

With clearly set guidelines, **DNDi ensures** its resources are delivering the most value to its social mission.



# Financial statements and audit report

## BALANCE SHEET

AT 31 DECEMBER 2012 (with 2011 comparative figures)

(expressed in EUR)	NOTES	2012	2011
<b>CURRENT ASSETS</b>			
<b>Cash and cash equivalents:</b>			
Cash and banks at head office		10,070,432	11,096,606
Cash and banks at regional offices and affiliate		275,936	347,002
Time deposits		7,735,510	8,182,670
<b>Total cash and cash equivalents</b>		<b>18,081,878</b>	<b>19,626,278</b>
<b>Stocks of drugs</b>	3	<b>164,173</b>	<b>80,797</b>
<b>Current accounts and receivables:</b>			
Advances to officers and liaison offices		96,393	66,651
Receivables from public institutional donors		1,436,144	2,475,541
Other receivables		1,445,747	1,147,388
Prepaid expenses		179,818	380,290
<b>Total current accounts and receivables</b>		<b>3,158,102</b>	<b>4,069,870</b>
<b>Total current assets</b>		<b>21,404,153</b>	<b>23,776,945</b>
<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets, net	4	50,985	85,459
Bank guarantee deposits		29,475	32,108
<b>Total non-current assets</b>		<b>80,460</b>	<b>117,567</b>
<b>TOTAL</b>		<b>21,484,613</b>	<b>23,894,512</b>
<b>CURRENT LIABILITIES</b>			
Payables		1,615,786	2,588,190
Accrued expenses		1,155,589	759,073
Deferred income		8,149,154	10,077,858
Provisions	5	226,904	199,347
<b>Total current liabilities</b>		<b>11,147,433</b>	<b>13,624,468</b>
<b>CAPITAL OF THE ORGANIZATION</b>			
Paid-in capital		32,510	32,510
Restricted operating funds	6	181,027	219,888
Unrestricted operating funds		10,123,643	10,017,646
<b>Total capital of the organization</b>		<b>10,337,180</b>	<b>10,270,044</b>
<b>TOTAL</b>		<b>21,484,613</b>	<b>23,894,512</b>

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2012 (with 2011 comparative figures)

(expressed in EUR)	NOTES	2012	2011
<b>INCOME</b>			
<b>Public institutional funding:</b>			
Govern. & public int. organiz. unrestricted		4,988,767	8,729,076
Govern. & public int. organiz. restricted		11,290,893	4,728,028
<b>Total public institutional funding</b>		<b>16,279,660</b>	<b>13,457,104</b>
<b>Private resources:</b>			
Private foundations, corp. and individuals, unrestricted		84,481	71,060
Private foundations, corp. and individuals, restricted		8,645,004	8,192,695
Royalties on drug sales	6	26,068	56,693
<b>Total private resources</b>		<b>8,755,553</b>	<b>8,320,448</b>
<b>Resources from founders:</b>			
Médecins Sans Frontières, unrestricted		4,146,208	3,091,937
Médecins Sans Frontières, restricted		603,967	864,557
<b>Total resources from Founding Partners</b>		<b>4,750,175</b>	<b>3,956,494</b>
<b>Other income:</b>			
Sundry income & reimbursements		60,780	96,894
<b>TOTAL INCOME</b>	7	<b>29,846,168</b>	<b>25,830,940</b>
<b>SOCIAL MISSION EXPENDITURE</b>			
<b>Research &amp; development expenditure:</b>			
Research & development coordination and supervision	8	2,584,492	2,017,738
Human African trypanosomiasis projects		3,486,515	3,654,972 <sup>(1)</sup>
Leishmaniasis projects		4,351,392	3,473,871 <sup>(1)</sup>
Chagas disease projects		2,333,031	1,720,880 <sup>(1)</sup>
Other diseases projects (malaria, filaria, HIV)		3,219,130	2,393,102 <sup>(1)</sup>
Lead optimization & Portfolio building		6,815,215	6,822,777 <sup>(1)</sup>
Total research & development expenditure		22,789,775	20,083,340
<b>Strengthening capacities</b>	9	<b>1,630,531</b>	<b>1,460,091</b>
<b>Advocacy expenses</b>	10	<b>1,453,622</b>	<b>866,543</b>
<b>TOTAL SOCIAL MISSION EXPENDITURE</b>		<b>25,873,928</b>	<b>22,409,974</b>
<b>NON-SOCIAL MISSION EXPENDITURE</b>			
Fundraising	10	1,484,849	1,484,841
General and administration	10	2,537,220	2,139,433
<b>Total non-social mission expenditure</b>		<b>4,022,069</b>	<b>3,624,274</b>
<b>TOTAL EXPENDITURE</b>		<b>29,895,997</b>	<b>26,034,248</b>
Operating surplus / (loss)		(49,829)	(203,308)
<b>OTHER INCOME (EXPENSES)</b>			
Financial income, net		4,256	34,323
Exchange gain (loss), net		112,709	249,676
<b>TOTAL OTHER INCOME, NET</b>		<b>116,965</b>	<b>283,999</b>
Net surplus for the year prior to allocations		67,136	80,691
Allocation to restricted operating funds	6	38,861	(14,733)
Allocation to unrestricted operating funds		(105,997)	(65,958)
<b>NET SURPLUS FOR THE YEAR AFTER ALLOCATIONS</b>		<b>-</b>	<b>-</b>

(1) Numbers for 2011 may differ from those published in the Annual report 2011 due to modifications in the manner in which Lead Optimization budgets are allocated.



## FUNDS FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012 (with 2011 comparative figures)

<i>(expressed in EUR)</i>	2012	2011
<b>FUNDS FLOW FROM OPERATIONS</b>		
Net surplus for the year, unrestricted	105,997	65,958
Net surplus for the year, restricted	(38,861)	14,733
Depreciation of fixed assets	113,454	105,153
Increase (decrease) in provisions	27,557	(49,267)
(Increase) decrease in stocks	(83,376)	244
(Increase) decrease in advances	(29,743)	(18,951)
(Increase) decrease in receivables from donors	1,039,397	423,790
(Increase) decrease in Founders and other receivables	(298,360)	(752,296)
(Increase) decrease in prepaid expenses	200,472	(304,428)
Increase (decrease) in payables	(972,404)	(485,247)
Increase (decrease) in accrued expenses	396,518	319,603
Increase (decrease) in deferred income	(1,928,704)	3,327,708
<b>Funds flow from operations</b>	<b>(1,468,053)</b>	<b>2,647,000</b>
<b>FUNDS FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) decrease of investments in tangible fixed assets	(78,980)	(104,562)
(Increase) decrease in bank guarantee deposits	2,633	(3,170)
<b>Funds flow from investing activities</b>	<b>(76,347)</b>	<b>(107,732)</b>
<b>FUNDS FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
Cash increase (decrease)	(1,544,400)	2,539,268
Cash and cash equivalents – beginning of year	19,626,278	17,087,010
<b>Cash and cash equivalents – end of year</b>	<b>18,081,878</b>	<b>19,626,278</b>

## STATEMENT OF CHANGES IN CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2012

<i>(expressed in EUR)</i>	Opening balance	Allocation	Internal fund transfers	Closing balance
Internally generated funds				
Paid-in capital	32,510	-	-	32,510
Surplus for the year	-	67,136	(67,136)	-
Restricted operating funds	219,888	-	(38,861)	181,027
Unrestricted operating funds	10,017,646	-	105,997	10,123,643
Capital of the organization	10,270,044	67,136	-	10,337,180

## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

### 1. GENERAL INFORMATION

#### a) Legal aspects

The Drugs for Neglected Diseases *initiative* (DNDi) is a Swiss foundation, established as a not-for-profit legal entity, registered in Geneva under statutes dated 17 July 2003. DNDi is managed by a Board, an Executive Director, and seven senior managers.

With its headquarters in Geneva, DNDi aims to:

- a) stimulate and support research and development of drugs, as well as vaccines and diagnostics for neglected diseases;
- b) seek equitable access and development of new drugs, to encourage the production of known effective drugs, diagnostic methods and/or vaccines for neglected diseases;
- c) adapt new treatments for neglected diseases, to meet patients' needs, as well as to meet the requirements of delivery and production capacity in developing countries;
- d) raise awareness of the need to research and develop drugs for neglected diseases.

DNDi is monitored by the Swiss Federal Supervisory Board for Foundations.

#### b) Income tax

DNDi is exonerated from income tax from the Swiss federal income tax and from the Geneva cantonal and communal taxes for a five-year period commencing 2003, which was renewed in September 2008 for a period of ten years until 2018.

#### c) Situation of Regional Offices (RO)

DNDi has seven Regional Offices to help identify patients' needs, support Heads of Disease Programmes, identify and support regional partners, and undertake regional advocacy work for DNDi. These offices, together with regional networks, ensure the participation of disease-endemic countries notably into clinical and post-clinical activities and foster South-South collaboration. In addition, Regional Offices can explore fundraising opportunities in their regions. Their tasks and duties are further developed in the DNDi Business Plan.

Regional Offices (RO) are usually hosted by a Founding Partner, often at no cost, and are represented by an experienced senior person as the RO Director, bearing a staff or a consultant contract with DNDi. For local or operational reasons, DNDi may deem necessary to establish the RO as a legal entity, usually a branch of the DNDi Foundation or a corporation, depending on needs, local regulations, and requirements. Establishment of a DNDi legal entity outside Switzerland requires the authorization of the Board of Directors.

As of December 2012, DNDi has established legal entities in Kenya (2006), in Brazil (2008), and in India (2009) in the form of branches. The fourth DNDi RO is in Penang, Malaysia, and is still in the process of being registered as a branch in the country. Additionally, DNDi has one Project Support Office in the Democratic Republic of Congo. RO accounting is fully incorporated into DNDi accounts.

In June 2009, the Board of Directors approved the creation of a country support office in Japan, under the form of a 'specified non-profit organization', a legal entity registered with the city of Tokyo. DNDi Japan was established in November 2009.

The aim of DNDi Japan is exclusively charitable, and includes but shall not be limited to: assisting people in developing countries who are suffering from tropical diseases and contributing to the health and welfare of people in developing countries by supporting activities of the Drugs for Neglected Diseases *initiative* (DNDi) by promoting medical treatment; encouraging scientific research; and liaising, advising, and assisting entities performing these activities.

DNDi Japan presents an annual report comprising the financial statements of the calendar year. This report is certified by an independent Certified Public Accounting (CPA) firm selected by its Board of Directors. Deloitte Touche Tohmatsu LLC Tokyo, Japan performs certain audit procedures on the financial statements of DNDi Japan.

Start-up funding is provided via annual grants from DNDi and is accounted for in the DNDi financial statements by combining DNDi Japan accounts following the method of full integration (i.e. all income and expenditures are incorporated in the DNDi financial statement).

DNDi Japan's 2012 financial position as of 31 December 2012 is the following:

- ▶ Total liabilities and net assets: JPY 3,298,377;
- ▶ Total revenue: JPY 12,004,955 which represents a grant from DNDi to DNDi Japan;
- ▶ Of this grant, there is JPY 0 carried forward for 2013.

Affiliate: Drugs for Neglected Diseases *initiative* North America, Inc., a Delaware not-for-profit corporation exempt from U.S. Federal income taxation pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code (DNDi NA), was established in February 2007. This affiliate is based in New York City, New York, USA, and operates under the Direction of the DNDi NA Board of Directors.

The purposes for which it was formed are exclusively charitable and educational and include conducting activities to support



or benefit the Drugs for Neglected Diseases *initiative* (DNDi), such as awarding grants to support programmes, projects, and activities to stimulate and support research and development of drugs for neglected diseases and raising awareness in the region about the need for increased research and development for neglected diseases.

DNDi NA presents an annual report comprising the financial statements of the calendar year. This report is certified by an independent Certified Public Accounting (CPA) firm selected by its Board of Directors. The firm auditing DNDi NA accounts since 2008 is Tait, Weller & Baker LLP, Philadelphia, Pennsylvania, USA.

Start-up funding is provided via annual grants from DNDi and is accounted for in the DNDi financial statements by combining DNDi NA accounts following the method of full integration (i.e. all income and expenditures are incorporated in the DNDi financial statement).

DNDi NA's 2012 financial position as of 31 December 2012 is the following:

- ▶ Total liabilities and net assets: USD 122,134;

- ▶ Total revenue and other support: USD 2,347,990, of which a total grant from DNDi to DNDi NA, amounting to USD 823,010 and contributions (unrestricted) from individuals, corporate and private foundations ranging from USD 15 to 997,526.18 for a total of USD 1,524,745. One donor provided approximately 62% of the total contributions, including seed funding from DNDi NA;
- ▶ Total expenses: USD 2,444,999, and an excess of expenses over revenue leading to a reduction of net assets of USD 97,009.

In June 2009, the Board of Directors approved the change in legal status of DNDi in Brazil from a branch to a not-for-profit legal entity under the form of 'Associação de direito privado, sem fins lucrativos e de fins não econômicos', DNDi Latin America. The process was completed during the first semester 2010.

Lastly, a legal entity has been set up in France in the form of a not-for-profit association for administrative purposes in September 2004, this legal body is not a Regional Office.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of compliance

The financial statements have been prepared in accordance with Swiss GAAP FER. They include:

- a) Balance sheet
- b) Statement of operations (activity based method)
- c) Funds flow statement
- d) Statement of changes in capital
- e) Notes, and
- f) Performance Report.

These financial statements present all activities of the Foundation. A list of in-kind income and expenditures is disclosed in Note 12.

### b) Basis of preparation

The financial statements have been prepared on a historical cost basis. The principal accounting policies are set forth below.

### c) Social mission expenditure

Social mission expenditures represent expenses made according to the purposes defined in Article 5 of the DNDi statutes. They are defined in the present general notes under point 1.a Legal aspects. Research & development, strengthening existing capacities, and advocacy are the three chapters that comprise 'social mission expenditure'.

### d) Functional currency

The Board of DNDi has determined that the assets, liabilities, and operations should be measured using EUR as the functional currency. The environment in which the entity primarily generates and expends cash determines this decision. All amounts presented in the financial statements are stated in EUR, except when specified otherwise.

### e) Foreign currency translation

Transactions in currencies other than the entity's measurement and reporting currency (EUR) are converted at the average monthly rates of exchange. Year-end balances in other currencies are converted at the prevailing rates of exchange at the balance sheet date. Resulting exchange differences are recognized in the statement of operations.

The following are the principal rates of exchange used at the end of the year to revalue the balance sheet items to EUR for reporting purposes:

	2012	2011
USD	0.7578	0.7728
CHF	0.8282	0.8212
GBP	1.2249	1.1913
100 CDF	0.0828	0.0821
100 INR	1.3831	1.4536
100 KES	0.8862	0.9116
100 JPY	0.8799	0.9962
100 BRL	37.0714	41.4388

#### f) Income

Restricted public and private institutional donations based on annual or multiyear agreements are recorded, over the life of the agreement, as and when the milestones set out in the agreement are achieved.

Unrestricted public and private institutional donations based on annual or multiyear agreements are recorded on an accruals basis over the life of the agreement.

Other donations are recorded on a cash basis.

#### g) Funding committed to projects

After Board approval of the annual action plan and budget comprising the approved projects to be funded by DNDi, one or more contracts are drawn up and signed by two Directors, including the Executive Director, the R&D Director, the Discovery & Pre-clinical Director and/or the Medical Director for important and complex agreements and contracts above EUR 50,000, as detailed in the agreement signature process. Thereafter, funds are allocated to the partner(s) in charge of the project. Expenditures are recorded:

- a) according to a financial report presenting expenditures incurred during the year on an accrual basis; or
- b) if financial reports are unavailable as per the deadline of the 15th of March of the following year, an estimated amount is calculated on a prorata temporis basis, based on the time between the contract signing date and December 31. This estimated amount is considered as an accrued expense following Swiss GAAP FER to be regularized in the following year. The unpaid portion remaining at year-end is included under current liabilities.

#### h) Expenditures incurred for projects and activities

The annual action plan and budget are approved by the Board. They include funding for projects subcontracted to partners and current expenditures required to achieve the objectives for the year. A budget revision is approved by the Board at mid-year. All expenditures incurred on behalf of a project or for any activity of DNDi are recorded on an accrual basis.

#### i) Credit risk, cash-flow management

DNDi's liquid assets are maintained in cash, low-risk short-term deposits or capital guaranteed investments. At the balance sheet dates, there are no significant concentrations of credit risk. The maximum exposure is primarily represented by the carrying amounts of the financial assets in the balance sheet, including accounts receivable and cash.

#### j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to the statement of operations on a straight-line basis over the estimated useful lives of the tangible fixed asset items.

The rates of depreciation used are based on the following estimated useful lives:

Office fittings and equipment	20%
IT equipment	33%

#### k) Bank guarantee deposits

Guarantees are presented as non-current assets. To date, DNDi has four guarantees representing three deposits related to office rental in Tokyo and New York, and parking rental in Geneva; and a letter of guarantee pertaining to the Geneva premises. It is recoverable, subject to prevailing contract terms, upon vacating the premises.

#### l) Provisions

A provision is recognized on the balance sheet when the organization has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the management's best estimates of the expenditure required to settle that obligation at the balance sheet date.



### m) Capital of the organization

The founding capital (paid-in capital) of EUR 32,510 (CHF 50,000) referenced in the statutes was received from the founding members of DNDi, including the Indian Council of Medical Research, the Institut Pasteur, the Kenya Medical Research Institute, and the International Office of Médecins Sans Frontières. The capital is fully paid in.

### n) Restricted and unrestricted reserves

Restricted and unrestricted reserves represent the excess of income over expenditure since the inception of DNDi. Restricted reserves are available to DNDi for future operations and project funding costs as its evolving research and development project pipeline dictates. Unrestricted reserves will be utilized for expenditures of DNDi as incurred.

### o) In-kind donations

Gifts-in-kind are not recorded but disclosed in the notes to the financial statements and valued at fair market values according to the following principles:

- ▶ Goods transferred to a DNDi project or services rendered to DNDi must be free, excluding the involvement of a monetary transfer.
- ▶ They must be clearly identifiable and part of DNDi's projects and activities as defined by DNDi's action plans and budgets.
- ▶ Recognizable as a visible contribution to DNDi's projects and activities, benefiting DNDi, and in line with DNDi's mission and objectives.
- ▶ Partners' voluntary involvements in joint projects and activities, in particular if the Partner does not aim to achieve DNDi's project objectives, are not considered as gifts-in-kind.
- ▶ For goods or services paid at prices below market prices, the difference between real payment and current market price is not considered as gift-in-kind, but the current market price reached after negotiations.
- ▶ Fair market value is defined as the price DNDi would have paid to utilize the goods or service. Fair market value can be suggested by partners. However, DNDi will be careful not to overestimate such valuations in compliance with Swiss GAAP FER 3 basic principles of materiality and prudence.
- ▶ Gifts-in-kind estimated at EUR 5,000 and above are taken into account. Exceptions can be made by DNDi when it serves the purpose of providing consistency and completeness of a project's accounts.

## 3. DRUG INVENTORY

In 2012, in addition to the existing stock of drugs, DNDi purchased vials of SSG, AmBisome®, paromomycin, and caps of miltefosine 10mg and 50mg at an estimated value of EUR 83,350 from various partners (IDA Foundation, Gilead, Gland Pharma, and Paladin), for use in the on-going clinical

trials and the SSG&PM combination pharmacovigilance programme. Stocks of SSG, AmBisome®, miltefosine, and paromomycin at an estimated value of EUR 164,173 are stored at clinical trial sites in Ethiopia, Kenya, Sudan, and India.

Countries / drugs	Vials			Caps		Total in EUR
	SSG	AmBisome®	Paromomycin	Miltefosine 50mg	Miltefosine 10mg	
India		3,498	8,960	32,056	24,909	114,897
Ethiopia		759		8,400		19,026
Kenya				1,400		1,400
Sudan	2,450	500	9,600			28,850
Total vials/caps	2,450	4,757	18,560	41,856	24,909	
<b>TOTAL IN EUR</b>	<b>12,250</b>	<b>66,598</b>	<b>18,560</b>	<b>41,856</b>	<b>24,909</b>	<b>164,173</b>



#### 4. TANGIBLE FIXED ASSETS, net

(expressed in EUR)	Computer Equipment	Office fittings & Installations	Office Equipment	Total
<b>Net carrying amounts 1.1.2011</b>	13,928	30,507	41,616	<b>86,051</b>
<b>Gross values of cost</b>				
Beginning of the period 1.1.2011	226,357	131,828	137,260	<b>495,445</b>
Additions	77,811	6,697	20,053	<b>104,561</b>
Disposals				
End of the period 31.12.2011	304,168	138,525	157,313	<b>600,006</b>
<b>Accumulated amortization</b>				
Beginning of the period 1.1.2011	(212,428)	(101,320)	(95,645)	<b>(409,393)</b>
Change of the year	(48,834)	(22,300)	(34,019)	<b>(105,153)</b>
End of the period 31.12.2011	(261,262)	(123,620)	(129,664)	<b>(514,546)</b>
<b>NET CARRYING AMOUNTS 31.12.2011</b>	<b>42,906</b>	<b>14,905</b>	<b>27,649</b>	<b>85,460</b>
<b>Net carrying amounts 1.1.2012</b>	42,906	14,905	27,649	<b>85,460</b>
<b>Gross values of cost</b>				
Beginning of the period 1.1.2012	304,168	138,525	157,313	<b>600,006</b>
Additions	50,677	23,314	4,989	<b>78,980</b>
Disposals				
End of the period 31.12.2012	354,845	161,839	162,302	<b>678,986</b>
<b>Accumulated amortization</b>				
Beginning of the period 1.1.2012	(261,262)	(123,620)	(129,664)	<b>(514,546)</b>
Change of the year	(49,383)	(28,852)	(35,390)	<b>(113,625)</b>
Non systematic amortization <sup>(1)</sup>		(2,583)	2,753	<b>170</b>
End of the period 31.12.2012	(310,645)	(155,055)	(162,301)	<b>(628,001)</b>
<b>NET CARRYING AMOUNTS 31.12.2012</b>	<b>44,200</b>	<b>6,784</b>	<b>1</b>	<b>50,985</b>

(1) Notably correction for impact of foreign exchange rates EUR/CHF on valuation of office furniture in CHF.

#### 5. PROVISIONS

(expressed in EUR)	Provision for taxes	Provision for HR expenses (holidays not taken)	Provision for running expenses (other)	Total
<b>Carrying period as per 1.1.2011</b>	158,864	78,357	11,393	<b>248,614</b>
Creation		73,815	9,818	<b>83,633</b>
Utilization	(45,840)	(75,624)	(11,435)	<b>(132,899)</b>
Reversal	-	-	-	<b>-</b>
<b>CARRYING PERIOD AS PER 31.12.2011</b>	<b>113,024</b>	<b>76,548</b>	<b>9,776</b>	<b>199,348</b>
<b>Carrying period as per 1.1.2012</b>	113,024	76,548	9,776	<b>199,348</b>
Creation		108,270		<b>108,270</b>
Utilization		(73,815)	(6,899)	<b>(80,714)</b>
Reversal	-	-	-	<b>-</b>
<b>CARRYING PERIOD AS PER 31.12.2012</b>	<b>113,024</b>	<b>111,003</b>	<b>2,877</b>	<b>226,904</b>



## 6. ROYALTIES

In December 2004, DNDi signed an agreement with Sanofi, a pharmaceutical company, pertaining to the implementation of co-formulation treatments against malaria developed originally by DNDi together with Sanofi (ASAQ). Article VI of the contract states that 3% royalties resulting from net sales of this drug, whose brand name is Coarsucam®, to the private sector in developing countries are to be paid to DNDi.

DNDi has decided to allocate this money to supporting pharmacovigilance projects or activities such as the implementation of the ASAQ treatment in developing countries, notably in Africa.

The 3% royalties on the 2011 sales of Coarsucam® amounting to EUR 26,068 have been allocated entirely to the artesunate + amodiaquine (FACT-ASAQ in Africa) project.

The total costs of this project in 2012 amount to EUR 64,929. The balance of EUR 38,861 was taken from the 'Restricted operating fund', which is used for collaborative projects for observational studies and other access-related expenses in Africa and in Asia. After the 2012 utilization, the total amount of the restricted fund amounts to EUR 181,027 as per 31 December 2012.

## 7. INCOME

### a) Cumulative donations committed to DNDi and/or received by 2012 (in EUR)

DONORS		Total Commitment in currencies <sup>(1)</sup>	Total Commitment in EUR	As per Statement of Operations 2012 in EUR	To be used after 2012 in EUR
Médecins Sans Frontières	EUR	48,354,973	48,354,973	4,750,175	7,525,185
Bill & Melinda Gates Foundation	USD	59,016,944	43,524,440	7,218,131	11,035,464
UK Government DFID <sup>(1)</sup>	GBP	31,389,550	38,382,771	7,324,955	1,932,658
Dutch Government DGIS	EUR	16,975,000	16,975,000	4,000,000	8,000,000
French Government MAEE / AFD <sup>(2)</sup>	EUR	14,255,000	14,255,000	190,331	4,809,669
UNITAID	USD	17,335,304	13,136,693	0	13,136,693
Spanish Government AECID	EUR	12,000,000	12,000,000	1,000,000	0
German Government <sup>(3)</sup>	EUR	9,000,000	9,000,000	2,000,000	5,598,561
European Union, FP5, FP6, FP7, EDCTP	EUR	4,413,112	4,413,112	237,547	3,150,974
Wellcome Trust UK	EUR/USD	4,999,801	4,274,789	1,084,451	2,470,841
Swiss Government SDC	CHF	5,020,000	3,957,272	901,500	674,281
Medicor Foundation	EUR/USD	2,519,424	2,329,970	231,646	378,900
USA Government NIH/NIAID	USD	2,488,363	1,846,169	346,450	383,166
Canton of Geneva	CHF	1,600,000	1,119,035	165,874	0
UBS Optimus Foundation	CHF	1,250,000	791,045	0	0
Various private donors	EUR	547,535	547,535	115,779	0
Global Fund (AMFm)	EUR	532,809	532,809	113,003	0
Sandoz Family Foundation	CHF	500,000	308,700	0	0
Starr International Foundation	USD	400,000	296,646	79,478	75,780
Sasakawa Peace Foundation	EUR	241,336	241,336	0	0
Tuscany Region	EUR	200,000	200,000	0	0
Various other donor(s)	EUR	170,060	170,060	0	0
Anonymus donation	CHF	201,229	138,108	0	0
<b>TOTAL DONATIONS (EUR)<sup>(4)</sup></b>			<b>216,795,463</b>	<b>29,759,320</b>	<b>59,172,172</b>

(1) The UK Government, DFID, funded DNDi with 5 grants. A first unrestricted grant of GBP 6.5 million in 2006 for the period 2006-2008; a second unrestricted grant of GBP 18 million in 2009 for the period 2009-2013; a third restricted grant of GBP 1,381,529 in 2010 for the period 2010-2011; a fourth restricted grant of GBP 2 million in 2011 for 2011; and a fifth restricted grant of GBP 3.5 million in 2012 for the period 2011-2013. (2) The French Government, Ministry of Foreign and European Affairs, funded DNDi with 5 grants. From the MAEE: EUR 5.955 million in April 2007 for the period 2007-2010; from the MAEE: EUR 1.3 million in December 2009 for the period 2009-2011; from the AFD: EUR 1.5 million in June 2006 for the period 2006-2008; from the AFD: EUR 0.5 million in December 2009 for the period 2009-2010; and from the AFD: EUR 5 million in November 2012 for the period 2011-2015. (3) The German Government funded DNDi with 2 grants. From the GIZ: EUR 1 million for the period 2008-2009; and from the BMBF through KfW: EUR 8 million in November 2011 for the period 2011-2015. (4) Exchange rates used for 'Total Commitment in EUR' and 'As per Statement of Operations 2012' are real exchange rates following the DNDi exchange rate policy. Exchange rates used for 'To be used after 2012' appear in EUR at the USD/EUR, CHF/EUR, and GBP/EUR exchange rates as per 31.12.2012 (see note 2). 'Total Donations' therefore yield an approximate value as exchange will vary over time.

**b) Funding per project (restricted and unrestricted)**

Operational Income (Grand TOTAL = 29,846,168) (expressed in EUR)									
	UK Government DFID <sup>(1)</sup> (Unrestricted)	French Government AFD (Restricted) <sup>(2)</sup>	Spanish Government AECID (Unrestricted)	Dutch Government DGIS (Restricted)	German Government KfW-BMBF (Restricted)	United States Government NIH (Restricted) <sup>(3)</sup>	Switzerland SDC (Restricted/ Unrestricted) <sup>(4)</sup>	Switzerland Canton of Geneva (Restricted)	
<b>Implementation &amp; Development</b>	FACT (ASAQ & ASMQ fixed-dose) for Malaria	980,095	118,107				71,271		
	Nifurtimox + Eflornithine co-administration (NECT) for stage 2 for HAT	85,256	15,000					106,041	
	New VL treatments (Asia, Africa, SSG & Paromo, Latin America; co infection HIV/VL)	214,532		211,203	706,380	327,965	333,969		
	Fexinidazole for HAT		8,018					22,385	
	Benznidazole Paediatric dosage form for Chagas				183,555				
	Paediatric HIV: PI sprinkles CHAPAS-2 & super boosting TB/HIV (Preclinical until 2011)		43,490						
<b>Translation</b>	Alternative formulations of Amphotericin B for VL	43,236				103,309			
	Nitroimidazole VL-2098 (& back-up) for VL				20,271	55,769			
	Flubendazole Macrofilariicide for Filaria					7,043			
	Fenarimol for Chagas				11,506	34,465			
	Oxaborole SCYX-7158 for HAT (Preclinical until 2011)				70,514	284,840		113,349	
	Azoles E1224 & Biomarkers for Chagas	284,595			188,262				
	Anfoleish for CL (Exploratory until 2011)	51,690		157,325					
K777 for Chagas				11,885		196,615			
<b>Research</b>	Lead Optimization Consortia (for VL, Chagas, and HAT), including Fenarimol series and Nitroimidazole & Oxaborole back-ups	1,872,884		142,719	1,442,343	778,511	389		
	Discovery & Exploratory activities (Kinetoplastids and Filaria)	145,822				135,968			
	R&D Coordination, Supervision costs	1,011,888		144,866	593,114	81,527	31,799	103,958	
	HAT, LEAP & Chagas Platforms	128,566	5,716	38,553	251,600	59,647		81,599	32,781
	Other Strengthening Capacity activities	578,808						51,709	
	Advocacy	767,520		84,028		34,298		32,326	1,518
	Fundraising	429,285		121,972	159,754	30,147	272		3,149
	General Management	730,777		99,334	360,816	169,820	8,843	113,319	
	Net surplus allocated to unrestricted funds						5,223		
	<b>TOTAL INCOME = 29,846,168 +116,965</b>	<b>7,324,955</b>	<b>190,331</b>	<b>1,000,000</b>	<b>4,000,000</b>	<b>2,000,000</b>	<b>346,450</b>	<b>901,500</b>	<b>165,874</b>

(1) DFID grants include: 1) an unrestricted grant of EUR 3,988,768; 2) an exceptional unrestricted grant of EUR 3,336,187 covering the period from April to December 2012 only. (2) French Government AFD restricted multiyear grant started as of November 2012 with an amount of EUR 190,331. (3) NIH grants include two multiyear grants: 1) a restricted grant with a no-cost extension until April 2012 of EUR 123,597 (including a correction of EUR 5,223 related to 2008) for alternative formulations of Amphotericin B for VL programmes; and 2) a restricted grant of EUR 222,853 for K777 for the Chagas disease programme. (4) Switzerland SDC grants include: 1) an unrestricted grant of EUR 830,229; and 2) a one-year restricted grant of 71,271 which started in December 2012 for the FACT malaria programme. (5) AMFm-Global Fund includes one restricted grant, which started in 2010 and has been amended and increased in 2012 to reach a total amount of EUR 532,809. (6) European Union (EU) FP7: this grant was terminated in June 2012, together with the LeishDN/Avax for the cutaneous leishmaniasis programme, with a last grant of EUR 69,123. (7) European Union EDCTP: amendment of the grant signed with an increase of EUR 196,976 and an extension of the EDCTP programme and the funding until October 2013. (8) B&M Gates Foundation includes five restricted grants in 2012: 1) a grant of EUR 1,135,706 pertaining to lead optimization/pre-clinical for HAT, VL, and nitroimidazole for VL programmes; 2) a grant of EUR 2,825,149 for the fexinidazole for HAT programme; 3) a grant of EUR 1,486,722 for new VL treatments in Asia; 4) a grant of EUR 754,314 for flubendazole macrofilariicide for the filarial



	AMFm - Global Fund (Restricted) <sup>(5)</sup>	European Union EU FP7 (Restricted) <sup>(6)</sup>	European Union EDCTP (Restricted) <sup>(7)</sup>	Bill & Melinda Gates Foundation (Restricted) <sup>(8)</sup>	Médecins Sans Frontières (Restricted/ Unrestricted) <sup>(9)</sup>	Wellcome Trust (Restricted) <sup>(10)</sup>	Medicor Foundation (Restricted)	Foundations & Other (Restricted/ Unrestricted) <sup>(11)</sup>	Royalties on drug sales <sup>(12)</sup>	Financial income (Net) = 116,965	Utilization of restricted reserves	TOTAL Expenditure = 29,895,997
	102,738		157,295		371,537			16,448	26,068		38,861	1,882,420
												206,297
				1,288,756	179,268		173,557	11,218				3,446,848
				2,500,023								2,530,426
					211,466			71,828				466,849
					701,159			19,824				764,473
												146,545
				170,892								246,932
				559,349	5,845							572,237
												45,971
				281,089								749,792
					45,714	1,084,451		8,689				1,611,711
					293,793			8,258				511,066
												208,500
				562,728	432,711			10,799		116,965		5,360,049
				850,719	315,824			6,833				1,455,166
				267,200	328,067			22,073				2,584,492
		60,625			7,829		24,737	467				692,120
				20,367	276,945		10,531	51				938,411
				13,107	501,555			19,270				1,453,622
			6	116,047	610,699			13,518				1,484,849
	10,265	8,498	11,123	587,854	389,244		22,821	24,506				2,537,220
					78,518			22,256		0	-38,861	67,136
	113,003	69,123	168,424	7,218,131	4,750,174	1,084,451	231,646	256,038	26,068	116,965	0	29,963,133

(helminths) programme; and 5) a grant of EUR 1,016,241 for the NTD screening programme. (9) MSF includes 4 grants: 1) an unrestricted grant of EUR 2,646,208; 2) a restricted grant of EUR 392,500 for Paediatric HIV; 3) a restricted grant of EUR 211,467 for benzimidazole paediatric dosage form for Chagas disease; and 4) an exceptional unrestricted grant of EUR 1,500,000 for 2012. (10) Wellcome Trust grants include: 1) a restricted multiyear grant amounting to EUR 963,998 for the Azoles E1224 project for Chagas disease; and 2) a restricted multiyear grant of EUR 120,453 for biomarkers for Chagas disease. (11) Private Foundations: Buck Foundation (EUR 4,574); Fondation ARPE (EUR 8,273); Fondation Pro Victimis (EUR 3,200); Starr Foundation (EUR 79,478). Other Revenue: various individual donations of a total of EUR 99,731, of which EUR 79,686 come from North America and EUR 20,045 come from Switzerland. In addition, DNDi in Geneva has collected various reimbursements and participations of partners all along the year for a total amount of EUR 60,780. (12) Royalties from Sanofi for EUR 26,068 earmarked to a monitoring study on pharmacovigilance of ASAQ (see note 6). The restricted operating fund has been partially used (EUR 38,861) to fund and support the total expenditure attached to this project (EUR 64,229).

## 8. EXPENDITURE

### a) R&D projects related expenditure

Recognized in (expressed in EUR)	2012	2011
<b>IMPLEMENTATION PROJECTS</b>		
ASAQ Fixed-dose Artesunate - Amodiaquine (Malaria) <sup>(1)</sup>	812,945	649,207
ASMQ Fixed-dose Artesunate - Mefloquine (Malaria) <sup>(2)</sup>	1,069,475	1,254,886
NECT Nifurtimox - Eflornithine co-administration for stage 2 (HAT) <sup>(3)</sup>	206,297	347,044
SSG & Paromomycin Combination Therapy for VL in Africa <sup>(4)</sup>	206,472	32,576
New VL treatments in Asia <sup>(5)</sup>	1,244,486	371,450
Paediatric Benznidazole (Chagas) <sup>(6)</sup> (development until 2011)	466,849	0
<b>TOTAL IMPLEMENTATION PROJECTS</b>	<b>4,006,524</b>	<b>2,655,163</b>
<b>DEVELOPMENT PROJECTS (PHASE IIb/III; REGISTRATION)</b>		
Fexinidazole for (HAT) <sup>(7)</sup> (translation until 2011)	2,530,426	0
New VL treatments for Bangladesh <sup>(5)</sup>	341,146	444,416
New VL treatments in Africa <sup>(4)</sup>	1,187,533	1,567,016
New VL treatments in Latin America	132,389	123,316
Coinfection HIV / Visceral Leishmaniasis <sup>(8)</sup>	264,768	0
Paediatric Benznidazole (Chagas) <sup>(6)</sup> (implementation as of 2012)	0	501,619
<b>TOTAL DEVELOPMENT PROJECTS</b>	<b>4,456,262</b>	<b>2,636,367</b>
<b>TRANSLATION PROJECTS (PRE-CLINICAL; PHASE I; PHASE IIa/PoC)</b>		
Fexinidazole for (HAT) <sup>(7)</sup> (Development as of 2012)	0	2,043,071
Oxaborole SCYX-7158 (HAT) <sup>(9)</sup>	749,792	1,264,857
Fexinidazole for (VL) <sup>(10)</sup>	70,054	0
Anfoleish (CL) <sup>(11)</sup>	511,067	0
Azoles E1224 & Biomarkers (Chagas) <sup>(12)</sup>	1,611,711	1,099,841
Fenarimol (Chagas) <sup>(13)</sup>	45,971	0
Paediatric HIV (PI sprinkles CHAPAS-2 & Superboosting TB/HIV) <sup>(14)</sup>	764,473	292,712
Alternative formulations of Amphotericin B (VL) <sup>(15)</sup>	146,545	166,178
Nitroimidazole (VL-2098) <sup>(16)</sup>	246,932	768,919
K777 for Chagas <sup>(17)</sup>	208,500	119,420
Flubendazole Macrofilariicide (Filaria) <sup>(18)</sup>	572,237	196,297
<b>TOTAL TRANSLATION PROJECTS</b>	<b>4,927,283</b>	<b>5,951,295</b>
<b>RESEARCH PROJECTS (SCREEN; HIT TO LEAD; LEAD OPTIMIZATION)</b>		
Lead Optimization Consortia <sup>(19)</sup>	5,360,049	5,223,126
Screening Resources & Reference Screening Centres <sup>(20)</sup>	1,455,166	1,375,006
Other exploratory activities	0	224,645
<b>TOTAL RESEARCH PROJECTS</b>	<b>6,815,215</b>	<b>6,822,777</b>
<b>Project-related variable expenditure</b>		
Coordination & Supervision <sup>(21)</sup>	2,584,492	2,017,738
<b>TOTAL OF PROJECTS RELATED EXPENDITURE</b>	<b>22,789,775</b>	<b>20,083,340</b>



### Main R&D partners & Subcontractors:

#### Partners and service providers with financial compensation above EUR 5,000 in 2012 are:

**(1)** Sanofi, France / Institute of Research for Development (IRD), Senegal / Epicentre, France / KATH, Ghana / OTECI, France / AEDES, Belgique / Zenufa, Tanzania.

**(2)** National Institute of Medical Research, Tanzania / Catalent, UK / WHO-TDR, Switzerland / CNRPF, Burkina Faso / KEMRI, Kenya / Ifakara, Tanzania / Epicentre, France / Cardinal Systems, France.

**(3)** PNLTHA, Democratic Republic of Congo / Swiss Tropical and Public Health Institute (Swiss TPH) / HAT Platform partners (PNLTHA, Republic of the Congo; TMRI, Sudan; ICCT, Angola; COCTU, Uganda; PNLTHA Central African Republic; PNLTHA, Chad) / RCTS, France.

**(4)** Kenya Medical Research Institute, Kenya / Institute of Endemic Diseases (IEND) and University of Khartoum, Sudan / Addis Ababa University, Ethiopia / University of Makerere, Uganda / Amudat Hospital, Uganda / LSHTM, UK / Gilead, Ireland / IDA Foundation, The Netherlands / i+solutions, The Netherlands / Torkke & Dreher, Switzerland.

**(5)** MSF-Logistique, France / Gilead, Ireland / WHO-TDR, Switzerland / OneWorld Health (OWH/PATH), USA / Médecins Sans Frontières / MSF-Supply, Belgium / GVK Biosciences, India / Shaheed Surawhady Medical College Hospital (SHSMC), Bangladesh / International Centre for Disease Diarrheal Research (ICDDR), Bangladesh.

**(6)** LAT Research, Argentina / F.I.P.E.C. Argentina / Fundacion Innova-T, Argentina.

**(7)** Sanofi, France / Swiss TPH / HAT Platform partners (see point 3 above) / Aptuit, UK / SGS, Belgium and France / Xcentiphar, France / Vanga CBCO Clinic, DRC / Médecins Sans Frontières / MSF-Logistique, France / Bertin Pharma, France / Institute of Tropical Medicine-Antwerp, Belgium / Cardibase, France / Phinc Development, France / Cardinal Systems, France / Theradis, France / Qualilab, France.

**(8)** Gondar University, Ethiopia / Addis Ababa University, Ethiopia.

**(9)** SCYNEXIS, USA / Drugabilis, France / Penn Pharma, UK / Greenwich University, UK / Absorption Systems, UK / SGS, Belgium & France / Cardibase, France / Patheon, UK.

**(10)** Phinc Development, UK.

**(11)** Imperial College, UK / PECET Universidade, Colombia / Calvert Laboratories, USA / Institut Pasteur, Iran.

**(12)** Barcelona Center for International Health Research (CRESIB), Spain / CEADES, Bolivia / Texas Biomedical Research Institute, USA / Fundep + René Rachou Institute, Brazil / Corlab Partners, USA / McGill University, Canada / University of Georgia, USA / Cardinal Systems, France / Clin Data First, France / Fundacion Ingebi, Argentina.

**(13)** Drugabilis, France / Accelerera, Italy.

**(14)** WuXi AppTech, China / Medical Research Council (MRC), UK.

**(15)** Polytherics, UK / LSHTM, UK.

**(16)** Advinus Therapeutics, India / Drugabilis, France / ChemDepo Inc, USA / Huntingdon, USA.

**(17)** Harlan Laboratories, Switzerland / University of California, USA.

**(18)** Accelerera, Italy / Covance, UK / Michigan State University, USA.

**(19)** Epichem Pty Ltd, Australia / CDRI, India / Advinus, India / Murdoch University, Australia / Monash University, Australia / WuXi Apptec, China / TB Alliance, USA / Cangenix, UK / IPK, Korea / Drugabilis, France / Phinc Development, France / SCYNEXIS, USA / Pace University, USA / Anacor Pharmaceuticals Inc., USA / LSHTM, UK / iThemba Pharma, South Africa / Antwerp University, Belgium / Sandexis, UK.

**(20)** Swiss TPH, Switzerland / LSHTM, UK / Antwerp University, Belgium / GlaxoSmithKline (GSK-Tres Cantos), Spain / IPK, Korea / Dundee University, UK / Northwick Park Institute for Medical Research (NPIMR), UK.

**(21)** R&D Coordination & Supervision.

(expressed in EUR)	2012	2011
Coordination	1,651,256	1,151,350
Scientific Advisory Commission	120,403	113,567
Business Development	589,818	420,761
Japan representation office	223,015	234,291
Research: IP & Regulatory affairs (under Advocacy & Comm in 2012)	0	97,769
<b>TOTAL</b>	<b>2,584,492</b>	<b>2,017,738</b>

### Consultants involved in R&D projects:

Ansong, Daniel; Bacchi, Cyrus; Banks, Michael; Bennett, John; Bray, Michael; Buffet, Pierre; Campbell, Simon; Chang, Shing; Chapuis, François; Clark, Jeff; Daher, André; Diap, Graciela; Dinanga Munzadi, Jos; Duke, Jeff; Etienn, Paula; French, Edward; Garcia, Facundo; Geary, Timothy; Gradner, Mark; Hudson, Alan; Larrey, Dominique; Last, Paul; Massuyeau, Laurent; Mazué, Guy; Mechali Daniel; Mestra Laureano; Mutombo Kalonji, Wilfried; Oliveira, Ana Luiza; Paillasseur, Jean-Louis; Parkinson, Tanya; Pedrique, Maria Belen; Pinheiro, Eloan; Pouit, Sylvie; Prescott, Kim; Scherrer, Bruno; Schijmann, Alejandro; Smith, Dennis; Somme, Claudette; Sosa-Estani, Sergio; Speed, Bill; Taylor, Bob; Thénot, Jean-Paul; Tweats, David; Vacus, Joël; Vaillant, Michel; Voiriot, Pascal; Von Geldern, Thomas; Williams, Mike; Zijlstra, Edward; Zwang, Julien.

## b) Presentation of the DNDi expenditure per nature of expenses

Recognized in (expressed in EUR)	2012	2011
<b>PERSONNEL</b>		
Personnel at Head	6,744,482	5,409,964
Personnel at Regional	2,012,990	1,277,579
Consultant	1,812,230	2,016,288
Travel and Accomodation	1,353,807	1,215,779
<b>TOTAL PERSONNEL</b>	<b>11,923,509</b>	<b>9,919,610</b>
<b>OPERATIONAL R&amp;D</b>		
Purchase & Logistics	920,912	472,562
Equipment	253,032	63,328
Discovery & Lead Optimization (partners & service)	6,043,795	5,795,563
Pre-clinical (partners & service)	1,091,235	1,409,435
Training for partners	132,861	97,016
Clinical & post-clinical (partners & service)	5,511,870	5,032,206
Product manufacturing & CMC (partners & service)	690,396	382,757
<b>TOTAL OPERATIONAL R&amp;D</b>	<b>14,644,101</b>	<b>13,252,867</b>
<b>OTHER</b>		
Communication (tools, organization of)	1,099,561	954,702
Administration & IT (depreciation, furniture, service providers)	2,228,826	1,907,069
<b>TOTAL OTHER</b>	<b>3,328,387</b>	<b>2,861,771</b>
<b>GRAND TOTAL</b>	<b>29,895,997</b>	<b>26,034,248</b>

## 9. STRENGTHENING CAPACITIES EXPENDITURE

DNDi expenditures on strengthening existing capacities in developing countries aim to:

- ▶ build networks around specific projects between researchers from developing and developed countries;
- ▶ establish working partnerships, including technology transfers, with public and private institutions, and researchers from developing and developed countries; and
- ▶ invest in sustainable capacity and leadership in developing countries at all stages of research and development.

(expressed in EUR)	2012	2011
Regional Offices, manage. costs: Rio, Delhi, Nairobi, Penang	938,413	842,514
Leishmaniasis East Africa Platform (LEAP)	174,309	151,760
Human African Trypanosmiasis (HAT) Platform	253,578	273,552
Chagas Clinical Research Platform	182,147	117,382
LeishDNAvax Consortium Agreement	82,084	74,883
<b>TOTAL</b>	<b>1,630,531</b>	<b>1,460,091</b>

**HAT Platform:** WHO, Ministries of Health National Control Programmes of the major endemic countries (Angola, Democratic Republic of the Congo, Republic of the Congo, Sudan, South Sudan, Uganda, Chad, and the Central African Republic), Swiss Tropical and Public Health Institute, Médecins Sans Frontières, DNDi.

**Leishmaniasis East Africa Platform:** University of Khartoum, Sudan; Addis Ababa University, Ethiopia; Makerere University, Uganda; Kenya Medical Research Institute; Ministries of Health of Kenya, Uganda, Ethiopia, and Sudan; London School of Hygiene and Tropical Medicine, UK; Médecins Sans Frontières; ASK (AMC-Slotervaart Hospital, KIT), The Netherlands; i+solutions, The Netherlands; DNDi.

**Chagas Clinical Research Platform:** Ministries of Health and National Control Programmes of high-burden endemic countries (Argentina, Bolivia, Brazil, Mexico); PAHO; Dept for the Control of Neglected Tropical Diseases, WHO; Hospital de Niños Ricardo Gutiérrez, Argentina; Instituto Nacional de Parasitología Dr M Fátala Chabén, Argentina; Hospital de Niños de Jujuy, Argentina; Hospital Público Materno Infantil – Salta, Argentina; Centro de Chagas y Patología Regional, Santiago del Estero, Argentina; CONICET, Argentina; Instituto Oswaldo Cruz, Brazil; Instituto de Pesquisa Evandro Chagas-Fiocruz, Brazil; Centro de Pesquisas René Rachou-Fiocruz, Brazil; Universidad Mayor de San Simon – Platform of Integral Care for Patients with Chagas Disease, Bolivia; CRESIB – Hospital Clinic Barcelona, Spain; MSF; Institut de Recherche pour le Développement, France; Eisai Co. Ltd., Japan; FINDECHAGAS; Mundo Sano, Argentina.



## 10. ADVOCACY, FUNDRAISING AND GENERAL & ADMINISTRATION EXPENSES

(expressed in EUR)	Advocacy		Fundraising		General & Administration	
	2012	2011	2012	2011	2012	2011
Human resources	904,841	453,778	1,191,778	1,170,773	1,570,746	1,215,285
Office charges	41,752	45,079	72,565	74,397	121,081	106,550
Travel expenses	73,381	39,506	70,691	86,787	168,220	141,789
Administration	41,133	26,861	91,748	86,989	191,623	284,561
IT & telecommunications	55,215	23,548	29,144	24,139	358,324	248,619
Communication	319,171	265,659	16,443	28,086	85,109	112,037
Depreciation	11,345	11,567	12,480	13,670	32,902	27,340
Exceptional expenses	6,784	545	0	0	9,215	3,253
<b>TOTAL</b>	<b>1,453,622</b>	<b>866,543</b>	<b>1,484,849</b>	<b>1,484,841</b>	<b>2,537,220</b>	<b>2,139,433</b>

**Consultants:** Bolton, Samantha; Castillo, Cecilia; Chaves, Gabriela; Collins, Intira; Fiori, Valéria; Goel, Sunil Prakash; Lotrowska, Michel; Lucas Subirats, Marta; Matsudaira, Masako; Menghaney, Leena; Paccaud, Léa; Pontes, Flavio; Salamin, Alain; Thorens, Isaline; Van de Weerd, Hans; Vieira, Marcela; Wells, Susan; Wong, Peng Lin.

## 11. INDEMNITIES & REMUNERATIONS GIVEN TO DIRECTORS

All members of the Board are appointed on a voluntary basis. The Board members have received no remuneration for their mandate in 2012, nor in 2011.

## 12. CONTRIBUTIONS IN-KIND

Drugs for Neglected Diseases *initiative* (DNDi) operations are funded through financial contributions and donations. In addition to financial funding, generous partners, private companies, academic groups, and individuals, provide DNDi with goods and services at no cost as gifts in kind (see note 20,

DNDi In-Kind Policy). DNDi aims at reflecting this increasing contribution in the 2012 financial statements in order to present a comprehensive picture of its activities. The in-kind contribution of DNDi partners increased between 2011 and 2012 from EUR 5,000,000 in 2011 to EUR 5,750,000 in 2012.

### Gifts-in-kind evaluated for the year 2012 per category and per project

(expressed in EUR)	Staff Scientific	Staff non-Scientific	R&D Services	Office, furniture & admin.	Total
Lead Optimization Consortia (Australia)			115,714		115,714
Screening Resources & Reference Centres	216,128	114,266	230,651	41,834	602,879
Fexinidazole for HAT	80,000		88,714		168,714
K777 for Chagas			356,736		356,736
Fenarimol for Chagas			356,736		356,736
Flubendazole Macrofilicicide	185,232		310,050		495,282
Regional Offices	113,275	10,669	2,339	52,812	179,095
New VL Treatments: Africa, Asia, America	125,834		310,249	13,589	449,672
Azoles E1224	1,459,453	35,699	1,510,478		3,005,630
Paediatric Benznidazole	1,798	499	10,087		12,384
ASMQ Fixed-dose (Malaria)	200	1,198	5,992		7,390
<b>TOTAL</b>	<b>2,181,920</b>	<b>162,331</b>	<b>3,297,746</b>	<b>108,235</b>	<b>5,750,232</b>

## 13. ASSETS PLEDGED AS GUARANTEE FOR COMMITMENTS

At year end, a bank of the Foundation had provided two rental letters of guarantee of CHF 70,000 (EUR 57,974 – 2011 CHF 70,000) and CHF 20,000 (EUR 16,564 – 2011 CHF 20,000)

in favour of a third party. Cash for an equivalent amount is pledged at the corresponding bank.



# Report of the statutory auditor



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## Report of the statutory auditor

To the Board of  
**DRUGS FOR NEGLECTED DISEASES INITIATIVE (DNDi), Geneva**

### Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Drugs for Neglected Diseases initiative (DNDi), which comprise the balance sheet, statement of operations, funds flow statement, statement of changes in capital and notes, presented on pages 59 to 73, for the year ended December 31, 2012. In accordance with Swiss GAAP FER 21, the content of the performance report presented on pages 8 to 57 is not audited.

#### *Board's Responsibility*

The Board is responsible for the preparation and the fair presentation of the financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the charter of the foundation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements for the year ended December 31, 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the charter of the foundation.

Audit.Tax.Consulting.Corporate Finance.  
Member of Deloitte Touche Tohmatsu

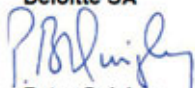
**Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (articles 83b CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board.

We recommend that the financial statements submitted to you be approved.

**Deloitte SA**



Peter Quigley  
Licensed audit expert  
Auditor in charge



Jürg Gehring  
Licensed audit expert

Geneva, June 3, 2013

## A WORD OF THANKS

DNDi is grateful for the support received from the following donors who contributed toward the advancement of its mission and goals. To date, DNDi has delivered six new treatments and aims to bring eleven to thirteen treatments in total to patients suffering from neglected diseases by 2018. DNDi would like to thank all of the donors and partners for their loyal commitment and partnership since 2003.

### Public institutional support

Department for International Development (DFID) / United Kingdom  
Dutch Ministry of Foreign Affairs (DGIS), The Netherlands  
European Union – Framework Programmes 5, 6 and 7, International  
European and Developing Countries Clinical Trials Partnerships (EDCTP) with co-funding from Member States, International  
Federal Ministry of Education and Research (BMBF) through KfW, Germany  
French Development Agency (AFD), France  
German International Cooperation (GIZ) on behalf of the Government of the Federal Republic of Germany, Germany  
The Global Fund to Fight AIDS, Tuberculosis and Malaria (AMFm), International  
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Spanish Agency for International Development Cooperation (AECID), Spain  
Swiss Agency for Development and Cooperation (SDC), Switzerland  
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Region of Tuscany, Italy  
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Fondation Pro Victimis, Switzerland  
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Guy's, King's and St Thomas' Giving Week, United Kingdom  
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Drugs for Neglected Diseases *initiative*

The Drugs for Neglected Diseases *initiative* (DNDi) is a patient-needs driven, not-for-profit research and development (R&D) organization that develops safe, effective, and affordable treatments for neglected diseases that afflict millions of the world's poorest people, notably human African trypanosomiasis (sleeping sickness), leishmaniasis, Chagas disease, paediatric HIV, specific filarial diseases and malaria.



**DNDi's primary objective is to:**

→ Deliver 11 to 13 new treatments by 2018 for targeted neglected diseases and establish a strong R&D portfolio that addresses patients' treatment needs

**In doing this, DNDi has two further objectives:**

- Use and strengthen capacities in disease-endemic countries via project implementation
- Raise awareness about the need to develop new drugs for neglected diseases and advocate for increased public responsibility

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