficient for MCF to disburse many small loans.

In Tanzania, a digital loan product was tested and will be launched in 2024, subject to regulatory approval.

MCF was recently (again) selected as one of the 2024 Impact Assets 50 Emeritus Managers. We are proud to be mentioned among internationally recognized fund managers.

Objective 5: Provide strategic, independent scientific evidence and use it to advocate for policy change and support the building of strategic partnerships to scale successful innovations.

Findings from research resulted in 21 publications submitted to peer-reviewed journals in the year, most of which were accepted and published while we anticipate that the remainder will be accepted for publication in 2024. To expand the audience exposed to PharmAccess' work, two research symposiums were organized, one in Ghana,

and the other in Tanzania, where the results of our work in those countries were shared with a diverse and interested group, including policymakers.

Advocacy is a continuous process: digital technology, data, and innovation have not yet fully delivered on their huge promise for healthcare in Africa, but we firmly believe in their potential to change the healthcare paradigm. In the context of shrinking budgets and increased health challenges we have to collaborate more than ever to deliver value from existing resources. The advocacy objectives remained: Using digitalization to drive transformation in healthcare systems, increasing local financing and resources for health, driving public-private engagements in the health sector, and Institutionalization of quality improvement in healthcare.

In 2023, PharmAccess participated in 32 strategic events such as attending the high-level meeting on Universal Health Coverage in New York and co-organizing NHIA week in Ghana. We had the privilege to speak alongside Dr. Tedros (WHO) at the International Conference on Primary Healthcare in Ethiopia. We also participated in various other events including the Tanzania Health Summit, Future of Healthcare (Nigeria), International Conference on Inclusive Insurance, and Africa Health Tech Summit.

In response to economic crises in Ghana, PharmAccess intensified advocacy efforts for government support in healthcare payments for those in need. In Tanzania Mainland, PharmAccess contributed to the development of the UHC bill, while in Zanzibar, we facilitated the enrollment of civil servants into a state health insurance scheme. The government of Zanzibar also agreed to a Health Equity Fund to cover health insurance premiums for the poor. We continued to engage with Kwara and Lagos State as well as the Federal Governments of Nigeria to allocate funds for health insurance via the basic healthcare provision fund. In Kenya, the new government introduced 4 healthcare bills. The challenge is when and how these policies will be implemented. In Kenya, PharmAccess advocated for the release of funds pledged to the National Health Insurance Fund (NHIF).

Amid challenges like the Dutch election results, PharmAccess actively engaged in the Global Health Hub and Dutch Global Health Alliance, advocating for continued development aid through engagements with MPs and publishing an opinion piece in NRC to influence public discourse.

PharmAccess received seven global awards and citations, gaining extensive media coverage.

Financial

The total income in 2023 amounts to EUR 23,1 million (2022: 25.5 million) and the operating result is EUR -/-717,126 (positive result 2022: EUR 1,424,229). Together with the financial result, PharmAccess Foundation's records show a negative result of EUR 639,244 for the year 2023 (positive result 2022: EUR 2,103,669).

The total loss has been deducted from the reserves. After the result the total equity amounts to EUR 5,158,371 (2022: EUR 5,797,615). To secure the continuity of PharmAccess Foundation, management continuously is looking for additional funding possibilities and is seeking to further improve the capital structure.

In these annual accounts, a correction has been made regarding errors from the financial year 2022. The comparative figures have been adjusted to ensure an accurate and fair presentation of the financial position and performance. The adjustments relate to deferred income, cash, debtors, creditors, and liabilities, and have an impact on the reported result. These corrections have been applied to the relevant items and are further explained in the respective notes to the annual accounts. The revised figures have been processed in accordance with the guidelines of RJ 150.

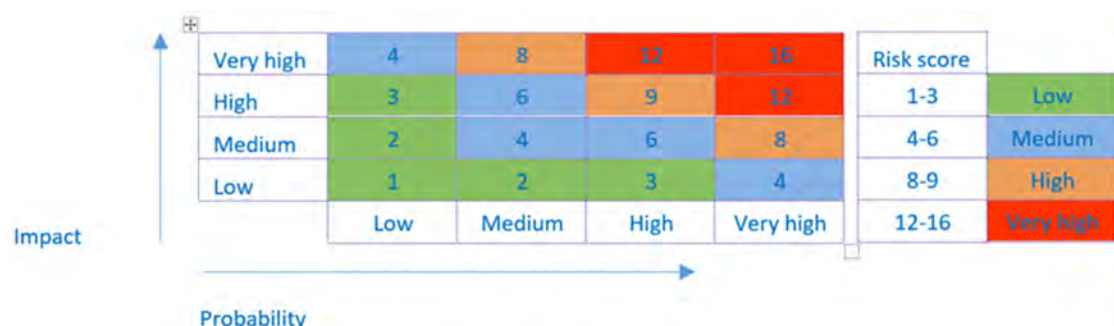
The financial statements reflect all the activities of the PharmAccess Foundation. All activities are supervised by 'head office' based in Amsterdam. Apart from general management, resource mobilization, financial management, HR, ICT and communications the 'head office' is staffed with Demand-, SafeCare-, data- and

tech-, research- and advocacy-teams managing and/or supervising the respective programs. The actual implementation of the programs takes place in the African countries for which PharmAccess has offices in Tanzania, Kenya, Nigeria and Ghana. These offices are established according to local regulations and governed and managed by (staff from) head office in Amsterdam. The financial statements have been prepared in accordance with the Guideline for annual reporting 640 “Not-for-profit organizations” of the Dutch Accounting Standards Board. Contrary to the Guideline for annual reporting 640 the budget on overall level has not been included. Control is performed on project level. Financial risks are limited since PharmAccess holds cash on dedicated bank accounts. PharmAccess does not work with ‘embedded derivatives’ and ‘hedge accounting’ and all larger programs are prefunded.

The foundation has been incorporated for the sole purpose of running the activities along the lines of the objectives as mentioned in the management board report. The foundation has no objective to gain reserves, the activities are funded by multi-year grants.

Inherent in working in development cooperation are risks of negative political, legal, economic or security developments that may disturb the course set out in local programs or potentially affect the overall strategy. In the context of PharmAccess Foundation, the strength of its systems approach and close collaboration with government and within national policy frameworks, its leveraging of additional funding, forging of strategic public private partnerships and strong local embedding are all elements that limit exposure to risks and facilitate a stable deployment of the proposed activities. Moreover, PharmAccess Foundation has a defined Risk Management Framework which recognizes that risk cannot be eliminated but must be taken responsibly. Risk management therefore is not an isolated activity but an inherent part of good corporate governance including the use of a comprehensive system of internal controls and processes. The Risk Register identifies risks, assesses significance and probability, including mitigating actions or contingency plans and monitoring of the status thereof and who is responsible.

In the Risk Management Framework risks have been identified in different fields (e.g. from Strategy, Governance, Finance to Political). In this framework each risk is scored based on probability and impact (see figure below).



The most significant risks which have been identified are:

- **Financial risks - continuity of funding**

Our financial risk tolerance is low; significant changes could not only significantly affect the continuity of our local programs but also the organization as a whole. Discontinuity or insufficient funding would lead to (impact) discontinuity of the foundation, so this is not a risk management wants to take and therefore successfully mitigated by setting up a ‘Resource Mobilization Department’ in 2015 and through this department submitting proposals and closing contracts for new funding. We are putting a

lot of effort into maintaining good relationships with the private sector, institutional partners and government to secure funding.

- **Personnel risks - health and safety of staff especially when traveling;**

PharmAccess Foundation is highly dependent on its personnel to achieve its goals and objectives and consequently our organizational risk tolerance is low. We are committed to responsible human resources management and have enacted policies to safeguard our employees' health and safety'. Realizing that working in the countries PharmAccess Foundation work in to a certain extent some risks '*come with the job*' , PharmAccess Foundation strives to mitigate these risks as much as possible by establishing a travel policy, offering its personnel a safe travel course and when applicable special customization around certain health risks (such as the Corona pandemic) and, if all else false (impact) by providing PharmAccess Foundation employees with a solid healthcare insurance which also activity stimulates employees to stay healthy with an incentive program financed by the organization.

- **Ethical risks - fraud;**

A key element of our work is to enhance trust in the health system. Consequently, it is important not to betray trust or harm people. Even though PharmAccess works in challenging environments, we apply a zero-tolerance policy in this context (appetite). Violations can have serious financial and/or reputational consequences (impact). PharmAccess 'Code of Conduct' (CoC) clearly defines inappropriate behavior (including sexual misconduct). PharmAccess Foundation takes reports of violations of this Code of Conduct very seriously, whether these reports come from internal or external parties. The organization strives to handle these reports with the highest duty of care and take appropriate measures. PharmAccess Foundation supports and encourages the right of every employee who, in good faith, would like to report a suspected or confirmed breach of the Code of Conduct. All reports of breach of the Code of Conduct are dealt with in a timely and confidential manner. Managers will do their utmost to act on these reports objectively, discreetly and promptly. In case an employee is not comfortable reporting or discussing a particular (delicate) issue with the employee's immediate manager he or she may then decide to report to a Confidential Advisor instead, or to the Country Director, the HR manager and/or a member of Management. If an employee prefers to submit a report without personally identifying himself or herself, (anonymous) reports may be submitted to the HR manager through e-mail or by leaving a message in a closed envelope addressed to the HR manager in the mailbox of our front office. Such reports will be reviewed by the HR manager and handled in the manner discussed in the procedures above. PharmAccess Foundation is working on the continuous improvement of its Code of Conduct to ensure the prevention of fraud and corruption. Apart from the code of conduct, to mitigate the risk of potential corruption and fraud, sound financial management is applied (controlling, segregation of duties, dual level authorization).

- **Legal / Privacy**

PharmAccess works with data derived from the healthcare sector. A field where privacy is of utmost importance. Risks in this field are mitigated by implementing a data policy and involving privacy specialists at the start of programs but also during the programs by monitoring these programs. This to avoid any breaches (appetite).

- **IT related risks – security breaches and loss of data;**

Data is an important factor in our work and protecting these is a high priority. The risks are mitigated by assigning responsibilities and implementing procedures such as:

- The appointment of the head of IT appointed as security officer and an (external) Data Protection Officer.
- The adherence to the ICT and Data Policy is continuously monitored.
- Solid IT environment to prevent unwanted access (fire walls, ongoing monitoring, strict user management procedure and password policy, double password identification).

- User actions when data/datasets are accessed and/or altered are audited. Include privacy impact assessment for new projects in kick-off meetings.
- Daily backups with 28-day retention and procedure to monitor proper functioning of the backup system. Yearly backups are stored in safe. Synchronization software updates local data to the cloud, allowing recovery of data from lost/broken hardware.
- All computers have been configured with Bitlocker which encrypts the local drives. This makes it impossible to get unauthorized access to the data on the computer.

Outlook 2024 and beyond

The COVID-19 crisis in 2021 and 2022 and the financial crises in some African countries in 2023 have been a wake-up call, a reminder that resilient healthcare systems are essential for economic and social prosperity, and international security. It has demonstrated that health is a global responsibility that requires cross-sector collaborations for universal health coverage. It has also driven wide-spread acknowledgement that digital technology and data form a core pillar of healthcare. Attention has grown for African countries to build stronger, more resilient data-driven healthcare systems which are better prepared for events like financial crises or pandemics. The increasing penetration of mobile technology and digital platforms in Africa keeps on being key for fast-tracking health system transformation, allowing all individuals to be digitally connected and so keeping cost low in resource poor settings. Technology provides real-time data, thus ensuring transparency in the delivery, utilization, and costs of care to guide decision making for patients, healthcare providers and governments.

As in previous years, with continued support of the Ministry of Foreign Affairs of the Netherlands (with a commitment up and until 2029) and an increasing number of other funders for this approach, PharmAccess will continue to capitalize on digital technology to improve the financing and delivery of health care.

Given the limited and fragmented nature of healthcare funding in the countries where we work, and - in general - with donor funding on a downward trend, mobile technology also brings the opportunity to combine scarce funding sources while reducing transaction costs. By increasing efficiency and transparency, it can ensure that more marginalized individuals are covered. In the years ahead, we will support the integration of vertical programs into a more horizontal and integrated healthcare approach.

Further investments in healthcare quality remain crucial. We will continue to scale SafeCare and MCF. MCF's digital loans have offered much support for health SMEs during the crises with SafeCare helping to ensure infection prevention and control. Going forward, we will continue to use digital technology and data to improve the quality standards of healthcare facilities as well as share our expertise and lessons learnt with new countries.

Institutional development

The statutory responsibility for PharmAccess Foundation and all PharmAccess group entities (i.e. Stichting PharmAccess International, Health Insurance Fund, Stichting Medical Credit Fund, Medical Credit Fund II Coöperatief U.A., Stichting SafeCare and Stichting HealthConnect) is vested with PharmAccess Group Foundation (PGF) represented by its executive board (*statutair bestuur*) and under the supervision of one Supervisory Board, the PGF Supervisory Board.

In 2023, the PGF Supervisory Board convened five times, and five Audit Committee meetings were held. The progress of PharmAccess in relation to its goals and ambitions was monitored and challenges deliberated, and discussions were held on the revised strategy which was approved by the Supervisory Board in September 2023.

In Q1 Peter van Rooijen resigned as a Supervisory Board member and in Q4 Ben Christiaanse stepped down after which Els Boerhof became the Chair of the Audit Committee. As of 22 November 2023, PharmAccess welcomed Kees Verbeek as new member of the Supervisory Board. The other Supervisory Board members (Chair Prof. Khama Rogo, Lidwin van Velden, Christiaan Reberger and Mirjam van Reisen) stayed in their position.

Nicole Spieker (CEO), together with Jan Willem Marees (CFO), are still forming the Executive Board of PGF.

In 2023, the number of staff increased to a total of 192.6 FTE per year-end (2022: 189.3 FTE per year-end). Out of 192.6 FTE, 123.0 FTE are employed in Africa. The average number of full-time equivalents during the financial year 2023 was 185.8 (2022: 190.6).

Signing of the Management Board's report

Amsterdam, 25 February 2025

J.W. Marees
Director

Stichting PharmAccess Group Foundation
Represented by:

N. Spieker

J.W. Marees



CONSOLIDATED FINANCIAL STATEMENTS

- Consolidated Balance sheet
- Consolidated Statement of income and expenditure
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Consolidated balance sheet as at 31 December 2023

(After appropriation of the result)

[illegible]

Consolidated statement of income and expenditure for the year 2023

	Note	2023		2022	
		EUR		EUR	
Income	11	23,142,092		25,481,650	
Operating expenses:					
Direct project costs	12	10,822,710	11,223,343		
Personnel expenses	13	11,221,459	11,073,794		
Amortization and depreciation		88,619	116,957		
Other operating expenses		1,726,430	23,859,218	1,643,327	24,057,421
Operating result			(717,126)		1,424,229
Financial income and expenses:					
Financial expenses	14	(53,523)	(50,661)		
Financial income	15	131,405	77,882	730,102	679,441
Result			(639,244)		2,103,670
Appropriation of the result:					
Continuity reserve			(595,808)		2,043,824
Special purpose reserves - SafeCare			(43,436)		59,846
			(639,244)		2,103,670

Consolidated cash flow statement for the year 2023

(Based on the indirect method)

	2023	2022
	EUR	EUR
Operating result	(717,126)	1,424,229
Adjustments for:		
Depreciation (and other changes in value)	88,619	116,958
Changes in working capital:		
• movements operating accounts receivable	(680,655)	(259,353)
• movement deferred income	80,895	(8,168,137)
• movements other current liabilities	964,714	842,737
	364,954	(7,584,753)
Cash flow from business activities	(263,553)	(6,043,566)
Interest received/paid	111,708	(40,046)
Cash flow from operating activities	(151,845)	(6,083,612)
Investments in (in)tangible fixed assets	59,139	(92,013)
Disposals of (in)tangible fixed assets	1,261	4,025
Cash flow from investment activities	(57,878)	(87,988)
Net cash flow	(209,723)	(6,171,600)
Exchange gains/(losses) on cash at banks and in hand	(33,825)	719,487
Movements in cash	(243,548)	5,452,113
The movement in cash at banks and in hand can be broken down as follows:		
Cash as at 1 January	9,917,766	15,369,879
Movements in cash	(243,548)	(5,452,113)
Cash as per 31 December	9,674,218	9,917,766

Notes to the consolidated financial statements

General

Foundation

“Stichting PharmAccess International”, hereinafter “PharmAccess Foundation”, was founded on 19 January 2001 in accordance with Dutch law. PharmAccess Foundation’s head office is based in Amsterdam, the Netherlands and has branch offices in Tanzania, Kenya, Nigeria and Ghana. PharmAccess Foundation is registered with the Trade Register at the Chamber of Commerce under number 34151082.

The financial statements have been prepared in euro’s.

Objectives

Stichting PharmAccess International (PharmAccess Foundation) is a Dutch not-for-profit organization, founded in 2001, aiming to improve access to better basic healthcare including HIV/AIDS treatment and care in low income countries by stimulating public private partnerships (PPPs). Its vision is that in the absence of a fully functional state one has to revert to local private sector capacity and stimulate PPPs as a bridge to the establishment of regional and national programs. These programs are aimed at enlarging the available amount of money in the healthcare system, at increasing trust in institutions and at lowering risk for investments and prepayments and so stimulating the demand side of the healthcare sector and strengthening the supply side. PharmAccess Foundation works mainly in sub-Saharan Africa and has offices in the Netherlands, Nigeria, Tanzania, Kenya and Ghana.

Group structure

Stichting PharmAccess International in Amsterdam is the head of a group of legal entities.

A summary of the information required under articles 2:379 and 2:414 of the Netherlands Civil Code is given below:

Consolidated entities:	Registered office
- Stichting PharmAccess International	Netherlands
- Stichting PharmAccess International	Tanzania
- PharmAccess Foundation	Kenya
- PharmAccess Foundation	Nigeria
- P.A.I. Ghana	Ghana

Moreover, the foundation forms part of a group, headed by PharmAccess Group Foundation in Amsterdam.

Consolidation principles

Financial information relating to group companies and other legal entities controlled by Stichting PharmAccess International or where central management is conducted, has been consolidated in the financial statements of Stichting PharmAccess International. The consolidated financial statements have been prepared in accordance with the Dutch-Generally Accepted Accounting Principles (NL-GAAP).

The financial information relating to Stichting PharmAccess International is presented in the consolidated financial statements.

In accordance with article 2:10 of the Netherlands Civil Code, the foundation-only financial statements have been prepared separately and are not separately presented in these consolidated annual accounts.

Financial information relating to the group entities and the other legal entities included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions.

Accounting principles

General

The consolidated financial statements have been prepared in accordance with the Guideline for annual reporting 640 “Not-for-profit organizations” of the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’). Contrary to the Guideline for annual reporting 640 the budget on overall level has not been included. Control is performed on project level.

These consolidated financial statements represent the activities of PharmAccess Netherlands and the branch offices in Tanzania, Kenya, Nigeria, and Ghana.

The consolidated financial statements have been prepared using the historical cost convention and are based on going concern. Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

If not indicated otherwise, the amounts of the accounts are stated at face value.

Prior period corrections

During 2023, the following period errors were identified and corrected in the comparative figures of 2022:

- Within the ‘work in progress’ position there is a correction due to the Palladium project. This project was completed in 2022, but EUR 1,229,008 of the result on this project was unjustified moved to 2023. This has now been corrected and the correction will be expressed in deferred income and income and has impact on the result of 2022.

With respect to the correction of errors of the ‘Continuity reserve’ (due to movement Palladium project), there is a positive impact of EUR 1,229,008 in the result of 2022.

	EUR
Continuity reserve as at 31 December 2022 (reported)	4,568,607
Correction of errors 31 December 2022 – result 2022	<u>1,229,008</u>
Continuity reserve as at 1 January 2023 (adjusted)	5,797,615

- Within the cash position there is a correction due to the Med4All project and especially the Fidelity bank account that was not registered in the financial system Exact Globe. The addition of this bank account has consequences for the current assets and current liabilities (belonging to the Med4All project).

With respect to the correction of errors of the ‘cash ‘ (due to Med4All project), there is no impact on the result of 2022. There is only impact on the balance positions (current assets and current liabilities). We have disclosed the impact on the individual 2022 positions in the notes to the debtors (#2), cash (#4), creditors (#7) and other liabilities and accrued expenses (#10). The quantitative scope of the error correction; debtors (EUR 531,359), cash (EUR 72,395), creditors (EUR 1,856) and other liabilities and accrued expenses (EUR 601,897).

Consolidated Balance sheet

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Costs for periodical major maintenance are charged to the result at the moment they arise.

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Provisions

Provisions for employee benefits

The PharmAccess Foundation pension scheme for staff based in the Netherlands concerns a defined contribution scheme which is accommodated at the insurance company Nationale Nederlanden. The contribution to be paid is recognized in the 'Statement of income and expenditure'.

In countries where local branch offices are operational, pension contributions for local staff are recognized in the 'Statement income and expenditure' based on local legislation.

(Other) provisions

Unless stated otherwise, the other provisions are valued at the face value of the expenditures that are expected to be necessary for settling the related obligations.

Current liabilities

Deferred income

Deferred income consists of payments from donors related to projects to be carried out decreased by the realized revenue of these projects, taking into account foreseeable losses on projects.

Work in progress on contracts that shows a debit balance is presented under the current assets. Work in progress on contracts that shows a credit balance is presented under the current liabilities.

Other current liabilities

Upon initial recognition, liabilities recorded are stated at fair value and then valued at amortized cost.

Principles for the determination of the result

Consolidated Statement of income and expenditure

Income and expenditure are recognized as they are earned or incurred and are recorded in the consolidated financial statements of the period to which they relate.

Income

Income from 'Realized income related to projects' is recognized in proportion to the completed project activities rendered on active projects, based on the cost incurred up to balance sheet date. The costs of these project activities are allocated to the same period.

Other income relates to other non-project related items.

Direct project costs

Direct project costs consist of expenses directly related to projects (out-of-pocket costs) excluding staff costs.

Recognition of transactions in foreign currency

Transactions in foreign currencies are recorded at the exchange rate prevailing at the transaction date. At year-end, the assets and liabilities reading in foreign currencies are translated into euros at the rates of exchange as per that date.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the treatment per balance sheet item for the principles of primary financial instruments. The group does not use derivatives and there are also no embedded derivatives.

The group does not apply hedge accounting.

Principles for preparation of the consolidated cash flow statement

The consolidated cash flow statement is prepared according to the indirect method. The funds in the consolidated cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid deposits.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement. Comparative figures have been adjusted for this cause.

Notes to the specific items of the consolidated balance sheet

1. Tangible fixed assets

	2023	2022
	EUR	EUR
Book value as at 1 January	261,695	290,665
Additions during the year	59,139	92,013
Depreciation during the year	(88,619)	(116,958)
Disposal of assets	(1,261)	(4,025)
Book value as at 31 December	230,954	261,695
Purchase value as at 31 December	1,088,950	1,036,413
Accumulated depreciation	(857,996)	(774,718)
Book value as at 31 December	230,954	261,695

The depreciation of the tangible fixed assets is calculated according to the straight-line method. The depreciation percentages are based on the economic life span. For computer equipment a depreciation of 33.3%, for refurbishment a depreciation of 10% and for office furniture and other assets a depreciation of 20% is used.

2023

	Computer equipment	Refurbishment	Office Furniture	Other	Total
	EUR	EUR	EUR	EUR	EUR
Book value as at 1 January	96,426	140,526	4,046	20,697	261,695
Additions during the year	39,679	-	545	18,915	59,139
Depreciation during the year	(57,818)	(21,493)	(884)	(8,424)	(88,619)
Disposal of assets	(1,261)	-	-	-	(1,261)
Book value as at 31 December	77,026	119,033	3,707	31,188	230,954
Purchase value as at 31 December	548,422	348,388	98,460	93,680	1,088,950
Accumulated amortization	(471,396)	(229,355)	(94,753)	(62,492)	(857,996)
Book value as at 31 December	77,026	119,033	3,707	31,188	230,954

2022

	Computer equipment	Refurbish- ment	Office Furniture	Other	Total
	EUR	EUR	EUR	EUR	EUR
Book value as at 1 January	103,877	177,755	5,158	3,875	290,665
Additions during the year	62,716	-	3,875	25,422	92,013
Depreciation during the year	(66,142)	(37,229)	(4,987)	(8,600)	(116,958)
Disposal of assets	(4,025)	-	-	-	(4,025)
Book value as at 31 December	96,426	140,526	4,046	20,697	261,695
Purchase value as at 31 December	511,774	348,388	97,916	78,335	1,036,413
Accumulated amortization	(415,348)	(207,862)	(93,870)	(57,638)	(774,718)
Book value as at 31 December	96,426	140,526	4,046	20,697	261,695

2. Debtors

	31.12.2023	31.12.2022
	EUR	EUR
Debtors	792,031	933,965
Related foundation: Medical Credit Fund (MCF) – accounts receivable	50,895	1,434
Related foundation: SafeCare Foundation (SC) – accounts receivable	-	-
Provision for doubtful debts	-	-
Balance as at 31 December	842,926	935,399

Correction of errors

Within the debtors position of 2022 an amount of EUR 531,359 concerning the Med4All project in Ghana is added. The health providers ordering medicines within the Med4All project are the debtors. This correction did not change the result but only balance positions.

	EUR
Debtors as at 31 December 2022 (reported)	404,040
Correction of errors 31 December 2022	531,359
Debtors as at 1 January 2023 (adjusted)	935,399

3. Other receivables

	31.12.2023	31.12.2022
	EUR	EUR
Prepayments	328,512	314,713
Advances partners related to projects	735,019	118,104
Deposits	86,256	82,654
Accrued income	222,580	60,303
Pension and other personnel insurances	(2,124)	7,084
Other	40,843	62,452
Balance as at 31 December	1,411,086	645,310

4. Cash

	31.12.2023	31.12.2022
	EUR	EUR
ABN-AMRO-AMRO accounts Netherlands - EUR	3,247,220	6,593,806
ABN-AMRO-AMRO accounts Netherlands - USD	4,496,767	1,966,769
ABN-AMRO-AMRO accounts Netherlands - GBP	393,057	268,771
Bank accounts Tanzania - TZS	35,115	21,418
Bank accounts Tanzania - EUR	2,672	15,245
Bank accounts Tanzania - USD	3,939	14,449
Bank accounts Kenya - KES	269,732	230,041
Bank accounts Kenya - EUR	187,628	52,703
Bank accounts Kenya - USD	12,446	13,976
Bank accounts Nigeria - NGN	249,640	386,048
Bank accounts Nigeria - EUR	3,284	801
Bank accounts Nigeria - USD	236,724	165,825
Bank accounts Nigeria - GBP	6,361	9,699
Bank accounts Ghana - GHC	515,468	141,110
Bank accounts Ghana - EUR	214	3,986
Bank accounts Ghana - USD	628	25,880
Cash in hand	13,323	7,239
Balance as at 31 December	9,674,218	9,917,766

Correction of errors

Within the bank position of 2022 an amount of EUR 72,395 concerning the cashflows of the Med4All project (Ghana) is added.

	EUR
Cash as at 31 December 2022 (reported)	9,845,372
Correction of errors 31 December 2022 (Bank accounts Ghana – GHC)	72,394
Cash at 1 January 2023 (adjusted)	9,917,766

Funds are available in line with the different program and foundation objectives.

5. Continuity reserve

	2023	2022
	EUR	EUR
Balance as at 1 January	5,309,714	3,265,892
Result current year	(595,808)	2,043,822
Balance as at 31 December	4,713,906	5,309,714

Correction of errors

Within the 'work in progress' position of 2022 an amount is recognized as Income 2022 (instead of 2023) concerning the Palladium project. This correction changed the result EUR 1,229,008 (positive) to EUR 2,103,670 and so this change is added to the continuity reserve.

	EUR
Continuity reserve as at 31 December 2022 (reported)	4,080,706
Correction of errors 31 December 2022 -Result 2022	1,229,008
Continuity reserve as at 1 January 2023 (adjusted)	5,309,714

Result appropriation for the year

Due to the appropriation of the result, an amount of EUR 595,808 has been deducted to the continuity reserve. The aim of the continuity reserve is to cover for at least six months running costs, to be utilized in line with the described objectives of the foundation as stated in clause 2 of the Articles of Association.

6. Special purpose reserves

	2023	2022
	EUR	EUR
Balance as at 1 January	487,901	428,055
Result current year	(43,436)	59,846
Balance as at 31 December	444,465	487,901

2023

	Catastrophic events employees	SafeCare	Total
	EUR	EUR	EUR
Balance as at 1 January	200,000	287,901	487,901
Result current year		(43,436)	(43,436)
Balance as at 31 December	200,000	244,465	444,465

2022

	Catastrophic events employees	SafeCare	Total
	EUR	EUR	EUR
Balance as at 1 January	200,000	228,055	428,055
Result current year	-	59,846	59,846
Balance as at 31 December	200,000	287,901	487,901

Catastrophic events employees

Based on a board decision the result can be appropriated to the special purpose reserve concerning catastrophic events employees. The size of the reserve is determined with the following computation guidelines:

- Until a maximum of 10% of the total equity;
- Until a maximum of EUR 200,000.

The reserve can be used for employees who, in person, are confronted with a catastrophic event and insuperable cost.

SafeCare

Based on a board decision the result can be appropriated to the special purpose reserve concerning SafeCare. The movement of the reserve in a financial year will be determined by recognizing the total license fee incurred minus the realized expenditure. Currently there is no maximum defined.

Result appropriation for the year

For the catastrophic events, there has been no movement on the special purpose reserve as the maximum has been reached and no use was made during 2023. For SafeCare, due to the appropriation of the result, an amount of EUR 43,436 has been withdrawn from the special purpose reserve concerning SafeCare.

7. Creditors

	2023	2022
	EUR	EUR
Creditors	1,371,245	1,112,475
Related foundation: Health Insurance Fund (HIF) - accounts payable	192,101	-
Related foundation: Medical Credit Fund (MCF) - accounts payable	3,848	-
Balance as at 31 December	1,567,194	1,112,475

Correction of errors

Within the creditors position of 2022 an amount of EUR 1,856 concerning the liability to suppliers/ providers of the Med4All project (Ghana) is added.

	EUR
Creditors as at 31 December 2022 (reported)	1,110,619
Correction of errors 31 December 2022	1,856
Creditors as at 1 January 2023 (adjusted)	1,112,475

8. Taxes and social security contributions

	31.12.2023	31.12.2022
	EUR	EUR
Value added tax	76,959	83,502
Wage tax	257,378	229,976
Social security contributions	13,941	1,014
Balance as at 31 December	348,278	314,492

9. Deferred income

	31.12.2023	31.12.2022
	EUR	EUR
Received from donors related to projects	39,101,142	107,088,608
Realized income on projects	(36,748,123)	(104,816,485)
Balance as at 31 December	2,353,019	2,272,123

Correction of errors

Within the 'work in progress' position of 2022 an amount is recognized as Income 2022 (instead of 2023) concerning the Palladium project. This correction changed the Deferred Income balance (-/- EUR 1,229,008).

	EUR
Deferred Income as at 31 December 2022 (reported)	3,501,131
Correction of errors 31 December 2022	1,229,008
Deferred Income as at 1 January 2023 (adjusted)	2,272,123

In this respect, reference is made to the accounting principles (correction of errors) and the disclosure of the continuity reserve (note 5.) for a more detailed disclosure.

The comparative figures have been adjusted accordingly:

The deferred income reflects the balance of the 'work in progress' per year-end. The 'work in progress' (contract portfolio) contains an amount of EUR 4,275,010 (2022: EUR 4,273,332) for by donors pre-financed projects (credit) and an amount of EUR 1,921,990 (2022: EUR 2,001,208) for reimbursement projects (debit). In accordance with accounting regulations this debit and credit balance of the 'work in progress' position on active contracts / projects has been disclosed separately on the balance sheet.

	Grants to be received	Liabilities on grants	2023
	Debit	Credit	
	EUR	EUR	EUR
Received from donors related to projects	21,477,606	17,623,536	39,101,142
Realized income on projects	(23,399,597)	(13,348,526)	(36,748,123)
Balance as at 31 December	(1,921,989)	4,275,010	2,353,019

	Grants to be received Debet	Liabilities on grants Credit	2022
	EUR	EUR	EUR
Received from donors related to projects	13,985,069	93,103,538	107,088,608
Realized income on projects	(15,986,277)	(88,830,207)	(104,816,485)
Balance as at 31 December	(2,001,208)	4,273,331	2,272,123

10. Other liabilities and accrued expenses

	31.12.2023	31.12.2022
	EUR	EUR
Accrued expenses	1,536,765	1,093,427
Holiday allowance	225,970	207,525
Salaries	63,982	55,874
Liabilities projects	164,852	3,933
Other liabilities	740,751	902,706
Balance as at 31 December	2,732,320	2,263,465

Correction of errors

Within the other liability position of 2022 an amount of EUR 601,897 concerning the liability to the funders of the Med4All revolving fund (Ghana) is added. The classification of this amount, as a liability to the funders, is an estimate based on current facts and circumstances.

	EUR
Other liabilities as at 31 December 2022 (reported)	300,809
Correction of errors 31 December 2022	601,897
Other liabilities as at 1 January 2023 (adjusted)	902,706

Contingent assets and liabilities

Regarding the current project portfolio PharmAccess Foundation received from donors' commitments for grants for an amount of about EUR 57 million (2022: EUR 121 million). Of this amount EUR 39 million (2022: EUR 107 million) has been received. PharmAccess Foundation has the obligation to use these funds in accordance with the contractual donor requirements.

Financial instruments

For the notes to financial instruments reference is made to the specific item by item note. The main financial risks the foundation is exposed to are the currency risk, the liquidity risk and the credit risk. The foundation financial policy is aimed at mitigating these risks by:

Currency risk

The currency risk is mitigated by holding the received foreign currency pre-payments on ongoing foreign currency contracts as long as possible in the contracted foreign currency and only convert into the functional currency (EUR) based on commitments.

Liquidity risk

The liquidity risk is mitigated by monthly monitoring the work in progress portfolio and closely monitor and steer the deferred income position per contract.

Credit risk

The credit risk is limited as most of PharmAccess' programs are prefunded. For the local branch offices, the credit risk is mitigated by providing only two months rolling advances.

Non-recognised assets and liabilities and contingent assets and liabilities

The exact yearly budgets are to be determined during the yearly activity planning and budgeting process within the PharmAccess Group, and finalized before November 1st, prior to the budget year.

In December 2016 a ten-year operational lease agreement was signed for the premises - AHTC building, 4th floor, Tower C and D - located at the Paasheuvelweg 25 in Amsterdam, the Netherlands. The yearly operational lease amounts to EUR 188,685. For the duration of this lease agreement the accumulated amounts involved are: < 1 year EUR 188,685 and ≥ 1 year - < 5 years EUR 440,265.

Notes to the specific items of the consolidated statement of income and expenditure

11. Income

	2023	2022
	EUR	EUR
Realized income related to projects	23,000,165	25,391,810
Other income	141,927	89,840
	23,142,092	25,481,650

The main 'Realized income related to projects' consist of:

Ministry of Foreign Affairs - HIF	11,244,075	11,890,994
Palladium International LLC	1,341,416	1,660,942
Merck Sharp & Dohme Corp. - Merck for Mothers	1,676,094	1,778,888
The Norwegian Agency for Development Cooperation (Norad)	1,416,497	1,198,166
Medical Credit Fund	1,076,318	1,041,755
John C. Martin Foundation	941,390	555,471
Nationale Postcode Loterij	900,000	900,000
Helmsley Charitable Trust	895,093	885,910
The Henry M. Jackson Foundation	661,061	480,764
Amref Health Africa	362,755	204,389
Sint Antonius Stichting	294,894	345,251
Grand Challenges Canada	282,833	-
European Commission	253,194	-
USAID - John Snow Health Zambia	184,265	175,130
Sanofi	137,495	-
Gilead Sciences, Inc.	133,195	163,132
Achmea Foundation	114,382	279,886
Global Fund	109,421	110,468
FSD Africa	105,911	149,003
Swiss Federal Department of Foreign Affairs	102,286	26,955
Boehringer Ingelheim	92,362	6,530
Palladium International Ltd. - UK	66,930	-
Philips	46,436	-
Safaricom Foundation	38,919	8,975
John Snow Health Zambia Limited (JSH)	33,867	8,931
Pathfinder International	26,463	43,013
Islamic Development Bank	17,369	17,164
BII	14,933	27,116
Africa Health Holdings Limited	13,931	12,162
USAID - Management Sciences for Health	12,124	-

AIGHD	4,990	-
Marie Stopes, Kenya	4,092	23,322
Global Fund - ICI-Santé	1,800	146,569
AXA	275	-
FDOV- Healthy Business	-	47,016
Nationale Postcode Loterij - Amref: I-Push	-	1,105,927
Children's Investment Fund Foundation	-	865,701
Heineken	-	22,248
Pfizer	-	733,462
Foundation Botnar - JLI	-	56,449
USAID - Management Sciences for Health Inc. - Afganistan NHTAP	-	1,327
Financial Sector Deepening Trust	-	6,299
HealthConnect Foundation	-	99,970
Pfizer Foundation	-	33,270
Stichting CarePay Foundation	-	17,067
Other	393,099	262,187
	23,000,165	25,391,810

Correction of errors

Within the 'deferred in position of 2022 an amount is recognized as Income 2022 (instead of 2023) concerning the Palladium project. This correction changed the Income position in 2022 (+/- EUR 1,229,008).

	EUR
Income as at 31 December 2022 (reported)	24,252,642
Correction of errors 31 December 2022 – Palladium International LLC	<u>1,229,008</u>
Income as at 1 January 2023 (adjusted)	25,481,650

*) The 'Ministry of Foreign Affairs' funding has been received via the Health Insurance Fund.

PAI attracts external funding for specific activities/programs in order to reach its strategic objectives. These activities are carried out within the timetable as set in the different funding contracts. The duration of those funding contracts differs from several months to several years. At the end of a subsidy period, depending on the (financial) progress of the program, PAI could request for a budget neutral extension to complete the planned activities within the available budget.

12. Direct project costs

	2023	2022
	EUR	EUR
PAI - Netherlands	6,245,736	5,416,880
PAI - Kenya	1,241,283	2,082,020
PAI - Tanzania	1,203,186	1,529,900
PAI - Nigeria	1,048,756	655,243
PAI - Ghana	1,083,749	1,539,300
	10,822,710	11,223,343

13. Personnel expenses

	2023	2022
	EUR	EUR
Salaries	8,527,112	8,573,069
Social security contributions	1,239,944	1,126,307
Pension costs	725,909	606,368
Other personnel expenses	728,494	768,050
	11,221,459	11,073,794

Indirect cost calculation

Ratio: 'Fringe benefits' as a percentage of 'salaries'

Based on the 2023 figures, on average the 'fringe benefits' expressed as a percentage of 'salaries' is 31,6% (2022: is 29.2%) resulting in an average of 29.1% over the last three years (2022-2020: 27.0%).

Personnel expenses

	2023	2022
	EUR	EUR
<i>Salaries</i>	<i>8,527,112</i>	<i>8,573,069</i>
Social security contributions	1,239,944	1,126,307
Pension costs	725,909	606,368
Other personnel expenses	728,494	768,050
<i>Subtotal fringe benefits</i>	<i>2,694,347</i>	<i>2,500,725</i>
Total personnel expenses	11,221,459	11,073,794

Ratio

	2023	2022
	%	%
'Fringe benefits' as a percentage of 'salaries'	31.6	29.2
Average last two years	30.4	27.8
Average last three years	29.1	27.0
Average last five years	28.2	28.0

Ratio: 'Indirect costs' as a percentage of 'personnel expenses'

Based on the 2023 figures, on average the indirect costs expressed as a percentage of total personnel cost (gross salaries plus fringe benefits) is 16.2% (2022: 15.9%) resulting in an average of 15.8% over the last three years (2022-2020: 15.2%).

Operating expenses

	2023	2022
	EUR	EUR
Direct project cost	10,822,710	11,223,343
<i>Personnel expenses</i>	<i>11,221,459</i>	<i>11,073,794</i>
Amortization and depreciation	88,619	116,957
Other operating expenses	1,726,430	1,643,327
<i>Subtotal indirect costs</i>	<i>1,815,049</i>	<i>1,760,284</i>
Total operating expenses	23,859,218	24,057,421

Ratio

	2023	2022
	%	%
Average 'indirect costs' as a percentage of 'personnel expenses'	16.2	15.9
Average last two years	16.0	15.8
Average last three years	15.9	15.2
Average last five years	15.1	14.1

14. Financial expenses

	2023	2022
	EUR	EUR
Bank interest and charges	19,164	50,142
Exchange rate differences	34,359	519
	53,523	50,661

15. Financial income

	2023	2022
	EUR	EUR
Exchange rate differences	-	720,006
Bank interest	130,872	9,209
Other	533	887
	131,405	730,102

Other notes

Number of employees

The average number of full-time equivalents during the financial year 2023 was 185.8 (2022: 191.3).

Remuneration Board of Directors and Supervisory Board

The total remuneration of executives during the financial year 2023 amounts to EUR 372,041 (2022: EUR 357,270). This remuneration consists of gross salary and a defined pension contribution:

	2023	2022
	EUR	EUR
Gross salary	334,937	324,623
Pension contribution	37,104	32,647
	372,041	357,270

The average number of full-time equivalents for the Board of Directors in 2023 was 2.0 (2022: 2.0).

2023 (WNT-format - table 1a)

Name	N. Spieker	J.W. Marees
Role	CEO	CFO
Term of employment	1/1 -31/12	1/1 -31/12
Employment in FTE	1.0	1.0
Formal employed	Yes	Yes
Individual WNT maximum	223,000	223,000
Remuneration		
Remuneration plus taxable expense allowances	165,989	168,948
Remunerations payable in future	17,017	20,087
Total remuneration	183,006	189,035

The 2023 maximum individual executive remuneration according to the WNT is EUR 223,000 (2022: EUR 216,000). The remuneration costs for individual Directors meet the WNT-norm set by the Ministry of Foreign Affairs. The norm sets an upper boundary for remuneration. The organization itself does not qualify as a WNT institution.

The Supervisory Board does not receive any remuneration (2022: no remuneration).

2022 (WNT-format)

Name	N. Spieker	J.W. Marees
Role	CEO	CFO
Term of employment	1/1 - 31/12	1/1 - 31/12
Employment in FTE	1.0	1.0
Formal employed	Yes	Yes
Individual WNT maximum	216,000	216,000
Remuneration	EUR	EUR
Remuneration plus taxable expense allowances	160,659	163,964
Pension contribution	14,949	17,698
Total remuneration	175,608	181,662

Subsequent events

There are no events to report.

Signing of the consolidated financial statements

Amsterdam, 25 February 2025

J.W. Marees

Director

Stichting PharmAccess Group Foundation

Represented by:

N. Spieker

J.W. Marees



OTHER INFORMATION

Independent auditor's report

The independent auditor's report is recorded on the next page.

Result appropriation for the year

The result for the year is added to the balance of income and expenditure EUR 896,509. The balance between income and expenditure is available to use in line with the described objectives of the foundation as stated in article 2 of the Articles of Association.

Independent auditor's report

Independent auditor's report

To the Management Board of
Stichting PharmAccess International

Report on the audit of the consolidated financial statements for the year ended 31 December 2023 included in the annual accounts

Our opinion

We have audited the consolidated financial statements for the year ended 31 December 2023 of Stichting PharmAccess International based in Amsterdam.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Stichting PharmAccess International as at 31 December 2023 and of its result for the period ending 31 December 2023 in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

The consolidated financial statements comprise:

1. the consolidated balance sheet as at 31 December 2023;
2. the consolidated statement of income and expenditure for the period ending 31 December 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 of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting PharmAccess International 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.

Paragraph on prior period corrections

We draw attention to note “prior period corrections” on page 21-22 of the financial statements, which describes two material corrections of errors that affect the financial statements of 2022. As disclosed in the note, both errors have been corrected by restating the comparative figures. One error relates to a correction of the deferred income position due to improper cut-off of a project contract with a positive impact on the result of 2022 of € 1,229,008. The second error relates to an unregistered bank account in the financial statements 2022. This affects the current assets and liabilities, resulting in a positive impact on the balance sheet total of 2022 of € 603,754 (no impact on the result 2022). Our opinion on the financial statements has not been modified as a result of this matter.

Report on the other information included in the annual accounts

The annual accounts contains other information, in addition to the financial statements and our auditor's report thereon. The other information included in the annual accounts pertains to 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;
- contains the information as required by the Guideline for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board.

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.

The management board is responsible for the preparation of the other information, including the management board's report in accordance with the Guideline for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the management board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 the Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board;
- concluding on the appropriateness of the management board'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organization 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 audit of the financial information of organisations or operations to be included in the financial statements. In this respect we have determined the nature and extent of the audit procedures to be carried out for these organisations or operations. Decisive where the size and/or the risk profile of the organisations or operations. On this basis, we selected organisations or operations 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 management board 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, 28 February 2025

Forvis Mazars N.V.

Original has been signed by: drs. M. van Dijk RA



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