Financial Report

2014 Financial statements and audit report

BALANCE SHEET

AT 31 DECEMBER 2014 (with 2013 comparative figures)

(Expressed in EUR)	Notes	**2014**	2013
CURRENT ASSETS			
Cash and cash equivalents:			
Cash and banks at head office		13,138,390	8,425,396
Cash and banks at regional offices and affiliate		775,596	517,220
Time deposits		18,885,961	13,067,160
Total cash and cash equivalents		32,799,947	**22,009,776**
Stocks of drugs	3	173,164	**189,414**
Current accounts and receivables:			
Advances to officers and liaison offices		88,625	73,199
Receivables from public institutional donors		1,434,538	252,127
Other receivables		880,820	1,370,591
Prepaid expenses		595,381	429,298
Total current accounts and receivables		2,999,364	**2,125,216**
TOTAL CURRENT ASSETS		**35,972,475**	**24,324,406**
NON-CURRENT ASSETS			
Tangible fixed assets, net	4	69,806	48,379
Bank guarantee deposits	2.k.	89,483	74,160
Total non-current assets		159,289	**122,538**
TOTAL		**36,131,764**	**24,446,944**
CURRENT LIABILITIES			
Payables		2,433,459	2,339,695
Accrued expenses		1,991,183	1,314,291
Deferred income	7	20,955,657	10,203,966
Provisions	5	233,442	136,558
Total current liabilities		25,613,741	**13,994,511**
CAPITAL OF THE ORGANIZATION			
Paid-in capital		32,510	32,510
Restricted operating funds	6	114,547	159,846
Unrestricted operating funds		10,370,966	10,260,077
Total capital of the organization		10,518,023	**10,452,433**
TOTAL		**36,131,764**	**24,446,944**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2014 (with 2013 comparative figures)

(Expressed in EUR)	Notes	**2014**	2013
INCOME			
Public institutional funding:			
Govern. & public int. organiz. unrestricted		13,460,530	5,600,067
Govern. & public int. organiz. restricted		10,396,427	12,212,969
Total public institutional funding		23,856,957	17,813,036
Private resources:			
Private foundations, corp. and individuals, unrestricted		215,634	507,286
Private foundations, corp. and individuals, restricted		8,383,666	7,726,668
Royalties on drug sales	6	5,762	15,270
Total private resources		8,605,062	8,249,224
Resources from founders:			
Médecins Sans Frontières, unrestricted		4,000,000	4,556,230
Médecins Sans Frontières, restricted		19,102	392,500
Total resources from Founding Partners		4,019,102	4,948,730
Other income:			
Sundry income & reimbursements		74,352	230,666
Other income net		74,352	230,666
TOTAL INCOME	7	36,555,473	31,241,656
SOCIAL MISSION EXPENDITURE			
Research & development expenditure:	8		
Research & development coordination and supervision		3,109,458	2,656,917
Human African trypanosomiasis projects		7,137,019	5,300,867
Leishmaniasis projects		4,398,588	3,929,291
Chagas disease projects		2,803,540	2,627,175
Other diseases projects (malaria, filarial, HIV)		3,983,750	3,229,498
Lead optimization & Portfolio building		6,213,755	5,463,001
Total research & development expenditure		27,646,111	23,206,749
Strengthening capacities	9	2,574,948	1,731,925
Advocacy expenses	10	1,653,489	1,875,887
TOTAL SOCIAL MISSION EXPENDITURE		31,874,548	26,814,561
NON-SOCIAL MISSION EXPENDITURE			
Fundraising	10	1,579,783	1,518,054
General and administration	10	2,942,777	2,677,889
Total non-social mission expenditure		4,522,560	4,195,943
TOTAL EXPENDITURE		36,397,108	31,010,504
Operating surplus / (loss)		158,365	231,152
OTHER INCOME (EXPENSES)			
Financial income, net		10,290	31,170
Exchange gain (loss), net		(103,066)	(147,070)
TOTAL OTHER INCOME (EXPENSES), NET		(92,776)	115,900
Net surplus for the year prior to allocations		65,589	115,252
Release from restricted operating funds	6.a-6.b.	45,299	21,182
Allocation to unrestricted operating funds		(110,888)	(136,434)
NET SURPLUS FOR THE YEAR AFTER ALLOCATIONS		-	-

FUNDS FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014 (with 2013 comparative figures)

(Expressed in EUR)	**2014**	2013
FUNDS FLOW FROM OPERATIONS		
Net surplus for the year, unrestricted	110,888	136,434
Usage for the year, restricted	-45,299	-21,182
Depreciation of fixed assets	53,368	85,304
(Increase) decrease in provisions	96,884	-90,345
Increase (decrease) in stocks	16,250	-25,241
Increase (decrease) in advances	-15,426	23,194
Increase (decrease) in receivables from public institutional donors and private donors	-1,182,411	1,184,017
(Increase) decrease in other receivables	489,771	75,155
(Increase) decrease in prepaid expenses	-166,082	-249,481
Increase (decrease) in payables	93,764	723,910
Increase (decrease) in accrued expenses	676,892	158,701
Increase (decrease) in deferred income	10,751,691	2,054,811
Funds flow from operations	10,880,289	**4,055,278**
FUNDS FLOW FROM INVESTING ACTIVITIES		
(Increase) decrease of investments in tangible fixed assets	-74,795	-82,698
(Increase) decrease in bank guarantee deposits	-15,324	-44,685
Funds flow from investing activities	-90,119	-127,382
FUNDS FLOW FROM FINANCING ACTIVITIES		
Cash increase (decrease)	10,790,171	3,927,896
Cash and cash equivalents – beginning of year	22,009,776	18,081,878
Cash and cash equivalents – end of year	32,799,947	**22,009,774**

STATEMENT OF CHANGES IN CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2014 (with 2013 comparative figures)

Internally generated funds *(Expressed in EUR)*	Opening balance	Allocation	Internal fund transfers	Closing balance
FUNDS FLOW FROM OPERATIONS				
Paid-in capital	32,510	-	-	32,510
Surplus for the year	-	65,589	(65,589)	-
Restricted operating funds	159,846	-	(45,299)	114,547
Unrestricted operating funds	10,260,077	-	110,888	10,370,966
Capital of the organization	10,452,434	65,589	-	10,518,023

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

1 GENERAL INFORMATION

a) Legal aspects

The Drugs for Neglected Diseases *initiative* (DND*i*) is a Swiss foundation registered in Geneva under statutes dated 17 July 2003 as a not-for-profit legal entity, with its headquarters in Geneva. DND*i* is monitored by the Swiss Federal Supervisory Board for Foundations, and has been granted 'other international organization' status in 2011. DND*i* is compliant with Swiss law and with Swiss GAAP FER.

DND*i* aims to, as per the Charter:

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.

DND*i* is Governed by the Board of Directors, with the Scientific Advisory Committee, Audit Committee, and Executive Board Committee providing key scientific and management guidance for decision making, the DND*i* Executive Team implements the R&D strategy, manages the global portfolio, allocates reso urces, raises funds and advocates.

DND*i* Executive Team is led by the Executive Director and includes the R&D Director, the Operations Director and the Fundraising, Advocacy and Communication Director.

The Strategic Committee, in addition to the Executive Team members, includes the Finance and Planning Director, Business Development Director, Medical Director, Discovery & Pre-Clinical Director, and Directors of Regional Offices.

b) Income tax

An agreement was signed with the Swiss Federal Council under provisions of the promulgated Swiss Host State Act, to grant DND*i* certain privileges effective as of 1 January 2011 for an indeterminate period. The principal advantages for DND*i* as a Swiss foundation with Other International Organization status are:

- Exoneration from all indirect federal, cantonal and communal taxes
- Exoneration from VAT on all goods and services acquired for the sole use of the foundation within Switzerland and abroad
- Unrestricted access to work permits for non-Swiss, non EU nationals

DND*i* is exonerated from income tax from the Swiss federal income tax and from the Geneva cantonal and communal taxes for a ten-year period granted in September 2008 until 2018.

c) Situation of Regional Offices (RO)

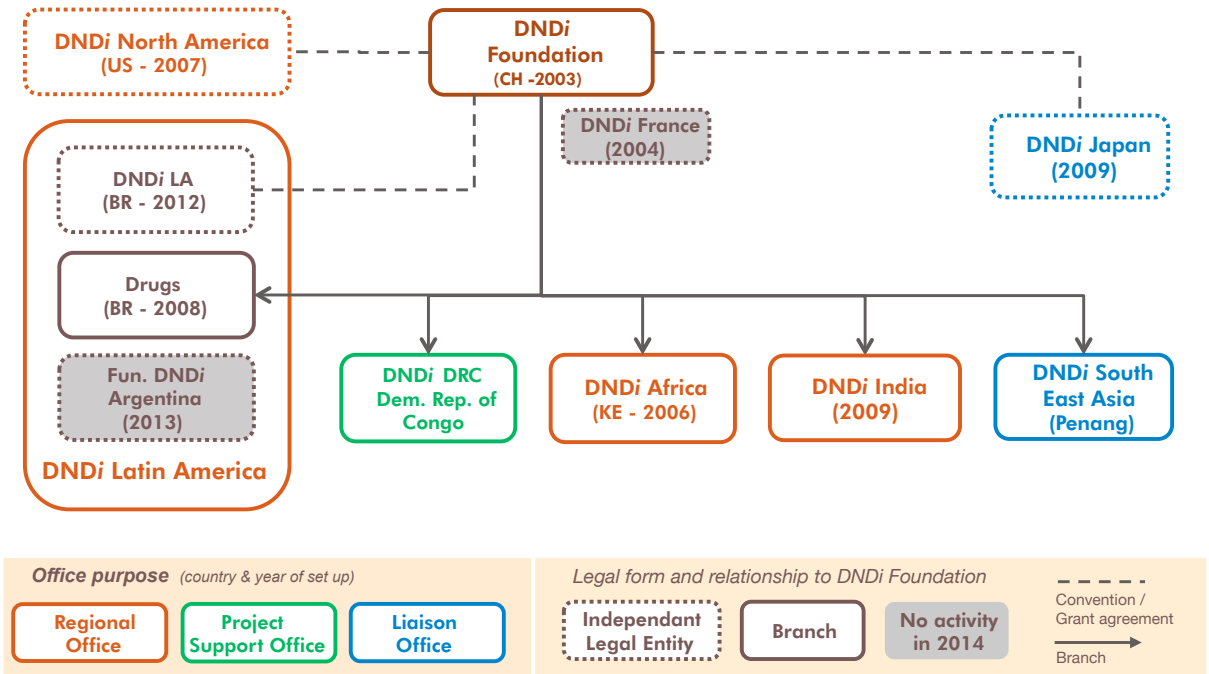
DND*i* has seven Regional Offices that help identify patients' needs, support Heads of Disease Programmes, identify and support regional partners, and undertake regional advocacy work for DND*i*. Their strategic role is defined in the Business Plan of DND*i*. Their operational contributions are defined in the context of the Yearly Action Plan and budget approved by the Board of Directors of DND*i*.

From an operational perspective the RO can be characterized as a Regional office, a Liaison Office or a Project Support Office depending on the purpose of its mission.

From a legal standpoint, DND*i* can establish the RO as a branch of the DND*i* Foundation or as an independent legal entity, depending on needs, local regulations, and requirements. Establishment of a DND*i* RO outside Switzerland requires the authorization of the Board of Directors. Such ROs are set up according to the DND*i* vision and mission, and model (in particular as a Not for Profit organization). DND*i* is compliant with all local laws and regulations, where it operates, including financial regulations.

RO accounting is fully incorporated into DND*i* accounts, following the method of full integration (i.e. all income and expenditures are incorporated in the DND*i* financial statements).

The following chart gives an overview of the relationship established between DND*i* Geneva and offices:



As of December 2014, DND*i* has established branches in **Kenya** (2006), in **Brazil** (2008), in **India** (2009) and in Penang, **Malaysia**. Additionally, DND*i* has one Project Support Office in the **Democratic Republic of Congo** (DND*i* DRC; 2006).

In June 2009, the Board approved the creation of a liaison office in **Japan**, under the form of a 'specified non-profit organization', a legal entity registered with the city of Tokyo. DND*i* Japan was established in November 2009.

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 (DND*i* NA), was established in February 2007. This affiliate is based in New York City, New York, USA, and operates under the Direction of the DND*i* NA Board of Directors.

In June 2009, the Board approved the creation of a new legal entity in Brazil, in addition to the branch in the form of an 'Organização da Sociedade Civil de Interesse Público', DND*i* Latin America. The process was completed in October 2012. Since 2012 accounts were audited by an external auditor and by Deloitte Touche Tohmatsu as from 2014 accounts.

In addition to its RO DND*i* has setup two other entities, these entities did not have any activity in 2014:

1. In 2013, a legal entity was set-up in Argentina in response to regional fundraising needs.
2. In September 2004 a legal entity was set up in France in the form of a not-for-profit association for administrative purposes.

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 13.

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 DND*i* 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 DND*i* 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:

	2014	2013
USD	0.8226	0.7256
CHF	0.8315	0.8157
GBP	1.2804	1.1996
100 CDF	0.0915	0.0816
100 INR	1.2971	1.1746
100 KES	0.9146	0.8401
100 JPY	0.6875	0.6908
100 BRL	31.0965	30.7257

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. A reconciliation between donations committed to DND*i* and income recognized in the statement of operation is shown in table 7.a. 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 DND*i*, 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 Policy. Thereafter, funds are allocated to the partner(s) in charge of the project.

Partners' Expenditures are recorded:

a) According to a financial report presenting expenditures incurred during the year on an accrual basis;

b) If financial reports are unavailable as per the deadline of the March 15 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 as well as the revised budgets are approved by the Board.

They include funding for projects subcontracted to partners (See point g) and current expenditures required (mainly via Vendors) to achieve the objectives of the year. All expenditures incurred on behalf of a project or for any activity of DND*i* are recorded on an accrual basis.

i) Credit risk, market risk and liquidity risk cash-flow management

DND*i*'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. Any form of speculation is prohibited.

The main financial risk for DND*i* is the volatility of foreign exchange rates that can affect the value of its holding in various currencies (USD, EUR, GBP and CHF). DND*i* is exposed to currency risk on donations received, projects expenditure and general and administrative expenses that are denominated in a currency other than the functional currency (EUR). These transactions are mainly denominated in EUR, CHF, USD, GBP, BRL, KES, INR, JPY and AUD. DND*i* ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. In addition the diversity of fundraising currencies represents a 'natural hedging' mechanism (income in BRL, USD, CHF, GBP, EUR).

j) Tangible fixed assets

Tangible fixed assets are stated at cost in Euro 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, DND*i* has six guarantees representing six deposits related to office rental in Tokyo, New Delhi, and Geneva (office and parking) and deposits for a travel agent and petrol in Kinshasa. In addition, a letter of guarantee pertaining to the Geneva premises is still valid.

It is recoverable, subject to prevailing contract terms, upon vacating the premises.

	Currency	Amount in Currency	Amount in EUR
Guarantees office Geneva	CHF	56,186	46,719
Guaranty office Tokyo	JPY	770,000	5,290
Guaranty office New-Delhi	INR	630,000	8,171
Guaranty office Kinshasa	USD	18,000	14,806
Guaranty travel agency and Petrol Kinshasa	USD	6,500	5,347
Guaranty Nairobi credit cards	KES	1,000,000	9,150
Total guarantees			**89,483**

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 DND*i*, 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 DND*i*. Restricted reserves are available to DND*i* for future operations and project funding costs as its evolving research and development project pipeline dictates. Unrestricted reserves will be utilized for expenditures of DND*i* 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 DND*i* project or services rendered to DND*i* must be free, excluding the involvement of a monetary transfer.

They must be:

- Clearly identifiable and part of DND*i*'s projects and activities as defined by DND*i*'s action plans and budgets;
- Recognizable as a visible contribution to DND*i*'s projects and activities and in line with DND*i*'s mission and objectives.
- Partners' voluntary involvement in joint projects and activities, in particular if the partner does not aim to achieve DND*i*'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 a gift-in-kind.
- Fair market value is defined as the price DND*i* would have paid to utilize the goods or service. Fair market value can be suggested by partners. However, DND*i* 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 DND*i* when it serves the purpose of providing consistency and completeness of a project's accounts.

3 STOCKS OF DRUGS

In 2014, DND*i* purchased vials of SSG, AmBisome®, paromomycin, and caps of miltefosine 10mg and 50mg at an estimated value of EUR 372,939 from various partners (MSF Logistique, MSF supply, Gilead), for use in the on-going clinical VL trials: SSG&PM combination pharmacovigilance study, HIV/VL co-infection study, fexinidazole study, VL implementation study in India. Stocks of SSG, AmBisome®, miltefosine, and paromomycin at an estimated value of EUR 173,164 are stored at clinical trial sites in Ethiopia, Kenya, Sudan, Uganda and India.

2013	Quantity Vials			Quantity Caps		
Countries / drugs	SSG (1)	AmBisome® (2)	Paromomycin	Miltefosine 50mg	Miltefosine 10mg	**Total in EUR**
India		4,154	5,600	22,331	20,513	106,600
Bangladesh		237	1,910	1,102	952	7,281
Ethiopia	995	1,381	5,065	7,378	1,120	39,862
Kenya	1,249	420	6,126	-	-	20,749
Sudan	425	139	4,150	-	-	9,071
Uganda	300	250	250	-	-	5,850
Total vials/caps	2,969	6,581	23,101	30,811	22,585	189,414
Total in EUR	**20,783**	**92,134**	**23,101**	**30,811**	**22,585**	**189,414**

2014	Quantity Vials			Quantity Caps		
Countries / drugs	SSG (1)	AmBisome® (2)	Paromomycin	Miltefosine 50mg	Miltefosine 10mg	**Total in EUR**
India		2,895	13,050	15,894	38,022	107,496
Ethiopia	500	1,839	3,000	2,300	-	34,546
Kenya	1,070	128	4,060	-	-	13,342
Sudan	1,000	160	930	-	-	10,170
Uganda	650	140	1,100	-	-	7,610
Total vials/caps	3,220	5,162.00	22,140	18,194	38,022	173,164
Total in EUR	**22,540**	**72,268**	**22,140**	**18,194**	**38,022**	**173,164**

SSG cost per vial = EUR 7; AmBisome® cost per vial = USD 18 (EUR 14); Paromomycin & Miltefosine are valued at EUR 1 per unit

4 TANGIBLE FIXED ASSETS, NET

(Expressed in EUR)	Computer Equipment	Office fittings & Installations	Office Equipment	**Total**
Net carrying amounts 1.1.2013	44,200	6,784	1	50,985
Gross values of cost				
Beginning of the period 1.1.2013	354,845	161,839	162,302	678,986
Additions	66,946	5,528	10,224	82,698
Disposals				-
End of the period 31.12.2013	421,791	167,367	172,526	761,684
Accumulated amortization				
Beginning of the period 1.1.2013	(310,645)	(155,055)	(162,301)	(628,001)
Change of the year	(64,293)	(10,788)	(14,639)	(89,720)
Non systematic amortization [1]			4,415	4,415
End of the period 31.12.2013	(374,938)	(165,843)	(172,525)	(713,306)
Net carrying amounts 31.12.2013	**46,854**	**1,524**	**1**	**48,379**
Net carrying amounts 1.1.2014	46,854	1,524	1	48,379
Gross values of cost				
Beginning of the period 1.1.2014	421,791	167,367	172,526	761,684
Additions	53,275	5,037	16,483	74,795
Disposals				-
End of the period 31.12.2014	475,066	172,404	189,009	836,479
Accumulated amortization				
Beginning of the period 1.1.2014	(374,938)	(165,843)	(172,525)	(713,306)
Change of the year	(47,539)	(2,531)	(3,298)	(53,368)
End of the period 31.12.2014	(422,477)	(168,374)	(175,823)	(766,674)
Net carrying amounts 31.12.2014	**52,589**	**4,030**	**13,186**	**69,806**

1. Notably correction for impact of foreign exchange rates EUR/CHF on valuation of office furniture in CHF in 2013. As from 2014 we value all tangible fixed assets in EUR.

5 PROVISIONS

(Expressed in EUR)	Provision for taxes (Social taxes)	Provision for HR expenses (holidays not taken)	Provision for running expenses (other)	Provision for pension plan (DRC team)	**Total**
Carrying period as per 1.1.2013	113,024	111,003	2,877		226,904
Creation		136,558			136,558
Utilization		(108,270)			(108,270)
Reversal	(113,024)	(2,733)	(2,877)		(118,634)
Carrying period as per 31.12.2013	**0**	**136,558**	**0**	**0**	**136,558**
Carrying period as per 1.1.2014	-	136,558	-	-	136,558
Creation	15,386	213,945		4,111	233,442
Utilization		(136,558)			(136,558)
Reversal					0
Carrying period as per 31.12.2014	**15,386**	**213,945**	**0**	**4,111**	**233,442**

6 RESTRICTED OPERATING FUNDS

Restricted Funds	Increased	Utilization	**Net utilization**
Royalties	5,762	(69,456)	(63,694)
Donor Advance	18,395		18,395
Total	**24,158**	**(69,456)**	**(45,299)**

a) Royalties

In December 2004, DND*i* signed an agreement with Sanofi, a pharmaceutical company, pertaining to the implementation of co-formulation treatments artesunate + amodiaquine (ASAQ) against malaria, developed originally by DND*i* together with Sanofi. 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 DND*i*.

DND*i* has decided to allocate this money to supporting pharmacovigilance projects or activities such as the implementation of the ASAQ and ASMQ treatment in developing countries notably in Africa or ASMQ clinical trial in Africa.

The 3% royalties on the 2013 sales of Coarsucam® amounting to EUR 5,762 have been allocated entirely to the Malaria (ASAQ and ASMQ) projects.

The total costs of this project in 2014 amount to EUR 69,456. The balance of EUR 63,694 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 for ASAQ and ASMQ treatment. After the 2014 utilization, the total amount of the restricted fund incurred by the payment of the royalties amounts to EUR 96,152 as per 31 December 2014.

b) Restricted operating funds

In December 2014 the Drugs for Neglected Diseases *initiative* North America raised a grant from the Rockefeller Brother foundation of USD 25,000. Out of this grant USD 2,083 has been allocated against 2014 accounts and the balance of the grant has increased the restricted funds (USD 22,916 = EUR 18,396).

7 INCOME

a) Deferred income

The total deferred income increased by EUR 10,751,691 in 2014 compared to 2013, mainly because a donor grant advance related to a new five year grant signed in 2014 (2015 -2019). The payment schedule of the grant plan is for a 15 month advance payment. The 30th Oct. 2014 DND*i* received USD 16,092,044 valued at EUR 13,237,315 as advance payment of this grant to be used as from the year 2015.

b) Cumulative donations committed to DND*i* and/or received by 2014 (in EUR)

DONORS	Currency	Total Commitment in currencies [5]	Total Commitment in EUR [5]	As per Statement of Operations 2014 in EUR	To be used after 2014 in EUR
Bill & Melinda Gates Foundation	USD	126,635,417	96,232,693	6,803,379	51,471,617
UK Government DFID [1]	GBP	64,389,550	79,830,841	11,812,204	24,967,800
Médecins Sans Frontières	EUR	65,933,920	65,933,920	4,019,102	16,136,300
Dutch Government DGIS	EUR	16,975,000	16,975,000	4,000,000	0
French Government MAEE/AFD [2]	EUR	14,255,000	14,255,000	1,597,244	2,202,143
UNITAID	USD	17,335,304	14,110,883	970,347	12,533,283
Spanish Government AECID	EUR	12,000,000	12,000,000	-	-
Swiss Government SDC [3]	CHF	13,020,000	10,546,098	1,648,325	3,326,000
USA Government NIH/NIAID/USAID	USD	12,488,363	10,307,445	29,122	8,682,887
German Government [4]	EUR	9,000,000	9,000,000	2,000,000	1,598,561
European Union, FP5, FP6, FP7, EDCTP	EUR	4,413,102	4,413,102	857,493	1,879,319
Wellcome Trust UK	EUR/USD	4,999,801	4,306,810	915,217	402,528
Medicor Foundation	EUR/USD	3,219,424	3,027,821	220,000	480,000
GHIT	USD/JPY	384,247,986	2,766,756	126,142	2,640,614
Norwegian Government NORAD	NOK	15,000,000	1,728,000	567,666	567,636
Canton of Geneva	CHF	2,100,000	1,530,451	137,657	138,584
UBS Optimus Foundation	CHF	2,000,000	1,408,410	87,914	332,763
Various other donors (ARPE Foundation, Foundation NA, individual NA, royalties, Stover, Brian Mercer Charitable Trust, Rockefeller Brother Found.)	EUR/GBP	693,288	1,059,989	211,707	56,808
Family Moreau	BRL	2,000,000	655,729	326,699	-
Sasakawa Peace Foundation, Tuscany Region, and others	EUR	611,396	611,396	-	-
Global Fund (AMFm)	EUR	532,809	532,809	-	-
BBVA	EUR	400,000	400,000	-	-
Starr International Foundation	USD	500,000	374,899	77,973	-
Brazil Government MoH and FINEP	BRL	1,195,000	377,333	110,757	235,039
Ruta n Medellin	EUR	317,500	261,176	-	261,176
Sandoz Family Foundation & anonymous donation	CHF	701,229	308,700	-	-
Rockefeller Foundation & Carlos Slim Foundation	USD	200,000	147,550	36,525	-
TOTAL DONATIONS (EUR)			**353,102,810**	**36,555,473**	**127,913,059**

*(1) The UK Government, DFID, funded DND*i* with 6 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; a fifth restricted grant of GBP 3.5 million in 2012 for the period 2011-2013; and a sixth unrestricted grant of GBP 33 million for the period 2013-2018.*

*(2) The French Government, Ministry of Foreign and European Affairs, funded DND*i* with 5 portfolio 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 2012-2017.*

*(3) The Swiss Government, SDC, funded DND*i* with 4 grants. A first restricted grant of CHF 0.12 million in 2008 for the period 2008-2009; a second unrestricted grant of CHF 4 million in 2010 for the period 2010-2012; a third restricted grant of CHF 0.9 million in 2012 for period November 2012 to November 2013; and a fourth unrestricted grant of CHF 8 million in 2013 for the period 2013 to 2016.*

*(4) The German Government funded DND*i* with 2 portfolio grants. From the GtZ: 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.*

*(5) Exchange rates used for 'Total Commitment in EUR' and 'As per Statement of Operations 2014' are real exchange rates following the DND*i* exchange rate policy. Exchange rates used for 'To be used after 2014' appear in EUR at the USD/EUR, CHF/EUR, and GBP/EUR exchange rates as per 31.12.2014 (see note 2). 'Total Donations' therefore yield an approximate value as exchange rates will vary over time.*

c) Funding per project (restricted and unrestricted)

Operational Income (Grand TOTAL = 36,555,473) *(Expressed in EUR)*

		UK Government DFID[1] (Unrestricted)	Dutch Government DGIS (Restricted)	German Government KfW-BMBF (Restricted)	Switzerland SDC (Unrestricted)[4]	French Government AFD (Restricted)[2]	European Union EDCTP/EU FP7 (Restricted)	UNITAID (Restricted)	Norwegian Government (Restricted)
Implementation & Development	FACT (ASAQ & ASMQ fixed-dose) for Malaria	490,139				439,426	47,732		
	Nifurtimox + Eflornithine co-administration (NECT) for stage 2 for HAT	19,337			37,923				
	New VL treatments (Asia, SSG & Paromo, Latin America; co infection HIV/VL)	113,011	90,954		121,381		314,441		
	Fexinidazole for HAT	1,040,898	461,712			645,300			267,966
	Benznidazole Paediatric dosage form for Chagas		48,231						
Translation	Nitroimidazole VL-2098 (& back-up) for VL	317,763	216,770	273,939					
	Macrofilaricide for Filaria (Flubendazole, Emodepside)								
	Combination Fexinidazole/Miltefosine for VL	312,388	216,455	42,834	111,571		273,341		
	Fexinidazole for Chagas	585,700		239,296	110,435				
	Oxaborole SCYX-7158 for HAT (Preclinical until 2011)	295,026	210,333	398,717	100,976				228,690
	Azoles E1224 & Biomarkers for Chagas	121,873							
	New Combination for Chagas	76,854	66,380	21,684					
	New Benz Regimen for Chagas	39,586							
	Anfoleish for CL (Exploratory until 2011)	251,391							
	CpG-D35 (CL) + PKDL	167,187							
	Paediatric HIV: PI sprinkles CHAPAS-2 & super boosting TB/HIV (Preclinical until 2011)					245,392		736,576	
Research	Lead Optimization Consortia (for VL, Chagas, and HAT), including Fenarimol series and Nitroimidazole & Oxaborole back-ups	2,366,188	1,373,939	230,477	223,584				
	Discovery & Exploratory Kinetoplastids	686,580	110,659	300,977	56,025				
	Filariasis Screening	209,688		19,910					
Exploratory	HCV, Mycetoma, Anti-infective	35,970							
	R&D Coordination, Supervision costs	1,111,385	583,700	150,142	384,534			73,479	
	HAT, LEAP, Filaria & Chagas Platforms	304,953	256,351	141,110	16,410	108,865	101,402		31,475
	Other Strengthening Capacity activities	697,113			91,138				
	Advocacy	849,983			259,023			44,713	
	Fundraising	602,378	73,824	43,222	33,549	25,734	26,100	38,273	18,744
	General Management	1,116,813	290,692	137,691	101,776	119,470	94,476	77,306	20,790
	Net surplus allocated to unrestricted funds					13,057			
	Net surplus allocated to restricted funds								
	TOTAL Income (36,555,473) + other income (-92,775)	**11,812,204**	**4,000,000**	**2,000,000**	**1,648,325**	**1,597,244**	**857,493**	**970,347**	**567,666**

7. b) Funding per project

(1) *UK Government, DFID: 1) an unrestricted grant of GBP 6.5 M (EUR 8,013,293) an exceptional unrestricted grant of GBP 3,000,000 (EUR 3,798,911 covering the period from Oct to Dec 2014 only).* ***(2)*** *European Union, 1) EDCTP: multiyear restricted grant of EUR 52,796 from Jan to Apr 2014 for FACT project; 2) European Union, FP7: restricted multiyear grant started with an amount of EUR 804,997 for the New VL Treatment in Africa project.* ***(3)*** *GHIT: 2013/2014 restricted grant of USD 158,722 (EUR126,142) for early discovery project.* ***(4)*** *Brazilian MoH: multiyear restricted grant for activities in Brazil BRL 343,388 (EUR 110,757) for 2014* ***(5)*** *US Government, USAID: multiyear restricted grant of USD 36,540 (EUR 29,122) covering the period from Oct to Dec 2014 for Filarial diseases.* ***(6)*** *B&M Gates Foundation, includes five restricted grants: 1) Grant for the fexinidazole for HAT project which ended in Oct 2014 amended in July 2014 with a supplemental grant covering the entire year 2014 amounting EUR 3,310,581; 2) EUR 1,055,226 for new VL Treatments in Asia project; 3) EUR 1,200,070 for flubendazole macrofilaricide for the filarial programme with an extension until Mar 2015; 4) EUR 1,009,830 for the NTD screening programme with an extension until Mar 2015, 685,571 in 2014 and 5) EUR 227,672 for an innovative fund starting as from May 2014.*

Switzerland Canton of Geneva (Restricted)	GHIT (Restricted)	MOH Brazil (Restricted)	USAID (Restricted)[3]	Bill & Melinda Gates Foundation (Restricted)[7]	Médecins Sans Frontières (Restricted/ Unrestricted)[8]	Wellcome Trust (Restricted)[9]	Medicor Foundation (Restricted)	UBS OPTIMUS (Restricted)	Foundations & Other (Restricted/ Unrestricted)[10]	**Financial income (Net) =**	**Utilization of restricted reserves**	**TOTAL Expenditure = 36,397,108**
					19,347				23,951		63,694	1,084,289
												57,259
				865,070	111,829		31,023		92,520			1,740,230
60,745				2,752,817	613,709							5,843,148
		38,762							56,797			143,790
												808,472,42
				996,914	497							997,411
					184,022		107,283		4,704			1,252,599
					257,103				20,135			1,212,669
					2,869							1,236,612
		2,718			95,243	915,217			43,123			1,178,174
					17,040				31,190			213,148
					16,174							55,760
		34,030			53,609				11,688			350,718
					49,064							216,251
					16,279			79,879				1,078,126
		34,964			437,991							4,667,142
	126,142				78,962							1,359,345
				582,059					12,268			823,924
				151,298								187,268
				487,950	318,266							3,109,458
60,723			17,467	10,644	169,935		38,319		79,981			1,337,635
					420,927		23,895		34,559			1,267,631
				35,905	412,825				51,040			1,653,489
12,963			7,017	298,906	388,894				10,179			1,579,783
3,227			4,638	621,815	319,617		19,479	8,035	6,953			2,942,777
		283			34,900				155,422	(92,776)		110,888
									18,395		(63,694)	-45,299
137,657	**126,142**	**110,757**	**29,122**	**6,803,379**	**4,019,102**	**915,217**	**220,000**	**87,914**	**652,904**	**(92,776)**		**36,462,698**

(7) *MSF: 1) a multiyear unrestricted grant of EUR4,000,000 2) EUR19,102 for the payment for services of the data management center based in Nairobi from May 2014 until Dec 2014.*
(8) *ARPE Foundation (EUR 18,189); Rockefeller Foundation (EUR 36,524); Starr Foundation (EUR 77,973); Family Moreau (EUR 326,699); Brian Mercer Charitable Trust (EUR 12,268); Various individual donations (EUR 66,060), of which EUR 62,195 came from North America and EUR 3,865 from Europe; Foundations and corporations based in North America (EUR 34,013 and EUR 1,063) of which EUR 18,469 have been allocated in the restricted operating fund to be used in 2015.*
Royalties from Sanofi for EUR 5,762 earmarked for FACT activities (see note 6). The restricted operating fund has been partially used (EUR 69,694) to fund and support the total expenditure attached to this project (EUR 69,456).
In addition, DNDi in Geneva has collected various reimbursements and participation of partners throughout the year for a total of EUR 65,384 plus exceptional incomes for the year for a total of EUR 8,968.

8 EXPENDITURE

a) R&D projects related expenditure

Recognized in *(Expressed in EUR)*	**2014**	2013
IMPLEMENTATION PROJECT		
ASAQ Fixed-dose Artesunate - Amodiaquine (Malaria)[1]	386,214	244,894
ASMQ Fixed-dose Artesunate - Mefloquine (Malaria)[2]	698,075	826,145
NECT Nifurtimox - Eflornithine co-administration for stage 2 (HAT)[3]	57,259	138,645
SSG & Paromomycin Combination Therapy for VL in Africa[4]	96,869	315,411
New VL treatments in Asia[5]	659,246	701,945
Paediatric Benznidazole (Chagas)[6]	143,790	110,949
TOTAL IMPLEMENTATION PROJECTS	**2,041,453**	**2,337,989**
DEVELOPMENT PROJECTS (PHASE IIB/III; REGISTRATION)		
Fexinidazole for (HAT)[7]	5,843,148	3,229,681
New VL treatments for Bangladesh[5]	205,824	261,223
New VL treatments in Africa; project is now included in Combination Fexinidazole/Miltefosine (VL)	-	1,011,050
New VL treatments in Latin America	110,517	104,590
Coinfection HIV / Visceral Leishmaniasis[8]	698,094	304,568
TOTAL DEVELOPMENT PROJECTS	**6,857,581**	**4,911,112**
TRANSLATION PROJECTS (PRE-CLINICAL; PHASE I; PHASE IIA/POC)		
Fexinidazole for Chagas[11]	1,212,669	134,417
Oxaborole SCYX-7158 (HAT)[9]	1,236,612	1,932,540
Combination Fexinidazole/Miltefosine (VL)[4]	1,252,599	385,029
Anfoleish (CL)[10]	350,718	489,759
CpG-D35 (CL)[10]+ PKDL[10]	216,251	
Azoles E1224 (Chagas)[11]	46,892	1,172,426
New Combination including New Benz Regimen (Chagas)[11]	268,908	
Biomarkers (Chagas)[11]	1,131,282	1,084,027
Paediatric HIV ('4 in 1' LPV/r based fixed-dosed combination) & Superboosting TB/HIV[12]	1,078,126	1,086,495
Nitroimidazole (VL-2098)[13]	808,472	355,717
K777 for Chagas	-	125,356
Flubendazole Macrofiliaricide (Filaria)[14]	997,411	311,988
TOTAL TRANSLATION PROJECTS	**8,599,939**	**7,077,754**
RESEARCH PROJECTS (SCREEN; HIT TO LEAD; LEAD OPTIMIZATION)		
Lead Optimization Consortia[15]	4,667,142	4,376,032
Screening Resources & Reference Screening Centers[16]	1,359,345	1,086,970
Screening Filaria[17]	823,924	759,976
TOTAL RESEARCH PROJECTS	**6,850,411**	**6,222,978**
Project-related variable expenditure		
HCV, Mycetoma, and Anti-infective	187,268	0
Coordination & Supervision[18]	3,109,458	2,656,917
TOTAL OF PROJECTS RELATED EXPENDITURE	**27,646,111**	**23,206,749**

MAIN R&D PARTNERS & SUB-CONTRACTORS:

Partners and service providers with financial compensation above EUR 5,000 in 2014 are:

(1) Sanofi, France / AEDES, Belgium / Zenufa, Tanzania / Bertin Pharma, France / IPCA, India / VINPA Accessories, India

(2) National Institute of Medical Research, Tanzania / Catalent, UK / CNRPF, Burkina Faso / KEMRI, Kenya / Ifakara, Tanzania / Epicentre, France / Cardinal Systems, France / Venn life, France / Centre Hospitalier Universitaire Valésan (CHUV), Switzerland

(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)

(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 / i+solutions, The Netherlands / IDA Solutions, The Netherlands / Abugarja Pharma, Sudan / Mohi Eldin Elrayah, Sudan / MSF Logistique, France / Royal Tropical Institute, The Netherlands / Gland Pharma, India / Médecins Sans Frontières / BIO RAD Laboratories, South Africa / Phinc Development, France / SGS, Belgium and France / Slotervaart Hospital, The Netherlands / Uppsala UNIVERSTY, Sweden / Aptuit, UK / Appledown, UK

(5) MSF-Supply, Belgium / MSF-Logistique, France / Gilead, Ireland / Médecins Sans Frontières / GVK Biosciences, India / Shaheed Surawhady Medical College Hospital (SHSMC), Bangladesh / International Centre for Disease Diarrheal Research (ICDDR), Bangladesh / Rajendra Memorial Research Institute of Medical Sciences (RMRI), India

(6) Laboratorio ELEA, Argentina

(7) Sanofi, France / Swiss TPH / HAT Platform partners (see point 3 above) / Aptuit, UK / SGS, Belgium and France / Vanga CBCO Clinic, DRC / Médecins Sans Frontières / MSF-Logistique, France / Bertin Pharma, France / Institute of Tropical Medicine-Antwerp, Belgium / Cardiabase, France / Phinc Development, France / Cardinal Systems, France / Venn Life, France / INRB, RDC / UBC United Biosource, Switzerland / Hopital du Cinquantenaire, RDC / Theradis Pharma, France / Accelera, Italy / Jeffery travels, RDC / RCTS, France / La Référence Médicale, RDC

(8) Gondar University, Ethiopia / Addis Ababa University, Ethiopia / Institut Tropical Medicine (ITM), Belgium / MSF-Logistique, France / Slotervaart Hospital, The Netherlands / LSHTM, UK / Uppsala UNIVERSTY, Sweden

(9) SCYNEXIS, USA / Drugabilis, France / Penn Pharma, UK / SGS, Belgium & France / Cardiabase, France / Patheon, UK/ Wuxi, China / Bertin Pharma, France / Accelera, Italy / Eurofins Optimed, France / Phinc, France / Sunnikan, UK / MC Toxicology Consulting, Austria / M Benton UK

(10) PECET Universidade de Antioquia, Colombia / JSS, Canada / CECIF, Colombia / Genedesign Inc, Japan / FCSAI, Spain

(11) Barcelona Center for International Health Research (CRESIB), Spain / Texas Biomedical Research Institute, USA / McGill University, Canada / University of Georgia, USA / Fundacion Ingebi, Argentina / Phinc Development, France / Fundacion Instituto De Biologica Y Medicinal, Argentina / Núcleo de Desenvolvimento Farmacêutico e Cosmético (NUDFAC), Brazil / J Altcheh, Argentina / LAT Reasearch, Argentina / F.P. Clinical, Argentina / ELEA, Argentina / JSS, Canada / Aptuit Verona, Italy / SGS, Belgium / Cardiabase, France / Creapharm, France

(12) WuXi AppTech, China / CIPLA, India / University of Stellenbosch, South Africa / Associated Medical Sciences, Thailand

(13) Advinus Therapeutics, India / Huntingdon, USA / APTUIT, UK / SELCIA, UK / Accelera, Italy / Endolytics LLC, USA / Mission Cadres, Haddous, France / Wuxi, China / D Creasy, US

(14) Michigan State University, USA / McGill University, Canada / Covance, UK / Molecular Profiles, UK/ WuXi AppTec, China

(15) Epichem Pty Ltd, Australia / Griffith University, Australia / Monash University, Australia / WuXi AppTech, China / Pace University, USA / LSHTM, UK / iThemba Pharma, South Africa / Antwerp University, Belgium / STA Pharmaceutical Hong Kong Ltd, China / Centro Nacional de Energia em Energia e Materiels (CNPEM), Brazil / CEMSA Laboratory Brasil / Advinus, India / CEREP, France / TCG Life Science Ltd, India / Pharmaterials Limited, UK / Syngene, India / Dundee University, UK / Sandexis, UK

(16) Swiss TPH, Switzerland / University of Antwerp, Belgium / GlaxoSmithKline (GSK-Tres Cantos), Spain / IPK, South Korea / Dundee University, UK / eMolecules Inc., USA / Axxam, Italy / SPECS Compound Handling BV, The Netherlands

(17) Northwick Park Institute for Medical Research (NPIMR), UK / Swiss TPH / WuXi AppTec, China / University Hospital of Bonn, Germany / MC Toxicology Consulting, Austria / Museum National History Natura, France

(18) R&D Coordination & Supervision: Sunnikan, UK / VOLT Europe Limited: UK /M Benton, UK

Breakdown of R&D coordination expenditure per activities

(Expressed in EUR)	**2014**	2013
Coordination	1,790,898	1,703,404
Scientific Advisory Committee	94,713	93,269
Business Development	847,990	668,082
Japan Representation Office	255,461	192,162
Medical and Access Coordination Latin America	120,396	
TOTAL	**3,109,458**	**2,656,917**

CONSULTANTS AND PROJECT STAFF INVOLVED IN R&D PROJECTS:

Alonso-Vega, Cristina; Ansong, Daniel; Babingwa Wilonja, Delon; Bacchi, Cyrus; Barboza Marques, Tanya; Benton, Marcus; Bern, Caryn; Bessis, Anne-Sophie; Besson, Dominique; den Boer, Margriet; Bonnet, Béatrice; Bordbar, Céline; Borges, Marineide; Boulet, Pascale; Bray, Mike; Brenner, Jennifer; Burger, Albert; Bush, Jacob; Campbell, Simon; Carmody, Lesley; Chagas, Francisca; Chang, Shing; Chappuis, François; Christmann, Leandro; Clay, Robert; Dam, Hanne; Dessoy, Marco; Dinanga Muzadi, Jose; Dormeyer, Matthias; Dorre, Daniel; Dos Santos, Pamela Tamiris; Dos Santos, Rodrigues; Dos Santos Pinheiro, Eloan; Drappeau, Guillaume; Duke, Jeff; Elango,Varalakshmi; Evans, Dean; Fernandes, Jayme;

Fiorio, Valéria; French, Edward; Fontes, Raissa; Gardner, Mark; Garcia, Facundo; Grant, Ali; GonÇalves, Luciana; Hailu, Asrat; Juma, Rashid; Kabangu Mundidimbi, Patrice; Kanza, Eric; Khalil, Eltahir; Kuemmerle, Andrea; Last, Paul; Levin, Leon; Lotrowska, Michel; Maki Dir Onguku, Baudouin; Martin, Denis; Martin, Jorge; Mazué, Guy; Mbui, Jane; Mc Kenna, Ceri; Mechali, Daniel; Modabber, Farrokh; Montezuma, Juliana; Mutombo Kalonji, Wilfried; Larrey, Dominique; Mudawi Musa, Ahmed; Muthoni Nyawira, Agnes; Naim, Jennifer; Olobo, Joseph; O'Reilly, Terry; Parkinson, Tanya; Pedrique, Belén; Pereira, Teresinha de Jesus; Peláez, Lúcia Enciso; Praciano, Claudenia; Rithea, Leang; Rodrigues, Belaine; Rosenkranz, Bernd; Scherrer, Bruno; Schijmann, Alejandro; Schneider, Manfred; Seltzer, Jonathan; Silva, Rosangela; Smith, Dennis; Solomos, Alexandra; Sosa Estani, Sergio; Speed, Bill; Tadoori, Leela Pavan; Taylor, Bob; Thenot, Jean-Paul; Tshimanga Kabongo, Dieudonné; Tweats, David; Vaillant, Michel; Vanraes, Joelle; Vieira, Marcela; Von Geldern, Thomas; Walker, Don; Wemeau, Jean-Louis; Westwick, John; Williams, Mike; Zawadi, Fifi; Zicker, Fabio; Zijlstra, Eduard; Zwang, Julien.

b) Presentation of the DND*i* expenditure per nature of expenses

Recognized in *(Expressed in EUR)*	**2014**	2013
PERSONNEL		
Personnel at Headquarters	8,892,611	7,237,139
Personnel at Regional Offices	2,429,564	2,053,184
Consultants	1,762,857	1,673,558
Travel and Accommodation	1,386,652	1,207,433
TOTAL PERSONNEL	**14,471,684**	12,171,314
OPERATIONAL R&D		
Purchase & Logistics	1,360,232	734,297
Equipment	621,995	344,241
Discovery & Lead Optimization (partners & service)	5,484,863	5,257,020
Pre-clinical (partners & service)	1,844,174	1,424,967
Training for partners	200,516	89,956
Clinical & post-clinical (partners & service)	7,520,002	6,728,740
Product manufacturing & CMC (partners & service)	749,349	522,554
TOTAL OPERATIONAL R&D	**17,781,131**	15,101,774
OTHER		
Communication (tools, meetings, organization of documents)	1,371,668	1,305,394
Administration & IT (depreciation, furniture, service providers)	2,772,625	2,432,023
TOTAL OTHER	**4,144,293**	3,737,417
GRAND TOTAL	**36,397,108**	31,010,505

9 STRENGTHENING CAPACITIES EXPENDITURE

DND*i* expenditure on strengthening existing capacities in developing countries aims 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)	**2014**	2013
Regional Offices, management costs: Rio, Delhi, Nairobi, Penang	1,267,631	1,027,453
Leishmaniasis East Africa Platform (LEAP)	737,444	181,528
Human African Trypanosmiasis (HAT) Platform	355,522	290,366
Chagas Clinical Research Platform [CCRP]	185,928	176,318
Exceptional expenditure (HAT platform)	-	56,260
Filariasis Platform	28,422	
TOTAL	**2,574,948**	**1,731,925**

For partners, see page 34 related to key financial performance indicators for strengthening existing capacities

10 ADVOCACY, FUNDRAISING AND GENERAL & ADMINISTRATION EXPENSES

	Advocacy		Fundraising		General & Administration	
(Expressed in EUR)	**2014**	2013	**2014**	2013	**2014**	2013
Human resources	1,171,479	1,143,122	1,253,638	1,204,755	1,907,229	1,586,919
Office charges	50,895	43,524	89,464	80,757	127,237	108,811
Travel expenses	76,479	67,530	97,766	86,297	116,276	141,019
Administration	38,215	45,859	66,411	60,170	252,576	279,486
IT & telecommunications	44,906	34,296	43,743	32,062	419,772	436,694
Communication	266,171	529,761	19,377	20,498	104,075	106,408
Depreciation	5,337	8,972	6,404	10,766	13,342	18,015
Exceptional expenses	7	2,823	2,979	22,749	2,270	537
TOTAL	**1,653,489**	**1,875,887**	**1,579,783**	**1,518,054**	**2,942,777**	**2,677,889**

Consultants and project staff: Alapenha, Julia; Alibert, Aude; Atekandoy Vame, Alida; Benmabrouk, Charles; Bloemen, Sophie; Bolton, Samantha; Bolton Jones, Helena; Carpenter Genesca, Pedro; Cavedon, Felipe; Cherkaoui, Sylvain; Childs, Michelle; Curtis, Jodie; El Tahir Ghada, Hatim; t Hoen, Elisabeth; Katz, Jennifer; George, Richard; Goel, Sunil Prakash; Langbein, Lena; Lucas Subirats, Marta; Leal Teixeira, Anderson; Matsudaira, Masako; Midori, Morioka; Morikawa, Mitsuyo; Morton, Erin; Moon, Suerie; Murakami, Akiko; Preve, Ricardo; Power, Christine; Rouijel, Fatima; Sarumaru, Michiko; Vieira, Marcela.

11 INDEMNITIES & REMUNERATIONS GIVEN TO BOARD MEMBERS

All members of the Board are appointed on a voluntary basis. The Board members have received no remuneration for their mandate in 2014, nor in 2013.

12 ASSETS PLEDGED AS GUARANTEE FOR COMMITMENTS

At year end, a bank of the Foundation provided two letters guaranteeing rental deposits of CHF 70,000 (EUR 58,205) and CHF 20,000 (EUR 16,630) in favour of a third party. Cash for an equivalent amount is pledged at the corresponding bank.

13 CONTRIBUTIONS IN-KIND

Drugs for Neglected Diseases *initiative* (DND*i*) operations are funded through financial contributions and donations. In addition to financial funding, generous partners, private companies, academic groups and individuals provide DND*i* with goods and services at no cost as gifts-in-kind (see note 20, DND*i* In-Kind Policy). DND*i* aims at reflecting this contribution in the 2014 financial statements in order to present a comprehensive picture of its activities. The in-kind contribution of DND*i* partners decreased between 2013 and 2014 from EUR 7,352,524 in 2013 to EUR 3,366,543 in 2014. The reduction is mainly related to the end of the development of a formulation for flubendazole Macrofilaricide for the filarial programme (minus EUR 3.1 M).

Gifts-in-kind evaluated for the year 2014 per category and per project:

(Expressed in EUR)	Staff Scientific	Staff non-Scientific	R&D Services	Office, furniture & admin.	**TOTAL**
Lead Optimization Consortia (Australia)	32,314	105,539		95,091	232,944
Screening Resources & Reference Screening Centres	382,612	13,332	201,506	159,214	756,665
Macrofilaricide Filaria	899,526	10,507	301,133		1,211,166
Regional Offices	3,883	7,650	2,187	14,173	27,893
New VL treatments: Asia, America	90,554				90,554
ASMQ Fixed-dose Artesunate - Mefloquine (Malaria)	178	1,067	5,335		6,579
Paediatric HIV ('4-in-1' LPV/r-based fixed-dose combination)	49,411	28,498	28,579	46,506	152,993
Azoles E1224 (Chagas)	766,831	52,734	68,184		887,749
TOTAL	**2,225,310**	**219,327**	**606,923**	**314,984**	**3,366,543**

Main in-kind contributors: Eisai Ltd, Japan; ARC-Australian Research Council, Australia; University of Dundee, UK; FIOCRUZ, Brazil; Monash University, Australia; Saran District Hospital, India; KEMRI, Kenya; Astellas Pharma Inc, Japan; Cipla, India; Tait Weller & Baker, USA; Abbvie Inc, USA

Our thanks go to Barbara Kessler for her support as an audit Committee member

14 SUBSEQUENT EVENTS

The Swiss National Bank dropped the 1.20 EUR/CHF floor on Thursday 15/01/2015

DND*i* operates in a complex multi-currency environment where income currencies do not match expenses currencies. The donations are received mostly in USD, EUR, GBP and CHF. Two thirds of our expenses are naturally covered, as donations received enable DND*i* to fund expenses in the same currency. About one third of our operational expenses are in Swiss Francs (CHF), meaning about CHF 12 M is exposed to forex risk for 2015.

In this particular context, the finance and executive team is developing hedging measures that will be reviewed by the Audit Committee before Board approval in June 2015.

REPORT OF THE STATUTORY AUDITOR

Deloitte.

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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 as at 31 December 2014, statement of operations, funds flow statement, statement of changes in capital and notes, presented on pages 63 to 79, for the year then ended. In accordance with Swiss GAAP FER 21, the content of the performance report presented on pages 6 to 61 is not audited.

Board's Responsibility
The Board is responsible for the preparation of these financial statements in accordance with 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.

Deloitte.

Drugs for Neglected Diseases initiative (DNDi)
Report of the Statutory Auditor
for the year ended
31 December 2014

Opinion
In our opinion, the financial statements for the year ended 31 December 2014 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.

Report on Other Legal Requirements

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

In accordance with article 728a para. 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

Annik Jaton Hüni
Licensed Audit Expert
Auditor in Charge

Jürg Gehring
Licensed Audit Expert

Geneva, 20 May 2015

A WORD OF THANKS

DND*i* is grateful for the support received from the following donors who contributed toward the advancement of its mission and goals. To date, DND*i* has delivered six new treatments and aims to bring 11-13 treatments in total to patients suffering from neglected diseases by 2018. DND*i* would like to thank all of the donors and partners for their loyal commitment and collaboration since 2003. Listed are supporters who have given a contribution of USD or EUR 5,000 cumulatively.

Public institutional support

- Department for International Development (DFID), UK
- 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 and part of the EDCTP 2 Programme supported by the European Union, Germany
- French Development Agency (AFD), France
- German International Cooperation (GIZ) on behalf of the Government of the Federal Republic of Germany, Germany
- Global Health Innovative Technology Fund (GHIT Fund), Japan
- The Global Fund to Fight AIDS, Tuberculosis and Malaria (AMFm), International
- Minister of Foreign Affairs and International Development (MAEDI), France
- Ministry of Health, Brazil
- National Institutes of Health (NIH), National Institute of Allergy and Infectious Diseases (NIAID), USA
- Norwegian Agency for Development Cooperation (Norad), Norway
- Republic and Canton of Geneva, Switzerland
- Region of Tuscany, Italy
- Ruta-N, City of Medellin, Colombia
- Science and Technology Innovation Agency (FINEP), Brazil
- Spanish Agency for International Development Cooperation (AECID), Spain
- Swiss Agency for Development and Cooperation (SDC), Switzerland
- UNITAID, International
- United States Agency for International Development (USAID), USA
- United States Agency for International Development (USAID), *via* the 4th Sector Health Project implemented by Abt Associates, Inc., USA

Private support

- Bennett Shapiro and Fredericka Foster, USA
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- Brian Mercer Charitable Trust, UK
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- David and Lisa U'Prichard, USA
- Family of Richard Rockefeller, USA
- Fondation André & Cyprien, Switzerland
- Fondation ARPE, Switzerland
- Fondation de bienfaisance du groupe Pictet, Switzerland
- Fondation Pro Victimis, Switzerland
- George H. Stout, USA
- Goldman, Sachs & Co., USA
- Guy's, King's and St Thomas', Giving Week, UK
- Harlan Weisman, USA
- Jeffrey Nelson, USA
- Leopold Bachmann Foundation, Switzerland
- Marsha Fanucci, USA
- Médecins Sans Frontières International and the MSF sections of Italy, Norway and Brazil
- Medicor Foundation, Liechtenstein
- Moreau Family, Brazil
- Rockefeller Brothers Fund, USA
- Rockefeller Foundation (through the 'Next Century Innovators Award'), USA
- The Peter and Carmen Lucia Buck Foundation, USA
- The Stainman Family Foundation, USA
- The Wellcome Trust, UK
- Steve Rabin and Jonathan Winslow, USA
- Sandoz Family Foundation, Switzerland
- Sasakawa Peace Foundation, Japan
- Starr International Foundation, Switzerland
- UBS Optimus Foundation, Switzerland
- Other private foundations and individuals who would like to remain anonymous

www.dndi.org

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DND*i*

Drugs for Neglected Diseases *initiative*

DND*i*

Drugs for Neglected Diseases *initiative*

The Drugs for Neglected Diseases *initiative* (DND*i*) 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, filaria, and malaria.

DND*i*'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, DND*i* 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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