



Stichting Health Action International

Annual Report

and

Financial Statements

2014

**Amsterdam
MARCH 2015**

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ABOUT HEALTH ACTION INTERNATIONAL

Stichting Health Action International (HAI) is a foundation registered in The Netherlands with an independent, global network of over 200 consumer groups, public interest non-governmental organisations (NGOs), healthcare providers, academics and individuals. Together, we conduct research and advocacy to:

- increase access to essential medicines by ensuring they are available at affordable prices when treatment is needed;
- promote the rational use of medicines so patients are prescribed or take medicines entirely appropriate to their medical needs;
- ensure that all licensed medicines have therapeutic advantages, are acceptably safe, and offer value for money; and
- support the participation of patients and consumers in policy decisions that affect their health, and call for transparency, independence and accountability in all aspects of medicines policy.

Health Action International holds 'Official Relations' status with the World Health Organization (WHO). As a result, we are able to pursue the highest level of global medicines policy advocacy at the World Health Assembly and regional WHO meetings. In addition, we are a 'strategic partner' of the Dutch Ministry of Foreign Affairs (Development), a 'recognised partner' of the United Kingdom's Department for International Development (DFID), and an 'official member' of the Patients' and Consumers' Working Party of the European Medicines Agency.

We strongly value transparency and therefore operate in accordance with the criteria of the Dutch Central Bureau of Fundraising (CBF).

KEY 2014 ACTIVITIES

European Advocacy Projects

With continued financial support from the Consumers, Health, Agriculture and Food Executive Agency (CHAFAEA), the Camino Foundation and Open Societies Foundations (OSF), HAI continued to advocate within the European Union for good governance, equitable medicines access, needs-driven biomedical innovation and trade policies that put health ahead of commercial profits. This work proved to be all the more interesting in 2014 with the installation of a new European Commission.

We achieved great success in our work on clinical trial data transparency this year, which included the release of numerous policy materials, media coverage and presentations to and meetings with key policymakers. These activities, along with the efforts of our partners, increased awareness and support for clinical trial data publication, particularly amongst Members of the European Parliament, who voted in an overwhelming majority to adopt a new Clinical Trials Regulation. We also urged the European Medicines Agency to honour its commitments to clinical trial transparency and were somewhat encouraged by its adoption of a policy on data publication in October.

The EU trade agenda was also the focus of much of our work this year. In addition to continually monitoring the EU-Thailand free trade agreement, we ramped up advocacy on the Transatlantic Trade and Investment Partnership. In September, we published an updated report with Oxfam, called *Trading Away Access to Medicines (Revisited): How the European Trade Agenda Has Taken a Wrong Turn*, which has been widely cited. In addition, we generated increased awareness and concern amongst MEPs and the public about the lack of transparency in the negotiations and the possible inclusion of investor-to-state-dispute settlement and trade secret protection in the deal.

We were also successful, through our media relations and coalition work, in helping to reverse an unexpected decision by European Commission President-elect, Jean-Claude Juncker, to move responsibility for pharmaceutical policy from the Directorate General for Health to the Directorate General for Enterprise and Industry. This move could have put the commercial, profit-driven interests of the pharmaceutical industry, rather than patients and consumers, at the heart of European medicines policy.

Pricing, Availability and Affordability Projects

The price, availability and affordability of medicines remain key barriers to achieving health for many people around the world. In 2014, we conducted a tremendous amount of work to address these challenges. This included a project on the local production of medicines in which we analysed data for two pilot countries (Ethiopia and Tanzania) and drafted three reports. We also hosted a workshop on measuring the impact of local production on access to medicines. Next year, the survey tools used for this project will be further developed and published.

The mapping of external reference pricing around the globe was also completed this year. This exercise resulted in a new report and the development of an interactive map that shows the findings. A meeting with industry and others is planned in 2015 to discuss the findings.

In addition to these projects, we were pleased to provide training and support for a price and availability survey of non-communicable disease medicines in Iran, and on-line support for five more surveys. We also offered consultative advice to Laos' Deputy Minister of Health and others on evidence-based policy reforms that are needed in the country to make medicines more available and affordable. An in-depth review of generics policies was also started and we were asked to take on the role of commissioner of the Lancet Commission on Essential Medicines, which will continue into 2015.

Our 2014 work also included the launched an innovative global study, Addressing the Challenges and Constraints of Insulin Sources and Supply (ACCISS). The three-year study will identify the causes of poor availability and high insulin prices, and develop policies and interventions to improve access to insulin, particularly in the most underserved regions of the world.

Rational Use of Medicines Projects

Issues around the proper prescribing, dispensing and use of medicines continues to be a major health concern globally. In particular, the swift rise of antimicrobial resistance as a result of improper antibiotic use is now recognised as a significant global threat. To combat this problem, HAI helped found an international civil society coalition in 2014, known as the Antibiotic Resistance Coalition. In a joint declaration, the Coalition called on international organisations, governments and concerned citizens to take immediate action to curb excessive antibiotic use, ensure access for people in need, reduce non-human use of antibiotics in food and agriculture and to develop an effective innovation system for new antibiotics, diagnostics and other health tools. Our advocacy efforts were recognised at the World Health Assembly in May, where it passed a new resolution on antimicrobial resistance.

In addition to this work, HAI continued training healthcare students and professionals on the impact of pharmaceutical marketing, as well as tactics for finding and using independent medicines information. Training workshops using our manual, *Understanding and Responding to Pharmaceutical Promotion*, were held in The Philippines, Jordan and numerous universities in Europe.

The Medicines Transparency Alliance (MeTA)

As co-secretariat of the Medicines Transparency Alliance (MeTA) with the World Health Organisation, HAI continued to offer administrative and technical support to the seven participating countries, with special responsibility for capacity building and resourcing civil society. Together, we coordinated a major global MeTA meeting with civil society, government and pharmaceutical industry representatives from all MeTA countries in December in Geneva. This enabled participants to share best practices for improving access to quality essential medicines through improved transparency in the pharmaceutical sector. We also garnered a top rating (A) for our role as co-secretariat in an evaluation of the programme, which was conducted by our funder, the UK Department of International Development.

Each of the seven MeTA countries also achieved great successes in 2014:

- Ghana: Contributed to the adoption a National Drug Policy.
- Jordan: Helped review and amend the country's Rational Drug List.
- Kyrgyzstan: drove the process that developed and approved a State Drug Policy.
- Peru: Contributed to the development of the Medicine Price Observatory.
- The Philippines: Institutionalised a multi-stakeholder approach to planning, implementing and monitoring health programmes.
- Uganda: Contributed to bringing the National Drug Authority's drug register online.
- Zambia: Held workshops that established local medicines access advocates in all districts.

FINANCE

During the year under review, the total expenditure amounted to € 1.193.833, of which € 1.121.330 was spent on the objectives and € 57.000 on Management and Administration. Of the total income of € 1.365.674 82% was spent directly on the objectives. The result for 2014 shows a surplus of € 171.841, of which € 49.313 was added to the Programme Fund; while € 120.799 was added to the Continuity reserve and € 1.729 to the Fixed Asset reserve.

The major contributing factor of the operating surplus was a positive surplus on the projects of € 85.613, reserve for holidays not taken of € 5.495 and Exchange gains on GBP and USD of € 7.490.

GOVERNANCE AND LEADERSHIP

Our Foundation Board ensures compliance with our vision and mission, is accountable for strategy, activities and performance and oversees management. The Board met five times in 2014.

Unfortunately, the year ended on a very sad note when the Chair, Atze Sybrandy, passed away unexpectedly in late December. Atze had been staunch supporter of HAI's values and the stichting as a whole for over fifteen years, and was a great support to the staff and the director. He was primarily a Human Resources (HR) expert, who had worked in the front line of development for many years, and at the time of his death was due to go to Liberia, where the HR consequences of the Ebola crisis are most sharply felt. Atze had a real concern for the HAI staff, and he always took a keen interest in their work, working conditions and overall well-being. He is missed by us all.

HAI Foundation Board as of December 2014:

Atze J Sybrandy – Chair
Prem C John – Deputy Chair
Paul Th Lindgreen – Treasurer
Eva M Ombaka – Member
Christian Wagner-Ahlfs – Member
Lander van Ommen – Member

HAI Directors:

Tim Reed – Executive Director
Philip Meerloo – Financial Director

LOOKING AHEAD

In this era of growing health complexities, a drying research and development (R&D) pipeline, reductions in truly innovative medicines and excessive intellectual property rights, the need for HAI's work continues to be very important. In the coming year, we will continue our work in these areas to improve affordable access to needed medicines for all people regardless of their circumstances. We will also implement activities to ensure that medicines are prescribed, dispensed and used properly.

Our work in the European Union will focus, in part, on ensuring clinical trial data transparency is achieved to the fullest capacity. We will also continue to advocate for fairer EU trade and R&D policies that put patients' needs, rather than industry profits, first. Rising inequalities in access to medicines will also be one of top priorities in the coming year. We will continue to gather evidence on these inequalities and formulate coordinated action with our partners.

At a global level, we will continue contributing our expertise to the MeTA programme and help countries to realise the benefits of improved transparency in the medicines supply chain. In addition, HAI will continue implementing the first phase of the Addressing the Challenges and Constraints of Insulin Sources and Supply study. Our surveys of medicine price, availability and affordability will also continue, along with our training on pharmaceutical promotion.

Amsterdam, 31th March 2015



Lander van Ommen
Chairman of the Board

Financial Report

During the financial year 2014, Stichting Health Action International spent € 1.193.833 (2013: € 1.212.550), of which € 1.121.330 was spent on achieving objectives (2013: € 1.117.460) and € 57.000 on Management and Administration (2013: € 58.080). This represents 4.8% of total expenditure.

Of the total income of € 1.365.674, 82,1% (2013:104%) was spent directly on the objectives.

The result for 2014 shows a surplus of € 171.841 which consists of an operating surplus of € 122.528. € 1.729 was added to the Fixed Asset Reserve and € 49.313 was added to the Programme Fund.

The breakdown of the reported income of € 1.365.674 is as follows:

Donor income	EURO	EURO	%	%
- EC (CHAFEA)		218.000		16,0
- Department for International Development (UK)		574.317		42,1
- Camino Stiftung		95.833		7,0
- Leona M. and Harry B. Helmsley Charitable Trust		294.026		21,5
- Open Society Foundations (OSF)		114.893		8,4
- World Health Organization (WHO)		24.721		1,8
- World Bank (WB)		17.557		1,3
		<u>1.339.347</u>		<u>98,1</u>
Other Income				
- Membership contributions HAI Europe Association	5.450		0,4	
- Interest and miscellaneous	<u>20.877</u>		<u>1,5</u>	
		26.327		1,9
Total Income		<u><u>1.365.674</u></u>		<u><u>100</u></u>

Multi-annual overview

This overview shows the results of the past five years

INCOME	2014	2013	2012	2011	2010
Other income	573.357	198.226	232.352	220.538	83.879
Government subsidies	792.317	874.711	908.369	616.473	1.379.830
Transfers to other regions	-	-	-	-	(355.801)
Total income	<u><u>1.365.674</u></u>	<u><u>1.072.937</u></u>	<u><u>1.140.721</u></u>	<u><u>837.011</u></u>	<u><u>1.107.908</u></u>
EXPENDITURE					
Pricing	136.010	180.348	147.262	171.527	253.309
MeTA project (2009 - 2010 RUM)	595.023	646.508	398.213	158.278	602.672
Projects (Global)	40.810	-	-	-	-
CHAFEA - EC Project	349.487	290.604	328.225	385.526	355.382
Total expenditure on objectives	<u>1.121.330</u>	<u>1.117.460</u>	<u>873.700</u>	<u>715.331</u>	<u>1.211.363</u>
Management and administrative costs	57.000	58.080	54.750	51.340	132.950
Total expenditure on income generation	15.503	37.010	15.260	19.680	12.350
Total expenditure	<u><u>1.193.833</u></u>	<u><u>1.212.550</u></u>	<u><u>943.710</u></u>	<u><u>786.351</u></u>	<u><u>1.356.663</u></u>
SURPLUS (SHORTFALL)	<u>171.841</u>	<u>(139.613)</u>	<u>197.011</u>	<u>50.660</u>	<u>(248.755)</u>

Central Bureau of Fundraising key figures

Health Action International 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 the objectives/aims. This percentage shows the proportion of total income that is spent directly on the objectives.

	2014	2013	2012	2011	2010
Amount spent directly on the objectives	1.121.330	1.117.460	873.700	715.331	1.211.363
Total income	1.365.674	1.072.937	1.140.721	837.011	1.107.908
Spending ratio	82,1%	104,1%	76,6%	85,5%	109,3%

Budget 2015

The budget for 2015 was approved by the Foundation Board on 18 December 2014,

INCOME	2015 budget	2014 budget
Income from institutional donors and member contributions	489.120	207.080
Government subsidies	558.240	846.090
Income from investments	2.520	5.000
Total income	<u>1.049.880</u>	<u>1.058.170</u>
 EXPENDITURE		
<i>Expenditure on objectives</i>		
Program costs	<u>1.011.330</u>	<u>1.080.670</u>
 <i>Costs of income generation</i>		
Costs of own fundraising	-	-
Costs of activities by third parties	-	-
Costs of acquiring government subsidies	<u>30.000</u>	<u>32.500</u>
	<u>30.000</u>	<u>32.500</u>
 <i>Management and administrative costs</i>		
Total Expenditure	<u>63.500</u>	<u>60.000</u>
	<u>1.104.830</u>	<u>1.173.170</u>
From Programme Fund	57.950	230.000
 Result	 <u>3.000</u>	 <u>115.000</u>

Financial Statements 2014

1 BALANCE SHEET AS AT 31ST DECEMBER 2014

(in EUROS and after allocation of result)

ASSETS	31-12-2014	31-12-2013
Fixed assets		
Tangible fixed assets	11.643	9.914
Current assets		
Debtors	-	-
Prepaid expenses and other receivables	21.351	33.241
Grants to be received	65.400	189.767
	86.751	223.008
Cash and cash equivalents	512.239	498.191
Total assets	610.633	731.113

LIABILITIES	31-12-2014	31-12-2013
Continuity Reserve	142.086	21.287
Fixed assets Reserve	11.643	9.914
	153.729	31.201
Programme fund	375.782	326.469
Short term liabilities		
Creditors	14.197	22.304
Taxes and social security premiums	29.619	28.750
Accounts payable	37.306	54.181
Other debts	-	-
Grants received in advance	-	268.208
	81.122	373.443
Total liabilities	610.633	731.113

2 STATEMENT OF INCOME AND EXPENDITURE IN 2014

(in EUROS)

	Actual 2014	Budget 2014	Actual 2013
INCOME			
Government subsidies	792.317	846.090	874.711
Income from investment	10.465	5.000	3.935
Other income	562.892	207.080	210.969
Income adjustments ex 2012	-	-	(16.678)
Total income	<u><u>1.365.674</u></u>	<u><u>1.058.170</u></u>	<u><u>1.072.937</u></u>
EXPENDITURE			
<i>Expenditure on objectives</i>			
Program costs	1.121.330	1.080.670	1.117.460
<i>Income generation</i>			
Costs of acquiring government subsidies	15.503	32.500	37.010
<i>Management and administration</i>			
Management and administrative costs	57.000	60.000	58.080
Total expenditure	<u><u>1.193.833</u></u>	<u><u>1.173.170</u></u>	<u><u>1.212.550</u></u>
Result	<u><u>171.841</u></u>	<u><u>(115.000)</u></u>	<u><u>(139.613)</u></u>
APPROPRIATION OF RESULT IN 2014			
<i>Additions to / (deductions from):</i>			
Continuity reserve	120.799	115.000	(42.054)
Fixed assets reserve	1.729	-	6.354
Programme Fund	49.313	(230.000)	(103.913)
Total	<u><u>171.841</u></u>	<u><u>-115.000</u></u>	<u><u>(139.613)</u></u>

3 OVERVIEW OF CASH FLOW IN 2014

(in EUROS)

	2014	2013
Cash flow from operational activities		
Result from the statement of income and expenditure	171.841	(139.613)
Depreciation	4.089	6.651
Changes in working capital:		
- short-term receivables	136.257	37.267
- short-term debts	(292.321)	107.889
	19.866	12.194
Cash flow from investment activities		
Investments in tangible fixed assets	(5.818)	(13.005)
Cash flow from financing activities		
Changes in funds		-
	14.048	(811)
Changes in cash at banks		
	14.048	(811)
Cash at banks		
Balance on 1 January	498.191	499.002
Balance on 31 December	512.239	498.191
	14.048	(811)
Changes in cash at banks		
	14.048	(811)

4 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 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 translated into Euros at the exchange rates of the balance sheet date. Transactions and cash flows in foreign currencies are converted at rates from the date the transaction was performed.

The following exchange rates against the euro have been used:

Currency per € 1	31-12-2014	2014 average
USD	1,2100	1,3269
GBP	0,7827	0,8061

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

Tangible fixed assets Tangible 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.

The expiration period is 5 years from March 2008. The lease contract has been extended with 30 months (until 1st August 2015).

This guarantee has been given by the ASN Bank and as long as the guarantee is in force, the amount of the guarantee will be blocked of the balance of the ASN saving account.

NOTES TO THE FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST DECEMBER 2014

	31-12-2014	31-12-2013
ASSETS		
Current assets		
<i>Prepaid expenses and other receivables</i>		
Prepaid expenses and receivables	16.556	28.168
Bank interest 4th quarter	1.435	1.713
Deposits	3.360	3.360
Subsidies	65.400	189.767
	<u>86.751</u>	<u>223.008</u>
Cash and cash equivalents		
ABN-AMRO current gbp-account	21.796	25.923
ABN-AMRO current usd-account	271.745	150.101
ABN-AMRO current euro-account	3.381	5.818
ABN-AMRO saving euro-account	132.000	245.000
ABN-AMRO New York usd-account	2	1
ASN saving euro-account	80.000	70.000
ING current euro-account	2.815	877
Cash foreign currencies	152	368
PayPal account	348	103
	<u>512.239</u>	<u>498.191</u>

NOTES TO THE FINANCIAL STATEMENTS

	31-12-2014	31-12-2013
LIABILITIES		
Continuity Reserve		
Balance as at January 1st	21.287	63.341
Appropriation of result	120.799	(42.054)
Balance as at December 31st	<u>142.086</u>	<u>21.287</u>
Programme Fund		
Balance as at January 1st	326.469	430.382
Allocation of result	49.313	(103.913)
Balance as at December 31st	<u>375.782</u>	<u>326.469</u>
Current Liabilities		
<i>Taxes and social security premiums</i>		
Wage tax	22.992	28.750
Social security premiums	6.627	-
Pension premiums	-	-
Grants received in advance	-	268.208
	<u>29.619</u>	<u>296.958</u>
<i>Accounts Payable</i>		
Holiday money (i)	23.276	33.267
Net salary	-	-
Costs to be paid	14.030	20.914
	<u>37.306</u>	<u>54.181</u>

(i) This account consists of two items:

- 1 - a provision for holiday money related to the period of June to December 2014 that needs to be paid out with the salary of May 2015.
- 2 - a provision for an accrued balance of holidays not taken by the employees on the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
STATEMENT OF INCOME AND EXPENDITURE

	2014	2013
INCOME		
Government subsidies		
Department for International Development - UK	574.317	653.511
EC (CHAFFEA)	<u>218.000</u>	<u>221.200</u>
	792.317	874.711
Income from investments		
Interest and exchange gains	10.465	3.935
Other income		
Membership HAI Europe	5.450	6.210
WHO	24.721	112.811
OSF	114.893	70.965
Helmsley Trust	294.026	-
Medico	-	6.250
Camino	95.833	4.167
World Bank	17.557	-
Other	-	7.633
Miscellaneous income	10.412	2.933
Income adjustments ex 2012	<u>-</u>	<u>(16.678)</u>
	562.892	194.291
Total income	<u><u>1.365.674</u></u>	<u><u>1.072.937</u></u>

DISTRIBUTION OF EXPENDITURE 2014

Allocation	Projects				Fundraising	Management and Administration	Total 2014	Budget 2014	Total 2013
	CHAFAEA - EU	MeTA	PROJECTS GLOBAL	PRICING					
Outsourcing/direct project expenditure	46.159	354.949	37.293	22.331			460.732	358.570	522.230
Publicity and communication	10.635	10.409	627	2.827	14.605		39.103	7.500	2.861
Staff cost	251.389	196.109	838	98.676		53.760	600.772	657.492	573.105
Occupancy cost	23.566	21.005	768	5.891			51.230	54.358	53.427
Office cost and general	15.858	10.874	1.222	5.815	898	3.240	37.907	89.750	54.277
Depreciation	1.880	1.677	62	470	-	-	4.089	5.500	6.651
Total	349.487	595.023	40.810	136.010	15.503	57.000	1.193.833	1.173.170	1.212.551

Classification of costs

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

The following staff costs have been allocated to the management and administrative costs: the executive director for 0.15 FTE, the financial director for 0,60 FTE (including HRM and internal affairs for both directors).

	2014	Budget 2014	2013 (iii)
PROJECT EXPENSES			
HAI Europe			
EU (CHAFAEA)	346.260	327.266	259.328
Democratisation (MATH-OSF)	-	-	25.494
Overhead (i)	3.227	4.500	4.385
	<u>349.487</u>	<u>331.766</u>	<u>289.207</u>
HAI Global			
Access to essential medicines			
Drug Pricing Project	109.314	113.539	158.724
Insulin Project	22.027	-	-
Drug promotion manual	1.464	-	1.397
Contracts (Global)	39.424	47.500	6.196
Overhead (i)	4.591	15.000	15.428
	<u>176.820</u>	<u>176.039</u>	<u>181.745</u>
Rational use of medicines			
MeTA	582.611	532.865	604.794
Overhead (i)	12.412	40.000	41.714
	<u>595.023</u>	<u>572.865</u>	<u>646.508</u>
Project Expenses including direct staff expenses and overhead	<u>1.121.330</u>	<u>1.080.670</u>	<u>1.117.460</u>
Total expenditure on income generation	15.503	32.500	37.010
Management and Administration	57.000	60.000	58.080
Total Expenditure	<u><u>1.193.833</u></u>	<u><u>1.173.170 (ii)</u></u>	<u><u>1.212.550</u></u>

(i) This includes cost incurred for proposal exploration, global administration, association board, Annual General Meeting and webhosting.

(ii) This includes direct project expenses, allocated direct staff expenses and overhead.

(iii) Restated for comparison purposes.

NOTES TO THE FINANCIAL STATEMENTS

	2014		2013	
EXPENSES				
Staffing				
Gross salaries (i)	463.816		422.442	
Social security premiums	111.414		101.023	
Temporary staff	45.993		47.306	
Travel	4.151		5.133	
Recruitment	1.379		539	
Sundry staff cost (i)	(25.982)		(1.627)	
Provision for holidays not taken	-		(1.711)	
		<u>600.772</u>		<u>573.105</u>
Other office costs				
Occupancy cost				
Rent	48.234		50.689	
Maintenance etc.	2.996	51.230	2.738	53.427
Office cost and general				
Stationery	1.415		1.521	
Postage	138		107	
Telecommunication	6.054		7.073	
Photocopying	3.924		6.667	
Computers - ICT	7.672		20.685	
Auditor/accounting	15.707		13.269	
Insurance	1.746		1.226	
Miscellaneous expenses	1.252		3.728	
		37.907		54.276
Depreciation		<u>4.089</u>		<u>6.651</u>
		<u>93.226</u>		<u>114.354</u>
HAI Europe had an average number of FTE's of:		3,8		3,8
HAI Global had an average number of FTE's of:		<u>4,5</u>		<u>4,9</u>
		<u>8,3</u>		<u>8,7</u>

(i) Includes compensation received for pregnancy leave (€ 27.064)



Director's remuneration

The Executive Director, who carries overall responsibility for the entire network organisation, receives a total remuneration of € 98.420 in 2014 (€ 97.401 in 2013).

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	1/1-31/12/14	
Remuneration (EUR)		
Income		
Gross salary	80.926	
Holiday pay	6.247	
Year-end allowance 2014	7.085	
	<u> </u>	
Remuneration for the year		94.258
Holidays not taken		<u>4.162</u>
Total paid during 2014		98.420
Social security contribution (employer share)		5.266
Taxable allocations		-
Pension cost (employer share)		10.570
Total remuneration 2014		114.256
Total remuneration 2013		114.250

To the Board and Management of Stichting Health Action International

5 INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Stichting Health Action International, Amsterdam, for the year 2014 (as set out on pages 8 to 17), which comprise the balance sheet as at December 31, 2014, the statement of income and expenditure in 2014, the overview of cash flow in 2014 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, 2014, 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 31, 2015

Bruines & Erkamp

Signed by: R.P.J. Erkamp RA