



Annual Report and Financial Statements 2016



Health Action International
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BOARD'S REPORT

About Health Action International

Health Action International (HAI) is the only independent, non-profit, civil society organisation entirely dedicated to improving access to medicines and the rational use of medicines. As a Dutch-registered 'stichting' (foundation) established in 1981, our staff, members and network partners in over 70 countries around the world conduct research and advocacy to ensure all people receive the right medicine, in the right dose, for the right amount of time, at a price they can afford. In addition to being in 'official relations' with the World Health Organization, HAI is a member of the European Medicines Agency's 'Patients and Consumers Working Party'.

Activities and Achievements

Our 2016 work focused on five programme areas: the Health Systems Advocacy Partnership, European Projects, Snakebite, Access to Insulin, and Medicine Prices. In addition to this programme work, which is described below, we made significant contributions to medicines policy discussions at the global level. This included interventions and side events on pharmaceutical research and development (R&D) and other areas at the 69th World Health Assembly in May and both written and in-person submissions to the United Nations Secretary-General's High-Level Panel on Access to Medicines, which published its final report in September. HAI was also a member of *The Lancet* Commission on Essential Medicines, which released its report in November.

a) Health Systems Advocacy Partnership

HAI is a proud member of the Health Systems Advocacy (HSA) Partnership with Amref Health Africa, the African Centre for Global Health and Social Transformation, Wemos and the Dutch Ministry for Foreign Trade and Development Cooperation. The goal of the five-year programme, which officially launched at the beginning of 2016, is to support civil society organisations in Kenya, Uganda and Zambia in advocating for sound government policies that strengthen health systems and, in turn, improve the sexual and reproductive health (SRH) of citizens.

Building an Evidence Base on Access to Sexual and Reproductive Health Commodities

Because robust data is key to developing sound health policy, HAI is contributing its research expertise to the HSA Partnership by measuring access to SRH commodities in Kenya, Zambia and Uganda.

In 2016, HAI successfully developed and pilot tested a unique methodology and assessment tools to measure the price, availability and affordability of more than 40 SRH commodities in the private, public and mission sectors of rural and urban areas of Kenya, Zambia and Uganda. The commodities being assessed include antibiotics, vitamins, minerals, contraceptives and devices. Interestingly, the study's methodology also contains a qualitative component. This portion of the research will provide valuable insights from health centre employees about the perceived barriers to providing SRH commodities to patients.

The methodology and assessment tools were developed in collaboration with a 'methods advisory group', established by HAI and consisting of in-country SRH experts. This group will also provide HAI with unique insights into how the data can best be reported to successfully aid in national policy decisions.

Results of the pilot study, which was conducted in Uganda, will be released in mid-2017. Further results from Zambia and Kenya will be completed later in the year.

Strengthening Civil Society to Advocate for Sexual and Reproductive Health and Rights

A strong civil society is needed to hold governments and corporations to account and advocate for policies that are in the public interest. In addition to conducting research on SRH commodities for the HSA Partnership, HAI is also working with civil society in Kenya, Uganda and Zambia to strengthen their ability to lobby national policymakers for greater access to safe, affordable and effective SRH commodities.

To begin the process of civil society strengthening, in 2016, HAI helped re-establish Medicines Transparency Alliance (MeTA) Councils in Zambia and Uganda. Mr Liyoka Liyoka was selected to coordinate MeTA Zambia, given his previous experience on that council, and Ms Dorothy Okema was chosen to coordinate MeTA Kenya. MeTA Uganda continues to be coordinated by Mr Denis Kibira, a position he has held since 2011. The new focus on SRH attracted a number of new Council members with SRH expertise.

MeTA Councils are comprised of representatives from the public, private and civil society sectors. Their role is to identify national health policy priorities and collect, share and analyse data on the selection, procurement, quality, availability, pricing, promotion and use of SRH commodities. The coordinators then use this information to inform and strengthen national medicines policy. Over the past year, the two existing MeTA Councils successfully implemented a range of research to gain greater perspective on access and barriers to SRH services and commodities. Activities included scoping exercises, surveys, baseline studies and workshops with members of civil society, media, local healthcare providers and community leaders, on locally-available SRH services and commodities. To increase awareness of the HSA Partnership and their roles, the coordinators have generated significant press coverage, particularly on popular radio shows with high listenership.

b) Access to Snakebite Prevention and Treatment

Snakebite envenoming is a massively neglected public health challenge that disables at least 400,000 people every year and kills more than 125,000 more. Recognising the need for greater global and country-specific action to prevent and treat snakebite, HAI continued its role as the secretariat for the Global Snakebite Initiative.

As the secretariat, we assisted the Government of Costa Rica in coordinating an official side event on snakebite at the 69th World Health Assembly in Geneva. The event was popular, attracting about 100 delegates, including government officials from some of the most snakebite-affected countries in the world, international media and civil society organisations. Presentations by representatives from the Government of Costa Rica, World Health Organization, renowned universities, the Global Snakebite Initiative and HAI's executive director proved to increase awareness of the disease burden posed by snakebite, as well as potential solutions. The event successfully contributed to catalysing awareness and action at the global level, generating media coverage in the Asian and African press and stimulating further discussion about the potential for snakebite to again be included by the World Health Organisation as an official neglected tropical disease.

Prior to the WHA side event, HAI developed its 'Action Plan for Change for Preventing and Treating Snakebite in Resource-poor Settings'. We were pleased to receive a €500,000 grant to

implement portions of the Action Plan from the Dutch Ministry of Foreign Affairs—the first commitment by a Western government to act on this significant global health challenge.

c) European Projects

Medicines policy is key to achieving good health in the European Union (EU), but challenges related to equitable access to treatment, the rational use of medicines and good governance of medicines still exist. Throughout 2016, HAI continued to advocate for EU and Member State policies that improve the price, availability, affordability and use of medicines.

Positioning Our Recommendations to Improve Access to Medicines at the Centre of European Union Policy-making

In 2016, HAI discussed its key recommendations to improve access to medicines with relevant Members of the European Parliament (MEPs) who were involved in developing the ‘Own-Initiative Report on EU Options for Improving Access to Medicines’. As a result of our advocacy efforts, and those conducted with a coalition of healthcare civil society organisations, the report reflected many of HAI’s and the coalition’s key recommendations.

In addition, HAI advocated for Member States to support the proposal of the Dutch EU Presidency for the European Commission to evaluate the impact of the current intellectual property system on medical innovation and affordability of treatment. Calls made by HAI and its partner organisations are reflected in the ‘Council Conclusions on Strengthening the Balance in the Pharmaceutical Systems in the EU and Its Member States’, which was adopted in June.

Protecting Access to Medicines from the Transatlantic Trade and Investment Partnership

Throughout the year, HAI was also closely involved in Transatlantic Trade and Investment Partnership (TTIP) negotiations. We continued to increase awareness and concern about the impact that the free trade agreement could have on sustainable access to medicines by meeting with MEPs, the European Commission, including the cabinet of the European Commissioner for Health, and Member States’ health attachés to the EU.

We also developed a report with the Commons Network and Public Citizen, detailing how the trade deal could obstruct access to medicines in the long term. The publication garnered media coverage from at least 18 outlets in the United States and the EU, along with about 400 downloads. It also resulted in several invitations to meet with MEPs to discuss the report’s recommendations.

HAI was also pleased that many of the concerns that we raised, such as the need for Member States to retain full freedom on the price and reimbursement of medicines in relation to domestic public health needs, were taken into account in the EU’s report regarding its requests for the pharmaceutical regulation chapter. This sets an important precedent for the future if TTIP is used as a global template for further trade negotiations by the EU and United States.

Countering the Ill Effects of Pharmaceutical Marketing

HAI also continued its work on educating healthcare students about the impact of pharmaceutical marketing on their prescribing and dispensing behaviours by holding a workshop at the National University of Ireland (Galway) and a lecture at the Vrije Universiteit Amsterdam. Our guides, *Fact or Fiction: What Healthcare Professionals Need to Know about Pharmaceutical Marketing in the EU* and *Understanding and Responding to Pharmaceutical Promotion: A Practical Guide*, are

central to these presentations. The guides continue to be taught by several universities throughout the EU and around the world.

d) Addressing the Challenge and Constraints of Insulin Sources and Supply Study

Access to insulin continues to be a major challenge for millions of people around the world with type 1 diabetes and those needing insulin to manage type 2 diabetes. In January 2015, HAI commenced the 'Addressing the Challenge and Constraints of Insulin Sources and Supply' (ACCISS) Study with fellow researchers from Boston University and the University of Geneva/Geneva University Hospitals.

In 2016, research was undertaken on regulatory issues for biosimilar insulin, insulin availability and prices and price components, such as mark-ups, in the insulin supply chain. Access issues from the perspective of insulin users, diabetologists, and insulin manufacturers (by way of discussions with Eli Lilly, Novo Nordisk, Sanofi, and six biosimilar insulin manufacturers) were also examined.

During the company meetings, various access to insulin issues in low- and middle-income countries were discussed, including the need to continue supplying lower-priced human insulin in vials, the need for price transparency, and differential pricing programmes. Acknowledging the fact that about half of those who use insulin have problems accessing it, Novo Nordisk has since renewed its 'access to insulin commitment', which guarantees the supply of lower-priced human insulin in vials to least-developed countries and other low-income countries at a ceiling price.

The ACCISS team continued to draw global attention to the problems of insulin access. Co-lead investigator, Dr David Beran from the University of Geneva/Geneva University Hospitals, was the only speaker invited by the World Health Organization to present evidence on access to insulin issues at this year's World Health Day event, which focused on diabetes. To discuss the issues more deeply, the ACCISS team also held a well-attended panel discussion on World Health Day that was webcasted to over 100 online participants. In addition, five reports were published from the research undertaken to date, and *The Lancet Diabetes and Endocrinology* published an article written by the co-leads of the Study.

e) Medicine Prices

In 2016, HAI published a report comparing the price and availability of locally-produced and imported medicines in Tanzania and Ethiopia. The study used a new medicine price tool, developed by HAI and pilot tested in the two African countries. Carrying out a study using the tool enables governments that support local medicine production to assess the impact of their support on prices and availability of medicines.

In addition, findings from new medicine price and availability surveys, which were done using the standardised World Health Organization/HAI methodology, were added to the database on HAI's website to improve transparency on the price governments and people pay for medicines.

Finances

During the year under review, the total expenditure amounted to € 1,711,938, of which € 1,636,675 was spent on the Objectives, € 54,993 on Management and Administration, and € 20,270 on Income Generation. Of the total income of € 2,577,031, an amount of € 833,093 was added to the Programme Fund. From the remaining income, 93.9% was spent directly on the Objectives. Results for 2016 show a surplus of € 865,093. From this surplus, an amount of € 833,093 was

added to the Programme Fund, € 16,348 was added to the Continuity Reserve, and € 15,656 was added to the Fixed Asset Reserve.

Governance

The HAI Foundation Board ensures compliance with our vision and mission, is accountable for strategy, activities and performance, and oversees management. This year, the Board went through a process of renewal with four members, Prem C John (Deputy Chair), Paul Th Lindgreen (Treasurer), Eva M Ombaka (Member) and Christian Wagner-Ahlfs (Member), stepping down. Six new members were added. The Board met twice throughout the year.

The HAI Foundation Board, as of December 2016:

Lander van Ommen	Chair
Marcus Vreeburg	Treasurer
Cecilia Sison	Member
Patricia Porekuu	Member
Joel Lexchin	Member
Meri Koivusalo	Member
Brieuc-Yves Cadat	Member
Francisco A Rossi	Member

HAI Management:

Tim Reed	Executive Director
Renée Vasbinder	Assistant Director

Looking Ahead

High medicine prices continue to generate headlines and anger patients, healthcare providers, policymakers, payers and others in many countries around the world. But here at Health Action International, we know that high prices are only part of the story in keeping medicines out of reach for millions people. The entire system of research and development (R&D) and the way in which medicines are continually marketed to patients in some countries are also creating massive barriers. The system is designed to maximise sales volumes rather than patients' health. This needs to change and it's our job to ensure it does.

The strong civil society voice of Health Action International and its partners is crucial in the constantly shifting pharmaceutical policy arena. That's why, in the European Union, we'll continue to press governments in the coming year to demand greater transparency of medicine prices and pharmaceutical R&D. We'll also expand our advocacy to warn regulators, such as the European Medicines Agency, about the safety risks of reduced regulatory demands and the need to ensure that health technology assessment remains an effective system for evaluating the impact of newly developed medicines.

In 2017, our ACCISS Study researchers expect to finalise their extensive and novel research into global insulin access barriers—but their work is far from over. By mid-year, they will begin putting their research findings into action by working with stakeholders from the private, public and civil society sectors to develop solutions to the main barriers that they've identified.

In the coming year, as a partner in the Health Systems Advocacy Partnership, we also look forward to analysing the results of our research into sexual and reproductive health commodities in Zambia, Kenya and Uganda. We'll continue to forge strong partnerships with our fellow civil society organisations in those countries, along with other members of the Medicines Transparency Alliance Councils, so the results of our research have the greatest chance of laying the groundwork for stronger health systems policy. We will achieve this by creating innovative 'dialogue and dissent' platforms consisting of a variety of stakeholders. The collaborative outcomes of these platforms will help shape policy interventions in a transparent way.

Our snakebite envenoming programme will also become fully operational in 2017, thanks to the financial support from the Dutch Ministry of Foreign Affairs. A new Project Manager will be hired to lead our advocacy around the price, availability and affordability of antivenom and the education programmes on snakebite prevention. The development of a novel methodology to assess the burden of snakebite envenoming will also begin.

As ever, the Board is grateful to the dedicated staff and interns at HAI who, every day, offer their vast expertise and unwavering passion to improve access to medicines and rational use of medicines for people around the world. Their contributions this past year have been remarkable and we thank them for their tireless enthusiasm and effort. We look forward to the addition of new staff members for advocacy, communications, and planning, monitoring and evaluation in the coming year that will, no doubt, further expand the team's capacity and expertise.

Amsterdam, 17 March, 2017

A handwritten signature in blue ink, appearing to read 'Lander van Ommen', is positioned above the typed name and title.

Lander van Ommen
Chair, Health Action International Foundation Board

FINANCIAL REPORT

During the financial year 2016, Stichting HAI spent € 1,711,938 (2015: € 1,301,594), of which € 1,636,675 was spent on achieving Objectives (2015: € 1,226,046) and € 54,993 on Management and Administration (2015: € 58,200). This represents 3.2% of total expenditure.

Of the total income of € 2,577,031, 63.5% (2015:80.6%) was spent directly on the Objectives.

The result for 2016 shows a surplus of € 865,093, which consists of an operating surplus of € 32,004. An amount of € 15,656 was added to the Fixed Asset Reserve and € 833,089 was added to the Programme Fund.

The breakdown of the reported income of € 2,577,031 is as follows:

<i>Donor Income</i>	EURO	EURO	%	%
Ministry of Foreign Affairs, The Netherlands		1,499,346		58.2
The Leona M. and Harry B. Helmsley Charitable Trust		533,740		20.7
European Commission (CHAFEA)		253,000		9.8
Open Society Foundations (OSF)		140,902		5.5
IDA Foundation		80,000		3.1
Camino Stiftung		62,114		2.4
World Health Organization (WHO)		2,280		0.1
		<u>2,571,382</u>		<u>99.8</u>
<i>Other income</i>				
Membership contributions (HAI Europe Association)	3,779		0.2	
Interest and miscellaneous	<u>1,870</u>		<u>0.1</u>	
		<u>5,649</u>		<u>0.2</u>
Total income		<u><u>2,577,031</u></u>		<u><u>100.0</u></u>

Multi-annual Overview

This overview shows the results of the past five years:

INCOME	2016	2015	2014	2013	2012
Other income	824,685	933,397	573,357	198,226	232,352
Government subsidies	1,752,346	588,686	792,317	874,711	908,369
Total income	2,577,031	1,522,083	1,365,674	1,072,937	1,140,721
EXPENDITURE					
Pricing	473,070	335,463	136,010	180,348	147,262
HSA project	698,031	438,546	595,023	646,508	398,213
Snakebite project and global	70,180	92,580	40,810	-	-
CHAFEA - EC project	395,394	359,457	349,487	290,604	328,225
Total expenditure on objectives	1,636,675	1,226,046	1,121,330	1,117,460	873,700
Management and administrative costs	54,993	58,200	57,000	58,080	54,750
Total expenditure on income generation	20,270	17,350	15,503	37,010	15,260
Total expenditure	1,711,938	1,301,596	1,193,833	1,212,550	943,710
SURPLUS (SHORTFALL)	865,093	220,487	171,841	(139,613)	197,011

Central Bureau of Fundraising Key Figures

HAI reports in line with the requirements for the CBF-keur. The CBF-keur is awarded by the Dutch Bureau on Fundraising (CBF).

The CBF considers the costs of our own fundraising (expressed as a percentage of income from our own fundraising) as one of the key indicators.

HAI does not have income from own fundraising in the sense of the CBF definition; therefore, no figures are to be reported.

Another key figure is the spending ratio on objectives/aims. This percentage shows the proportion of total income spent directly on the Objectives.

	2016	2015	2014	2013	2012
Amount spent directly on the objectives	1,636,675	1,226,046	1,121,330	1,117,460	873,700
Total income	2,577,031	1,522,083	1,365,674	1,072,937	1,140,721
Spending ratio	63.5%	80.6%	82.1%	104.1%	76.6%

Note: The 2016 spending ratio shows a rather low percentage due to the fact that an amount of € 833,089 has been added to the Programme Fund from the appropriation of result. By not taking into account the latter, the spending ratio would be 93.9%.

Budget 2017

The budget for 2017 was submitted to the HAI Foundation Board. All amounts are in euros.

	2017 budget	2016 budget
INCOME		
Income from institutional donors and member contributions	628,027	624,420
Government subsidies	1,526,322	1,322,310
Income from investments	2,000	19,400
Total income	2,156,349	1,966,130
EXPENDITURE		
<i>Expenditure on objectives</i>		
Programme costs	2,684,803	1,909,930
<i>Costs of income generation</i>		
Costs of own fundraising	20,000	-
Costs of activities by third parties	-	-
Costs of acquiring government subsidies	15,000	30,000
	<u>35,000</u>	<u>30,000</u>
<i>Management and administrative costs</i>		
Total expenditure	70,000	65,000
	<u>2,789,803</u>	<u>2,004,930</u>
From programme fund	633,454	38,800
Result	-	-

FINANCIAL STATEMENTS 2016

i) Balance Sheet as of 31 December, 2016

(In euros and after allocation of result)

ASSETS	31/12/2016	31/12/2015	notes on page
Fixed assets			
Tangible fixed assets	23,976	8,320	16
Current assets			
Debtors	-	-	
Prepaid expenses and other receivables	28,231	26,019	
Grants to be received	605,980	707,661	
	<u>634,211</u>	<u>733,680</u>	16
Cash and cash equivalents	1,273,371	670,139	16
Total assets	<u><u>1,931,558</u></u>	<u><u>1,412,139</u></u>	
LIABILITIES	31/12/2016	31/12/2015	
Continuity reserve	115,900	99,552	17
Fixed assets reserve	<u>23,976</u>	<u>8,320</u>	
	139,876	107,872	
Programme fund	1,475,215	642,126	17
Short term liabilities			
Creditors	43,296	62,753	
Taxes and social security premiums	48,855	33,988	17
Accounts payable	47,216	30,744	17
Other debts	-	-	
Grants received in advance	<u>177,100</u>	<u>534,656</u>	17
	316,467	662,141	
Total liabilities	<u><u>1,931,558</u></u>	<u><u>1,412,139</u></u>	

ii) Statement of Income and Expenditure in 2016

(in euros)

	Actual 2016	Budget 2016	Actual 2015	notes on page
INCOME				
Government subsidies	1,752,346	1,322,310	588,686	
Income from investment	1,159	19,400	28,757	
Other income	823,526	624,420	904,640	
Total income	<u>2,577,031</u>	<u>1,966,130</u>	<u>1,522,083</u>	18
EXPENDITURE				
<i>Expenditure on objectives</i>				
Programme costs	1,636,675	1,909,930	1,226,046	19-20
<i>Income generation</i>				
Costs of acquiring government subsidies	20,270	30,000	17,350	19-20
<i>Management and administration</i>				
Management and administrative costs	54,993	65,000	58,200	19-20
Total expenditure	<u>1,711,938</u>	<u>2,004,930</u>	<u>1,301,596</u>	
Result	<u>865,093</u>	<u>(38,800)</u>	<u>220,487</u>	
APPROPRIATION OF RESULT IN 2016			2015	
<i>Additions to / (deductions from):</i>				
Continuity reserve	16,348	3,000	(42,534)	
Fixed assets reserve	15,656	-	(3,323)	
Programme fund	833,089	(38,800)	266,344	
Total	<u>865,093</u>	<u>(35,800)</u>	<u>220,487</u>	

iii) Overview of Cash Flow in 2016

(in euros)

	2016	2015
<i>Cash flow from operational activities</i>		
Result from the statement of income and expenditure	865,093	220,487
Depreciation	12,729	6,035
Changes in working capital:		
- deduction from Programme Fund		
- short-term receivables	99,469	(646,929)
- short-term debts	(345,674)	581,019
	<u>631,617</u>	<u>160,612</u>
<i>Cash flow from investment activities</i>		
Investments in tangible fixed assets	(28,385)	(2,712)
<i>Cash flow from financing activities</i>		
Changes in funds	-	-
	<u>603,232</u>	<u>157,900</u>
<i>Changes in cash at banks</i>		
	<u>603,232</u>	<u>157,900</u>
<i>Cash at banks</i>		
Balance on 1 January	670,139	512,239
Balance on 31 December	<u>1,273,371</u>	<u>670,139</u>
	<u>603,232</u>	<u>157,900</u>
<i>Changes in cash at banks</i>		
	<u>603,232</u>	<u>157,900</u>

iv) Notes to the Financial Statements

Principles of Valuation and Determining of Result

Historical Cost

The financial statements are prepared on the basis of the historical cost concept. Unless indicated otherwise, assets and liabilities are stated at nominal value less necessary provisions.

Guidelines for Annual Reporting

The financial statements have been drawn up in accordance with the *Reporting Guidelines for Fundraising Institutions* (Guideline 650). Guideline 650 is part of the *Annual Reporting Guidelines of the Netherlands Accounting Standard Board*.

Foreign Currencies

Payables and receivables in foreign currencies are converted into euros at the exchange rates on the balance sheet date. Transactions and cash flows in foreign currencies are recorded at the rates of exchange prevailing the date of the transactions. HAI does not hedge its exposure to foreign exchange rate risks. Natural hedges exist because receivables and liabilities are often related. HAI holds foreign currency positions in United States dollars (USD) and British pound (GBP).

The following exchange rates against the euro have been used:

Currency per € 1	31-12-2016
USD	1.04533
GBP	0.85400

Income

Donations and grants are recognised in the year in which they are received. Provided grants and subsidies are recognised in the year to which they relate.

Tangible Fixed Assets

Tangible fixed assets are stated at purchase price less accumulated depreciation based on economic lifetime of the respective asset.

Costs and Expenses

Costs and expenses are included in the year in which they are incurred and will be accrued if foreseeable.

Contingent Liability

HAI has provided a bank guarantee amounting to € 11,442 to the landlord of the rented offices in Amsterdam. This guarantee has been given by ASN Bank and, as long as the guarantee is in force, the amount of the guarantee will be blocked in the savings account. The initial lease, agreed in 2008, was extended in 2013 for an additional five years.

Notes to the Balance Sheet as of 31 December 2016

Assets

Tangible Fixed Assets

Movements of the tangible fixed assets are as follows:

	IT equipment	Furniture and fittings	Total
Balance as of 1 January 2016			
Cost	25,326	39,056	64,382
Accumulated depreciation	17,006	39,056	56,062
Carrying value as of 1 January 2016	8,320	-	8,320
Changes			
Purchases	11,471	16,914	28,385
Disposals		-	0
Depreciation	(9,346)	(3,383)	(12,729)
Depreciation on disposals	-	-	0
Total changes	2,125	13,531	15,656
Balance as of 31 December 2016			
Cost	36,797	55,970	92,767
Accumulated depreciation	26,352	42,439	68,791
Carrying value as of 31 December 2016	10,445	13,531	23,976
Depreciation percentages	33%	20%	

Current Assets

	31/12/2016	31/12/2015
Prepaid expenses and other receivables		
Subsidies	605,980	707,661
Prepaid expenses and receivables	24,408	21,463
Deposits	3,360	3,360
Bank interest 4th quarter	463	1,196
	<u>634,211</u>	<u>733,680</u>
Cash and cash equivalents		
ABN-AMRO saving euro-account	1,022,500	500,000
ABN-AMRO current usd-account	147,512	29,189
ASN saving euro-account	80,000	80,000
ABN-AMRO current euro-account	19,806	20,204
ING current euro-account	1,699	1,770
PayPal account	643	397
ABN-AMRO current gbp-account	633	38,281
Cash foreign currencies	578	296
ABN-AMRO New York usd-account	-	2
	<u>1,273,371</u>	<u>670,139</u>

Liabilities

	31/12/2016	31/12/2015
Continuity Reserve		
Balance as of 1 January	99,552	142,086
Appropriation of result	16,348	(42,534)
Balance as of 31 December	<u>115,900</u>	<u>99,552</u>
Programme Fund		
Balance as of 1 January	642,126	375,782
Allocation of result and deductions	<u>833,089</u>	<u>266,344</u>
Balance as of 31 December	<u>1,475,215</u>	<u>642,126</u>
Current Liabilities		
<i>Taxes and social security premiums</i>		
Wage tax	38,833	26,226
Social security premiums	10,022	7,762
	<u>48,855</u>	<u>33,988</u>
<i>Accounts Payable</i>		
Holiday money	23,478	18,714
Costs to be paid	23,738	12,030
	<u>47,216</u>	<u>30,744</u>
<i>Grants received in advance</i>		
Grants received in advance	177,100	534,656
	<u>177,100</u>	<u>534,656</u>

Notes to the Statement of Income and Expenditure

Income

	2016	2015
Government subsidies		
Ministry of Foreign Affairs - The Netherlands	1,499,346	370,686
European Commission (CHAFFA)	<u>253,000</u>	<u>218,000</u>
	1,752,346	588,686
Income from investments		
Interest and exchange gains	1,159	28,757
Other income		
Helmsley Trust	533,740	642,262
Open Society Foundation	140,902	154,605
IDA Charity Foundation	80,000	1,165
Camino	62,114	50,000
Membership HAI Europe	3,779	4,645
World Health Organization	2,280	50,962
Miscellaneous income	711	1,001
	<u>823,526</u>	<u>904,640</u>
Total income	<u><u>2,577,031</u></u>	<u><u>1,522,083</u></u>

Expenses

	2016		2015	
Staffing				
Gross salaries	629,223		466,502	
Social security premiums	144,861		106,888	
Temporary staff	52,827		49,959	
Travel	3,654		4,520	
Recruitment	210		-	
Sundry staff cost	12,300		2,538	
Provision for holidays not taken	4,764		1,259	
		<u>847,839</u>		<u>631,666</u>
Other office costs				
<i>Occupancy cost</i>				
Rent	65,781		59,975	
Maintenance, etc.	7,901	73,682	3,154	63,129
<i>Office cost and general</i>				
Stationery	1,390		1,425	
Postage	421		92	
Telecommunication	5,393		4,985	
Photocopying	4,555		3,469	
Computers (ICT)	15,252		8,457	
Auditor/accounting	21,744		15,079	
Insurance	2,970		2,301	
Miscellaneous expenses	1,991		7,128	
		53,716		42,936
<i>Depreciation</i>		<u>12,729</u>		<u>6,035</u>
		<u>140,127</u>		<u>112,100</u>
Average number of HAI FTEs:		12.2		8.3

Distribution of Expenditure 2016

Allocation	Projects				Fundraising	Management and Administration	Total 2016	Budget 2016	Total 2015
Expenditure	EUROPEAN PROJECTS	HEALTH SYSTEMS ADVOCACY	SNAKEBITE PROJECT	ACCISS (INSULIN)					
Outsourcing/direct project expenditure	43,447	298,231	56,433	284,656	9,413		692,180	843,676	488,702
Publicity and communication ¹	9,355	15,763	1,608	5,066			31,792	67,400	69,127
Staff cost	292,653	322,165	11,081	161,285	10,857	49,798	847,839	937,174	631,666
Occupancy cost	26,883	34,110	668	12,021			73,682	73,425	63,129
Office cost and general	18,709	21,807	390	7,615		5,195	53,716	72,185	42,937
Depreciation	4,347	5,955	-	2,427			12,729	11,070	6,035
Total	395,394	698,031	70,180	473,070	20,270	54,993	1,711,938	2,004,930	1,301,596

1 without staff costs

Classification of Costs

The costs are allocated to the various cost categories, calculated as the percentage of project expenses by objective.

The following staff costs have been allocated to Management and Administration Costs: The Executive Director for 0.05 full-time equivalent (FTE), the Assistant Director for 0.10 FTE and the Financial Director for 0.60 FTE (including human resources management and internal affairs for all directors).

Director's Remuneration

The Executive Director, who carries overall responsibility for the entire network organisation, received a total remuneration of € 104,784 in 2016 (€ 100,293 in 2015). No loans, advances or guaranties have been granted to the Executive Director.

Name	Tim Reed	
Function	Executive Director	
Employment		
	Term	indefinite
	Hours	36
	Part-time percentage	100
	Period	1/1-31/12/16
Remuneration (EUR)		
Income		
	Gross salary	89,886
	Holiday pay	6,773
	Year-end allowance 2016	<u>8,125</u>
	Remuneration for the year	104,784
	Holidays not taken	<u>-</u>
Total paid during 2016		104,784
	Social security contribution (employer share)	6,264
	Taxable allocations	-
	Pension cost (employer share)	7,260
Total remuneration 2016		118,308
Total remuneration 2015		116,273

Other Information

v) Independent Auditor's Report

To the Board and Management of Stichting Health Action International

Report on the Financial Statements

We have audited the accompanying financial statements of Stichting Health Action International, Amsterdam, for the year 2016 (as set out on pages 13-22), which comprise the balance sheet as at December 31, 2016, the statement of income and expenditure for 2016 and the notes comprising a summary of the accounting policies and other explanatory information.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with the Fundraising Institutions Accounting Guideline (RJ650). Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 internal control relevant to the entity's preparation and fair presentation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Health Action International as at December 31, 2016, and its result for the year then ended in accordance with the Fundraising Institutions Accounting Guideline (RJ 650).

Report on Other Legal and Regulatory Requirements

We report that, as far as we could determine, the financial report is consistent with the financial statements.

Amsterdam, March 17, 2017

Bruines & Erkamp

Signed by: R.P.J. Erkamp RA