

# Financial Statement

The International Union Against Tuberculosis and Lung Disease

*Financial year from 01/01/2023 to 31/12/2023*

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**INTERNATIONAL UNION AGAINST TUBERCULOSIS AND LUNG DISEASE (THE UNION)**

## Balance Sheet – Assets

| Balance Sheet - Assets                                  | From 01/01/2023 to 31/12/2023 |                  |               | As at 31/12/2022 |
|---|-------------------------------|------------------|---------------|------------------|
|   | Gros s                        | Amort. Prov.     | Net           | Net              |
| <b>Fixed assets</b>                                     |                               |                  |               |                  |
| <b>Intangible assets</b>                                |                               |                  |               |                  |
| Set-up and  |                               |                  |               |                  |
| Research and Development expenses                       |                               |                  |               |                  |
| Temporary donations of usufruct                         |                               |                  |               |                  |
| Concessions, patents and similar rights                 | 193 062                       | 189 633          | 3 428         | 7 168            |
| Other intangible fixed assets                           | 346 030                       | 346 030          |               |                  |
| Intangible assets in progress                           |                               |                  |               |                  |
| Advances and deposits on intangible fixed assets        |                               |                  |               |                  |
| <b>Tangible assets</b>                                  |                               |                  |               |                  |
| Land  |                               |                  |               |                  |
| Buildings   |                               |                  |               |                  |
| Technical installations, equipment and industrial tools |                               |                  |               |                  |
| Other tangible fixed assets                             | 666 288                       | 655 900          | 10 388        | 13 080           |
| Tangible assets in progress                             |                               |                  |               |                  |
| Advances and deposits on tangible fixed assets          |                               |                  |               |                  |
| Property received by bequest or donation for disposal   |                               |                  |               |                  |
| <b>Financial assets</b>                                 |                               |                  |               |                  |
| Participations and related receivables                  |                               |                  |               |                  |
| Other long-term investments                             |                               |                  |               |                  |
| Loans   | 13 579                        |                  | 13 579        | 13 579           |
| Other financial assets                                  | 53 863                        |                  | 53 863        | 25 294           |
| <b>TOTAL I</b>  | <b>1 272 822</b>              | <b>1 191 564</b> | <b>81 258</b> | <b>59 122</b>    |
|   |                               |                  |               |                  |
| <b>Current assets</b>                                   |                               |                  |               |                  |
| Stocks and WIP  |                               |                  |               |                  |
| <b>Receivables</b>                                      |                               |                  |               |                  |
| Accts. receivable and related accts.                    | 268 102                       | 62 159           | 205 943       | 236 757          |
| Receivables received by bequest or donation             |                               |                  |               |                  |
| Others  | 2 502 109                     | 10 000           | 2 492 109     | 10 284 584       |
| Investment securities                                   |                               |                  |               |                  |
| Cash instruments  |                               |                  |               |                  |

|   |                   |                  |                   |                   |
|---|-------------------|------------------|-------------------|-------------------|
| Cash  | 10 331 704        |                  | 10 331 704        | 7 238 411         |
| Prepaid expenses                                | 81 333            |                  | 81 333            | 108 898           |
| <b>TOTAL III</b>                                | <b>13 183 248</b> | <b>72 159</b>    | <b>13 111 089</b> | <b>17 868 649</b> |
| Bond issue expense<br><b>IV</b>                 |                   |                  |                   |                   |
| Bond redemption premiums<br><b>V</b>            |                   |                  |                   |                   |
| Foreign exchange translation<br><b>VI</b>       | <b>538 600</b>    |                  | <b>538 600</b>    | <b>2 011 041</b>  |
| <b>GRAND TOTAL (I + II + III + IV + V + VI)</b> | <b>1 263 723</b>  | <b>1 263 723</b> | <b>13 730 948</b> | <b>19 938 812</b> |

## Balance Sheet - Liabilities

| Balance Sheet - Liabilities                     | 31/12/2023       | 31/12/2022         |
|---|------------------|--------------------|
| <b>Equity</b>                                   |                  |                    |
| <b>Equity without right of reversal</b>         |                  |                    |
| Statutory equity                                |                  |                    |
| Additional equity                               | 858,000          | 858 000            |
| <b>Equity with right of reversal</b>            |                  |                    |
| Statutory equity                                |                  |                    |
| Additional equity                               |                  |                    |
| Revaluation surplus                             |                  |                    |
| <b>Reserves</b>                                 |                  |                    |
| Statutory or contractual reserves               |                  |                    |
| Entity Project Reserves                         |                  |                    |
| Other reserves                                  | 5 886 266        | 6 014 333          |
| Retained earnings                               | -17 956 047      | -17 956 047        |
| Surplus or deficit for the financial year       | 13 250 422       | - 128 067          |
| <b>Net position</b>                             | <b>2 038 642</b> | <b>-11 211 781</b> |
| Expendable equity                               |                  |                    |
| Investment grant                                |                  |                    |
| Regulatory provisions                           |                  |                    |
| <b>TOTAL I</b>                                  | <b>2 038 642</b> | <b>-11 211 781</b> |
| Linking accounts<br><b>II</b>                   |                  |                    |
| <b>Deferred and dedicated funds</b>             |                  |                    |
| Deferred funds related to bequests or donations |                  |                    |
| Dedicated funds                                 | 5 530 577        | 4 641 021          |
| <b>TOTAL III</b>                                | <b>5 530 577</b> | <b>4 641 021</b>   |
| <b>Provisions</b>                               |                  |                    |
| Provisions for risks                            | 762 745          | 3 047 040          |
| Provisions for charges                          |                  |                    |
| <b>TOTAL IV</b>                                 | <b>762 745</b>   | <b>3 047 040</b>   |
| <b>Borrowings and debts</b>                     |                  |                    |
| Bond loans and assimilated                      |                  |                    |
| Loans and debts with credit establishments      |                  |                    |
| Loans and misc. financial debt                  | 81 236           | 81 236             |

|   |                   |                   |
|---|-------------------|-------------------|
| Supplier debts and related accounts             | 1 080 578         | 710 407           |
| Debts from bequests or donations                |                   |                   |
| Tax and social liabilities                      | 199 845           | 334 175           |
| Debts on fixed assets and related accounts      |                   |                   |
| Other debts                                     | 3 674 839         | 21 372 573        |
| Cash instruments                                |                   |                   |
| Deferred income                                 | 143 662           | 868 476           |
| <b>TOTAL V</b>                                  | <b>5 180 160</b>  | <b>23 366 867</b> |
| Foreign exchange translation<br><b>VI</b>       | <b>218 825</b>    | <b>95 664</b>     |
| <b>GRAND TOTAL (I + II + III + IV + V + VI)</b> | <b>13 730 948</b> | <b>19 938 812</b> |

## Income statement

| Income statement  | 31/12/2023        | 31/12/2022        |
|---|-------------------|-------------------|
| <b>Operating income</b>   |                   |                   |
| Contributions   | 211 992           | 198 037           |
| Sales of goods and services   |                   |                   |
| Sales of goods  |                   |                   |
| - including sales of donation in kind                                       |                   |                   |
| Sales of services   | 3 101 073         | 1 708 715         |
| - of which sponsorships   |                   |                   |
| Income from third-party funders   |                   |                   |
| Public funding and operating subsidies                                      | 1 800 000         | 1 300 000         |
| Founders' payments or consumption of the expendable endowment               |                   |                   |
| Resources related to public generosity                                      |                   |                   |
| Manual donation   | 1 808             | 1 795             |
| Patronage   |                   |                   |
| Bequests, donations and life insurance                                      |                   |                   |
| Financial contributions   | 17 756 156        | 25 186 174        |
| Reversals of amortisation, depreciation, provisions and transfer of charges | 1 546 549         | 516 434           |
| Uses of dedicated funds   | 1 684 720         | 3 109 580         |
| Other products  | 22 783            | 3 684             |
| <b>TOTAL I</b>  | <b>26 125 082</b> | <b>32 024 421</b> |
| <b>Operating expenses</b>   |                   |                   |
| Purchases of merchandise  |                   | 1 433             |
| Inventory change  |                   |                   |
| Other purchases and external costs  | 11 985 252        | 10 658 884        |
| Financial aid   | 2 392 110         | 8 956 437         |
| Taxes, levies and similar payments  | 157 085           | 177 430           |
| Salaries and wages  | 7 411 560         | 8 296 063         |
| Social security taxes   | 601 821           | 1 274 935         |
| Allocations to amortisations and provisions                                 | 72 353            | 53 417            |
| Allocations to provisions   |                   | 129 017           |
| Carry forward in dedicated funds  | 2 574 277         | 2 169 774         |
| Other charges   | 846 691           | 198 713           |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>TOTAL II</b>  | <b>26 041 148</b> | <b>31 916 103</b> |
| <b>OPERATING RESULTS (I – II)</b>                                  | <b>83 934</b>     | <b>108 318</b>    |
| <b>Financial income</b>  |                   |                   |
| Financial income from participations                               |                   |                   |
| Income from other movable and receivables from assets              |                   |                   |
| Other interest and similar income                                  | 309 964           | 137 242           |
| Reversals of provisions, depreciation and transfers of charges     | 1 472 441         |                   |
| Positive exchange rate difference                                  | 1 681 861         | 777 057           |
| Net income from sales of marketable securities                     |                   |                   |
| <b>TOTAL III</b>   | <b>3 464 266</b>  | <b>914 299</b>    |
| <b>Financial expenses</b>  |                   |                   |
| Financial allocations to amortisation, depreciation and provisions |                   | 1 356 832         |
| Interest and similar charges                                       | 25                |                   |
| Negative exchange rate difference                                  | 844 328           | 922 706           |
| Net charges from sales of marketable securities                    |                   |                   |
| <b>TOTAL IV</b>  | <b>844 353</b>    | <b>2 279 539</b>  |
| <b>FINANCIAL RESULT (III - IV)</b>                                 | <b>2 619 913</b>  | <b>-1 365 239</b> |
| <b>CURRENT RESULT BEFORE TAXES (I - II + III - IV)</b>             | <b>2 703 846</b>  | <b>-1 256 922</b> |

### Income statement (cont'd)

| Income statement (cont'd)                                       | 31/12/2023        | 31/12/2022        |
|---|-------------------|-------------------|
| <b>Exceptional income</b>                                       |                   |                   |
| On management operations  | 10 594 571        | 27 397            |
| On capital operations   |                   | 1 298 672         |
| Reversals of provisions, depreciations and transfers of charges | 49 011            | 106 152           |
| <b>TOTAL V</b>  | <b>10 643 581</b> | <b>1 432 221</b>  |
| <b>Exceptional charges</b>                                      |                   |                   |
| On management operations  | 5 488             | 44 535            |
| On capital operations   |                   | 12 412            |
| Allocations to amortisation, depreciation and provisions        | 21 985            | 222 527           |
| <b>TOTAL VI</b>   | <b>27 472</b>     | <b>279 475</b>    |
| <b>EXCEPTIONAL RESULT (V - VI)</b>                              | <b>10 616 109</b> | <b>1 152 746</b>  |
| Employee profit-sharing<br><b>VII</b>                           |                   |                   |
| Income tax<br><b>VIII</b>                                       | 69 533            | 23 891            |
| <b>TOTAL INCOME (I + III + V)</b>                               | <b>40 232 929</b> | <b>34 370 941</b> |
| <b>TOTAL CHARGES (II + IV + VI + VII + VIII)</b>                | <b>26 982 507</b> | <b>34 499 007</b> |
| <b>SURPLUS OR DEFICIT</b>                                       | <b>13 250 422</b> | <b>- 128 067</b>  |

|  |  |  |
|--|--|--|
| <b>Voluntary contributions in kind</b> |  |  |
| Donations in kind                      |  |  |
| Benefits in kind                       |  |  |

|  |  |  |
|--|--|--|
| Volunteering                                       |  |  |
| <b>TOTAL</b>                                       |  |  |
| <b>Charges for voluntary contributions in kind</b> |  |  |
| Assistance in kind                                 |  |  |
| Free provision of goods                            |  |  |
| Benefits in kind                                   |  |  |
| Volunteer staff                                    |  |  |
| <b>TOTAL</b>                                       |  |  |

## **Accounting Rules and Methods**

Annex to the balance sheet and income statement for the year ended 31/12/2023, with a balance sheet total before distribution of 13 730 948 Euros and an income statement for the year, presented in list form showing a positive result of

13 250 422 Euros.

The Financial Year had a period of 12 months, running from 01/01/2023 to 31/12/2023. The notes or tables hereafter form an integral part of the annual accounts.

The annual accounts have been established in accordance with the provisions of the Code of Commerce, the General Chart of Accounts and ANC Regulation no. 2018-06 of 5 December 2018 on the annual accounts of non-profit legal entities governed by private law.

General accounting rules and principles were applied, with respect for the conservatism principle, in conformity with the basic hypotheses:

- continuity of operations,
- permanence of the accounting methods from one year to the next, independence of the financial years,
- and in accordance with the general rules of establishment and presentation of the annual accounts.

The method retained for valuation of the items recorded in the books is the historical cost method.

## **Social objectives**

The International Union against Tuberculosis and Lung Disease, recognised as an organisation of public utility by decree of 2 November 1999, whose declaration of creation was published in the Official Journal of 9 November 1999, aims to end suffering due to tuberculosis and lung disease, old and new, prevention against respiratory diseases and care. It aims to ensure that no one is left behind, that people are treated equally, and that special attention is paid to vulnerable and marginalised populations and communities.

The Union is a membership organisation, a technical organisation and a scientific organisation. We were established in 1920 and are led by people committed to our vision: a healthier world for all, free from tuberculosis and lung disease. Our members are organisations and individuals from all regions of the world.

The statutory bodies of our entity have set different objectives to achieve the corporate purpose.

These objectives constitute the “project of our entity” for which reserves are established, if necessary, in our own funds.

### **Description of the social objective and activities of the association**

The nature of the social activities or missions carried out during the financial year can be summarised as follows:

- *Fight against tuberculosis:*

The Union is working towards the global elimination of tuberculosis. We support high-quality prevention and care that is

accessible to people with TB and those at risk of developing TB, to expand the evidence base for TB care and prevention and to implement new knowledge into policies and practices.

- *Fight against tobacco:*

Tobacco kills eight million people every year, including 65,000 children who die from diseases related to second-hand smoke. The COVID-19 pandemic has brought new urgency to reducing tobacco use, and the rise of nicotine and tobacco products such as e-cigarettes presents new challenges and complexities in the fight against tobacco.

The Union bases its work to combat tobacco on the Framework Convention of the World Health Organisation (FCTC of the WHO) - an international health treaty - and a set of evidence-based measures to reduce tobacco use called MPOWER. Our work spans more than 50 countries, reaching two-thirds of the world's smokers. We focus on low- and middle-income countries, where 80% of tobacco-related deaths occur.

- *Fight against non-communicable diseases:*

Non-communicable diseases (NCDs), including cancer, cardiovascular disease and diabetes, are now a significant factor in two out of three deaths worldwide. With the prevalence of tobacco use still very high in many parts of the world and rising rates of obesity, the burden of NCDs is growing.

Currently, NCDs are under-recognised and under-funded by many health systems around the world. And as the burden of disease in low- and middle-income countries begins to shift from infectious to non-communicable diseases, this problem, in itself, is a major public health challenge. This adds to the complex challenges that NCDs present for those struggling with the impact of infectious diseases, including tuberculosis and, more recently, COVID-19.

The Union plays a key role in international efforts to raise awareness about the threat caused by the increase in NCDs, as a partner of the NCD Alliance.

### **Description of means implemented**

Our action is possible thanks to a local presence in our main fields of operation. Our specialists coordinate, manage and supervise our projects, covering geographical areas that sometimes include several countries.

The Union's work directly supports the Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development, adopted by all the Member States of the United Nations (UN), to end poverty, protect the planet and ensure prosperity for all.

*SUSTAINABLE DEVELOPMENT GOAL TARGET 3.3:*

“By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.”

In support of objective 3.3, the Union can demonstrate its impact using the “KNOWLEDGE-SHARE-ACT” principle. These principles have guided the work of the Union since it was founded 100 years ago and demonstrate how ground-breaking science, if properly shared, can lead to global action.

The following examples show how the Union's work leads to change - from research to knowledge and implementation.

- **KNOWLEDGE**

KNOW is where The Union gathers evidence through our clinical trials, operational research, and analysis of health policy and policy transfer issues.

- **SHARE**

SHARE is where the Union widely shares the evidence and knowledge gained, ensuring that it is accessible to all, supporting our partners and disseminating the latest best practices. We have developed our "Training" activities as well as a scientific journal which are all means of dissemination and transmission.

Our Annual Conference is a place of exchange and expertise recognised in the scientific community as an essential event.

- **ACT**

ACT is where The Union works with others to implement solutions, deliver lifesaving health services, and advocate for the policies and resources needed to protect health.

**Significant events**

- The Union benefited from a debt relief agreement granted by one of its main creditors. This debt relief resulted in an exceptional gain of 10,584,122 euros.
- This agreement, combined with an operating surplus, allows the union to regain a solid financial position, materialized by a net position of more than 2 million euros.



## **Significant events after the end of the period**

Beginning 2024 The Union was awarded a significant new project of more than 5 million.

## **Membership fees with consideration**

Membership fees is a specific item in the income statement called "Contributions".

Membership fees are contributions having another consideration than participation in the general assembly, receipt of publication or remittance of low-value goods.

Union members also benefit from a price reduction on payment of the subscription to the Conference.

As intended in the ANC Regulation 2018-06, member contributions are, therefore, with consideration. Contributions are recognised as revenue when they are actually collected.

When contributions relate to a period after the accounting year, prepaid income is recognised in order to respect the principle of separation of financial years.

For the 2023 financial year, contributions totalled 211 492 euros.

## **Dedicated and deferred funds**

Dedicated funds are liability items that record, at the end of the financial year, the part of the resources, allocated by third-party funders to defined projects, that has not yet been able to be fully used in accordance with the commitment made for them.

The defined project meets the following two conditions:

- being consistent with achievement of the purpose of the association;
- being clearly identified, the attributable costs having to be clearly individualised.

The counterpart for the dedicated funds is recorded in the income statement under the heading "Carry forwards in dedicated funds".

The amount of the dedicated funds of year N is included in profit or loss, over the following years, as and when the funds are used by the counterpart of the "Use of dedicated funds" account.

Dedicated funds debtor are the subject of prepaid income, according to the continuity of the project and the terms of payment of the next instalments on the date of preparation of the accounts.

As a precaution, any collection not made at the end of the period and relating to this accrued income is subject to an impairment test.

At the end of the financial year, the dedicated funds totalled 5 530 577 euros.

## **Financial aid and financial contributions**

Financial aid is:

- either a sum of money granted to a natural person as aid or assistance;
- or an optional financial contribution granted by one entity to another entity intended to support actions or investments.

These sums or contributions do not constitute remuneration for services or the supply of goods.

Financial aid is recorded at the date of granting of the aid in an expense or income account: for operations if it corresponds to the normal activity of the entity; exceptional if it is not part of the normal activity of the entity.

The Union grants financial aid to entities to carry out actions within the framework of project management.

In the case of aid that is part of the entity's normal activity, this aid is recorded as operating expenses under the heading "Financial aid".

For the 2023 financial year, the amount of financial aid granted was 2 392 110 euros.

The Union receives financial assistance from other entities to carry out actions within the framework of project management.

In the case of aid that is part of the entity's normal activity, this aid is recorded as operating income under the heading "Financial contributions".

For the 2023 financial year, the amount of financial aid received totalled 17 756 156 euros.

### **Intangible and tangible fixed assets**

Assets are valued at their cost of acquisition (including transfer duties, fees or commissions and document fees, related to the acquisition).

Amortisation is calculated, depending on the expected duration of use, according to the straight-line method.

| Types of fixed assets | Method of amortisation | Duration of amortisation |
|-----------------------|------------------------|--------------------------|
| Intangible assets     | Straight-line          | 3 years                  |
| Fixtures and fittings | Straight-line          | 10 years                 |
| Office equipment      | Straight-line          | 5 years                  |
| IT Equipment          | Straight-line          | 3 years                  |
| Office furnishings    | Straight-line          | 10 years                 |

## **Receivables**

Receivables are valued at their nominal value. Depreciation is done when the inventory value is less than the book value.

## **Foreign currency operations**

The charges and income in foreign currencies are recorded for their counter-value as of the date of the operation.

Debts, receivables and cash in foreign currencies appear on the balance sheet for their counter-value at the year-end exchange rate. The difference resulting from updating debts and receivables in foreign currencies at the closing price is reported in the balance sheet as “exchange rate adjustment”.

Unrealised foreign exchange losses not offset are subject of a provision for risks.

## **Provision for risks and charges**

The total amount of provisions for risks and charges at the end of the financial year totalled 762 745 euros.

## **Retirement commitments**

The entity's commitments in terms of retirement benefits for its employees are valued and mentioned in the annex to the annual accounts.

The estimate of retirement commitments is done retrospectively pro rata temporis (individual rights acquired on the day of retirement, pro rata on the date of calculation), based on an assumption of departure at the initiative of the employee at the age of 62, taking into account the following elements:

- Parameters specific to each of the entity's employees (age at closing, seniority, status, mortality rate and annual gross salary),
- Data specific to the entity (absence of collective agreement, hypothesis of increase in payroll, forecast of staff turnover rate and rate of payroll taxes),
- Retained discount rate: Iboxx Corp AA10+ rate (3.17% at the end of 2023).
- Latest pension reform with progressive higher retirement age

The amount thus obtained, plus employer charges, totals 20,913 euros.

## **Voluntary contributions in kind**

In view of the financial size of the association, the value of volunteering is insignificant.

## **Method of taxation**

The entity is a non-profit organisation not subject to commercial taxes under common law.

Information required by article R.123-198-9° of the Code of Commerce

The total amount of auditing fees of the statutory auditor appearing in the income statement totals 133 385 €, all taxes included.

Of this sum, 0 € corresponds to services included in the services other than the certification of accounts.

### Remuneration paid to certain managers

The three main officers of the association are the President, the Treasurer and the Executive Director. The president and the treasurer have a volunteer activity within the association.

Communicating the remuneration of the three main officers would, therefore, mean disclosing the individual remuneration of an employee.

### Headcount

|                                       | Number of employees (Dec 31, 2023) | Number of consultants (Dec 31, 2023) | Total (Dec 31, 2023) |
|---------------------------------------|------------------------------------|--------------------------------------|----------------------|
| 1. Paris                              | 11                                 | 54                                   | 65                   |
| 2. Branch offices                     |                                    |                                      |                      |
| India                                 | 144                                | 116                                  | 260                  |
| Myanmar                               | 347                                | 1                                    | 348                  |
| Uganda                                | 7                                  | 1                                    | 8                    |
| <b>Total branch offices</b>           | <b>498</b>                         | <b>118</b>                           | <b>616</b>           |
| <b>Total 1+2</b>                      | <b>509</b>                         | <b>172</b>                           | <b>681</b>           |
| Singapore                             | 1                                  |                                      | 1                    |
| UK                                    | 6                                  | 3                                    | 9                    |
| <b>Total independent subsidiaries</b> | <b>7</b>                           | <b>3</b>                             | <b>10</b>            |
| <b>Total 1+2+3</b>                    | <b>516</b>                         | <b>175</b>                           | <b>691</b>           |

### Detail of exceptional result

The exceptional result can be broken down into several categories:

| Categories                 | Products     | Charges  | Impact on result |
|----------------------------|--------------|----------|------------------|
| Debt write off             | 10 584 122 € |          | 10 584 122 €     |
| Accruals by branch offices | 49 011 €     |          | 49 011 €         |
| Miscellaneous reversal     | 8 927 €      | 5 488 €  | 3 439 €          |
| Others                     | 1 522 €      | 6 075 €  | -4 553 €         |
| Risk accruals              |              | 15 910 € | -15 910 €        |