Stichting Health Action International

Annual Report

and

Financial Statements

2015

Amsterdam
MARCH 2016
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</tbody>
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About Health Action International
Health Action International (HAI) is the only non-governmental organisation that is entirely dedicated to strengthening medicines policy to improve public health. HAI is a Foundation (Stichting) in accordance with Dutch legislation and established in Amsterdam. Our staff and global network of 3,000 independent and organisational experts in 70 countries share information and expertise to enhance medicines policy around the world. We strive to create a world in which all people receive the right medicine, in the right dose, for the right amount of time, at a price they can afford.

To achieve this, we conduct research and advocacy in the European Union (EU) and across the globe. We work at the grassroots level with other civil society organisations and up to the highest levels of government through our ‘official relations’ status with the World Health Organization (WHO) and participation at the European Medicines Agency (EMA) Patients and Consumers Working Party.

Activities and Achievements
Throughout 2015, HAI staff worked with numerous members and partners to conduct research and advocacy that improves the health of people, families and societies through improved medicines policy. Some of our key work areas from 2015 are highlighted below.

Enhancing Medicine Access and Use in the European Union
Health Action International’s advocacy in the EU continued with its focus on improving good governance of medicines, equitable access to medicines, needs-driven (rather than profit-driven) biomedical innovation and responsible trade policies.

HAI continued advocating for marketing authorisation procedures that uphold patient safety and therapeutic advance. In this regard, we criticised the EMA’s plans to further expedite marketing authorisation for medicines, a process known as ‘adaptive pathways’. We developed and published a joint position with partners at the International Society of Drug Bulletins and the Medicines in Europe Forum, which outlined the perils of this scheme. We also assessed the use of conditional approval and accelerated assessment procedures in joint public consultation responses and called on the EMA to restrict its use to situations of clear unmet medical need.

Further to this, we successfully raised awareness among policymakers within EU institutions and the Council of Europe, as well as support from other health advocacy organisations, about the requirement for needs-driven models of pharmaceutical innovation. At the global level, HAI and our partners continued to press for the establishment of a global biomedical R&D framework that covers all type I, II and III diseases, which will be discussed well into 2016.

HAI also continued petitioning the EU for greater transparency of its free trade negotiations and for the elimination of excessive intellectual property (IP) protection in trade agreements. Our report, Empty Gestures: The EU’s Commitments to Access to Medicines, co-published with Médecins Sans Frontières (MSF), influenced the European Union’s new Trade and Investment Strategy. One of our key recommendations—granting least-developed countries a 17-year exemption from implementing IP provisions—was adopted. In addition, we contributed to ongoing opposition to the inclusion of an investor-state dispute settlement mechanism in the Transatlantic Trade and Investment Partnership (TTIP), as well as other provisions in the deal that could negatively impact access to safe, affordable and effective medicines. This work also led to some gains in transparency.

Following our advocacy work on the EMA’s policy on clinical trial reporting and the EU’s Clinical Trials Regulation last year, HAI began monitoring the implementation of these policies to ensure that they are applied in ways that prioritise public, rather than commercial, interests. This year, we actively
participated in a multi-sectoral coalition to oppose the European Commission’s Trade Secrets Directive. Using our unique medicines policy perspective, we campaigned within the coalition to exempt trade secret protection information in the public interest, such as clinical trial data. This work helped improve the text of the Directive, although concerns about its impact to public health remain.

To enhance equitable access to medicines, HAI held two workshops for civil society organisations in Latvia and Romania in 2015. These events provided an opportunity for local representatives to explore policy solutions at the EU and national levels. In addition, to support its evidence-based advocacy work on equitable access to affordable medicines, HAI published a study on access to high-priced medicines in the hospital sector in four EU Member States. For all medicines studied, the price-to-GDP ratio was highest in lower-income countries.

Finally, HAI’s work in the EU also included equipping healthcare professionals with information and skills to understand and respond to pharmaceutical marketing. This year, we organised two workshops with medical students in the Netherlands and the UK in collaboration with the Universities Allied for Essential Medicines. HAI’s guide, Fact or Fiction? What Healthcare Professionals Need to Know about Pharmaceutical Marketing in the European Union, was focus-tested by students and, following revision, will soon be released. This educational tool will serve to inform future work on pharmaceutical promotion.

Launching a Study to Assess the Global Insulin Market

Despite the fact that insulin was discovered almost a century ago, approximately half of the 100 million people that need the medicine to manage their diabetes cannot access it, largely because it is unavailable or unaffordable. Without insulin, people with type 1 diabetes face certain death. It is also needed for improved management of diabetes for some people with type 2 diabetes which can result in serious diabetes-related complications, including blindness, amputation and kidney failure.

Recognising the challenges associated with insulin access, as well as the growing global need for the medicine, HAI and partners from Geneva University Hospitals/University of Geneva and Boston University launched a three-year global study in January. Funded by The Leona M. and Harry B. Helmsley Charitable Trust, as well as the ICF, the Addressing the Challenge and Constraints of Insulin Sources and Supply (ACCISS) Study is initially identifying the causes of poor access to insulin. Policies and interventions will then be developed to improve the situation, particularly in the world’s most under-served regions.

In 2015, ACCISS researchers reviewed the global insulin market. This examination of insulin trade, market issues, prices, patents on insulins, tariffs and taxes, and initiatives of the three major insulin suppliers to improve insulin access will set the stage for further research and then the development of effective recommendations to improve insulin availability and affordability.

Assessing the Price, Availability and Affordability of Medicines

Throughout 2015, HAI contributed its expertise as a member of the Lancet Commission on Essential Medicines Policies. This group of 21 independent experts from a variety of disciplines is working to formulate recommendations for global essential medicine policies for the next two decades. Commission members met throughout the year and are developing a report which will synthesise lessons learned on medicine policy development and implementation, as well as a 20-year agenda of institutional, regional, national and global policies on essential medicines and other health technologies.
Further to this work, HAI and a group of experts finalised a review on policies to promote the use of generics. We also conducted a price and availability survey for non-communicable disease medicines in Saudi Arabia.

**Contributing to Transparency in the Medicines Supply Chain**

Health Action International continued in its role as co-secretariat with the WHO of the Medicines Transparency Alliance (MeTA), funded by the United Kingdom’s Department for International Development. Now in its final year of implementation, MeTA continued to improve access to essential medicines by increasing multi-stakeholder dialogue and transparency in the medicines market within seven countries (Ghana, Jordan, Kyrgyzstan, Peru, The Philippines, Uganda and Zambia).

Throughout the year, MeTA underwent a comprehensive external review, which found that its model of increasing multi-stakeholder dialogue and transparency is most effective in creating policy change when an independent and professional civil society is established and active in country. The report also found that MeTA’s ability to collect and analyse data increased accountability amongst all stakeholders, enabling them to more credibly discuss medicines policy issues and develop evidence-based medicines policy. In summary, the review found that MeTA has “made a unique and significant contribution to establishing a platform where actors from civil society, the public and private sectors can engage in meaningful [access to medicines] policy dialogues.”

**Finances**

During the year under review, the total expenditure amounted to €1,301,596, of which €1,226,046 was spent on the objectives and €58,200 on Management and Administration. Of the total income of €1,522,083, 81% was spent directly on the objectives. Results for 2015 show a surplus of €220,487. An amount of €266,344 was added to the Programme Fund and €42,534 was deducted from the Continuity Reserve and €3,323 from the Fixed Asset Reserve. The major contributing factors to the operating surplus was a higher income for the Insulin project of €184,100 and exchange gains on the British pound (GBP) and American dollar (USD) of €29,758.

**Governance**

The HAI Foundation Board ensures compliance with our vision and mission, is accountable for strategy, activities and performance and oversees management. In 2015, the Board met five times.

The HAI Foundation Board 2015:
- Lander van Ommen – Chair
- Prem C John – Deputy Chair
- Paul Th Lindgreen – Treasurer
- Eva M Ombaka – Member
- Christian Wagner-Ahlfse – Member
- Francisco A Rossi – Member

HAI Management:
- Tim Reed – Executive Director
- Philip Meerloo – Financial Director
Looking Ahead

Societal and political interest in issues related to access to medicines and their rational use continues to grow steadily, partially due to high-profile media stories over the past year. The fact of the matter is that millions of people around the world still have no regular access to affordable, safe and effective medicines that they need to improve their quality of life, or even to save their lives. No longer is this issue one that is limited to low- and middle-income countries; it is now becoming a prominent issue in developed countries, too.

In the EU, our work into the next year and beyond will continue focusing on alternative models of pharmaceutical innovation based on delinking the price of a medicine from its R&D costs. We will also press for greater transparency of medicine safety and efficacy data, and medicine price and reimbursement deals, which are continually kept secret. In addition, we will ramp up our work on adaptive pathways and continue organising training sessions for health professionals on pharmaceutical promotion. HAI will also actively contribute to the work of the EMA’s Patients and Consumers Working Party.

At the global level, we will begin work on increasing access to safe, affordable and effective antivenom to treat snakebite. This work is the result of HAI’s selection as the secretariat for the Global Snakebite Initiative, the international non-profit organisation that is developing a collective framework to address the neglected global tragedy of snakebite envenoming. Using our ‘official relations’ status with the WHO, we will contribute to advocating, under the GSI umbrella, for greater prioritisation of snakebite as a neglected tropical disease. We will also advocate for the WHO and national governments in snakebite-affected countries to design and implement policies that improve snakebite data gathering and analysis, prevention and treatment, which are currently lacking.

Next year will also mark the beginning of our work on ‘Health Systems Advocacy for Africa’, a partnership announced in November 2015 that consists of HAI, Amref Health Africa, the African Centre for Global Health and Social Transformation, Wemos and the Dutch Ministry for Foreign Trade and Development Cooperation. Together, we will work towards developing stronger health systems in sub-Saharan Africa that enable people to equitably access high-quality sexual and reproductive health services. The focus of the Partnership, which will run for five years, is on increasing the number of well-trained health workers and the availability and affordability of sexual and reproductive health commodities.

Further to this, our ACCISS Study will continue to measure the availability of insulin in various low- and middle-income countries. It will also identify all the costs (such as mark-ups, tariffs, taxes) that make up the final patient price, and discuss barriers to access with insulin manufacturers. Various publications and dialogues are planned to raise awareness on the issues.

Amsterdam, 31 March, 2016

Lander van Ommen
HAI Foundation Board Chair
Financial Report

During the financial year 2015, Stichting Health Action International expended €1,301,596 (2014: €1,193,833), of which €1,226,046 was expended on achieving objectives (2014: €1,121,330) and €58,200 on Management and Administration (2014: €57,000). This represents 4.5% of total expenditure.

Of the total income of €1,522,083 80.6% (2014:82.1%) was spent directly on the objectives.

The result for 2015 shows a surplus of €220,487 which comprises an operating shortage of €45,857. €3,323 was deducted from the Fixed Assets Reserve and €266,344 was added to the Programme Fund.

The breakdown of the reported income of €1,522,083 is as follows:

<table>
<thead>
<tr>
<th>Donor income</th>
<th>EURO</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>- EC (CHAFEA)</td>
<td>218,000</td>
<td>14.3</td>
</tr>
<tr>
<td>- Department for International Development (UK)</td>
<td>370,686</td>
<td>24.4</td>
</tr>
<tr>
<td>- Camino Stiftung</td>
<td>50,000</td>
<td>3.3</td>
</tr>
<tr>
<td>- Leona M. and Harry B. Helmsley Charitable Trust</td>
<td>642,262</td>
<td>42.2</td>
</tr>
<tr>
<td>- Open Society Foundations (OSF)</td>
<td>154,605</td>
<td>10.2</td>
</tr>
<tr>
<td>- World Health Organization (WHO)</td>
<td>50,962</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>1,486,515</td>
<td>97.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Income</th>
<th>EUR</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Membership contributions HAI Europe Association</td>
<td>4,645</td>
<td>0.3</td>
</tr>
<tr>
<td>- Interest and miscellaneous</td>
<td>30,923</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>35,568</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Total Income 1,522,083 100.0

Multi-annual overview

This overview shows the results of the past five years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>933,397</td>
<td>573,357</td>
<td>198,226</td>
<td>232,352</td>
<td>220,538</td>
</tr>
<tr>
<td>Government subsidies</td>
<td>588,686</td>
<td>792,317</td>
<td>874,711</td>
<td>908,369</td>
<td>616,473</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>1,522,083</td>
<td>1,365,674</td>
<td>1,072,937</td>
<td>1,140,721</td>
<td>837,011</td>
</tr>
</tbody>
</table>

| **EXPENDITURE**        |       |       |       |       |       |
| Pricing                | 335,463 | 136,010 | 180,348 | 147,262 | 171,527 |
| MeTA project           | 438,546 | 595,023 | 646,508 | 398,213 | 158,278 |
| Projects (Global)      | 92,580  | 40,810  | -      | -      | -      |
| CHAFEA - EC Project    | 359,457 | 349,487 | 290,604 | 328,225 | 385,526 |
| **Total expenditure on objectives** | 1,226,046 | 1,121,330 | 1,117,460 | 873,700 | 715,331 |
| Management and administrative costs | 58,200 | 57,000 | 58,080 | 54,750 | 51,340 |
| **Total expenditure on income generation** | 17,350 | 15,503 | 37,010 | 15,260 | 19,680 |
| **Total expenditure**  | 1,301,596 | 1,193,833 | 1,212,550 | 943,710 | 786,351 |
| **SURPLUS (SHORTFALL)** | 220,487 | 171,841 | (139,613) | 197,011 | 50,660 |
Central Bureau of Fundraising key figures (CBF-keur)

Health Action International reports in line with the requirements for the CBF-keur.

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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount spent directly on the objectives</td>
<td>1.226.046</td>
<td>1.121.330</td>
<td>1.117.460</td>
<td>873.700</td>
<td>715.331</td>
</tr>
<tr>
<td>Total income</td>
<td>1.522.083</td>
<td>1.365.674</td>
<td>1.072.937</td>
<td>1.140.721</td>
<td>837.011</td>
</tr>
<tr>
<td>Spending ratio</td>
<td>80,6%</td>
<td>82,1%</td>
<td>104,1%</td>
<td>76,6%</td>
<td>85,5%</td>
</tr>
</tbody>
</table>

Budget 2016

The budget for 2016 was approved by the Foundation Board on 27 November 2015.

INCOME

<table>
<thead>
<tr>
<th></th>
<th>2016 budget</th>
<th>2015 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from institutional donors and member contributions</td>
<td>624.420</td>
<td>489.120</td>
</tr>
<tr>
<td>Government subsidies</td>
<td>1.322.310</td>
<td>558.240</td>
</tr>
<tr>
<td>Income from investments</td>
<td>19.400</td>
<td>2.520</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>1.966.130</strong></td>
<td><strong>1.049.880</strong></td>
</tr>
</tbody>
</table>

EXPENDITURE

Expenditure on objectives

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program costs</td>
<td>1.909.930</td>
<td>1.154.735</td>
</tr>
</tbody>
</table>

Costs of income generation

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of own fundraising</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Costs of activities by third parties</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Costs of acquiring government subsidies</td>
<td>30.000</td>
<td>30.000</td>
</tr>
<tr>
<td><strong>Total costs of income generation</strong></td>
<td><strong>30.000</strong></td>
<td><strong>30.000</strong></td>
</tr>
</tbody>
</table>

Management and administrative costs

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>65.000</td>
<td>63.500</td>
</tr>
<tr>
<td>From Programme Fund</td>
<td>2.004.930</td>
<td>1.248.235</td>
</tr>
<tr>
<td>Result</td>
<td>38.800</td>
<td>201.355</td>
</tr>
<tr>
<td>From Programme Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result</td>
<td>-</td>
<td>3.000</td>
</tr>
</tbody>
</table>

1) the 2015 budget is restated for comparison purposes.
# Financial Statements 2015

## 1. BALANCE SHEET AS AT 31ST DECEMBER 2015

(in EUROS and after allocation of result)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>8.320</td>
<td>11.643</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and other receivables</td>
<td>26.019</td>
<td>21.351</td>
</tr>
<tr>
<td>Grants to be received</td>
<td>707.661</td>
<td>65.400</td>
</tr>
<tr>
<td></td>
<td>733.680</td>
<td>86.751</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>670.139</td>
<td>512.239</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1.412.139</td>
<td>610.633</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuity Reserve</td>
<td>99.552</td>
<td>142.086</td>
</tr>
<tr>
<td>Fixed assets Reserve</td>
<td>8.320</td>
<td>11.643</td>
</tr>
<tr>
<td></td>
<td>107.872</td>
<td>153.729</td>
</tr>
<tr>
<td>Programme fund</td>
<td>642.126</td>
<td>375.782</td>
</tr>
<tr>
<td><strong>Short term liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>62.753</td>
<td>14.197</td>
</tr>
<tr>
<td>Taxes and social security premiums</td>
<td>33.988</td>
<td>29.619</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>30.744</td>
<td>37.306</td>
</tr>
<tr>
<td>Other debts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants received in advance</td>
<td>534.656</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>662.141</td>
<td>81.122</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1.412.139</td>
<td>610.633</td>
</tr>
</tbody>
</table>
## 2 STATEMENT OF INCOME AND EXPENDITURE IN 2015
(in EUROS)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2015</th>
<th>Budget 2015</th>
<th>Actual 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government subsidies</td>
<td>588,686</td>
<td>558,240</td>
<td>792,317</td>
</tr>
<tr>
<td>Income from investment</td>
<td>28,757</td>
<td>2,520</td>
<td>10,465</td>
</tr>
<tr>
<td>Other income</td>
<td>904,640</td>
<td>489,120</td>
<td>562,892</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>1,522,083</td>
<td>1,049,880</td>
<td>1,365,674</td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on objectives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program costs</td>
<td>1,226,046</td>
<td>1,154,735</td>
<td>1,121,330</td>
</tr>
<tr>
<td>Income generation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of acquiring government subsidies</td>
<td>17,350</td>
<td>30,000</td>
<td>15,503</td>
</tr>
<tr>
<td>Management and administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and administrative costs</td>
<td>58,200</td>
<td>63,500</td>
<td>57,000</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>1,301,596</td>
<td>1,248,235</td>
<td>1,193,833</td>
</tr>
<tr>
<td><strong>Result</strong></td>
<td>220,487</td>
<td>(198,355)</td>
<td>171,841</td>
</tr>
</tbody>
</table>

### APPROPRIATION OF RESULT IN 2015

<table>
<thead>
<tr>
<th>Additions to / (deductions from):</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuity reserve</td>
<td>(42,534)</td>
</tr>
<tr>
<td>Fixed assets reserve</td>
<td>(3,323)</td>
</tr>
<tr>
<td>Programme Fund</td>
<td>266,344</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>220,487</td>
</tr>
</tbody>
</table>
### 3 OVERVIEW OF CASH FLOW IN 2015

(in EUROS)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operational activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result from the statement of income and expenditure</td>
<td>220.487</td>
<td>171.841</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6.035</td>
<td>4.089</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- short-term receivables</td>
<td>(646.929)</td>
<td>136.257</td>
</tr>
<tr>
<td>- short-term debts</td>
<td>581.019</td>
<td>(292.321)</td>
</tr>
<tr>
<td></td>
<td>160.612</td>
<td>19.866</td>
</tr>
<tr>
<td><strong>Cash flow from investment activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in tangible fixed assets</td>
<td>(2.712)</td>
<td>(5.818)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Changes in cash at banks</strong></td>
<td>157.900</td>
<td>14.048</td>
</tr>
<tr>
<td><strong>Cash at banks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on 1 January</td>
<td>512.239</td>
<td>498.191</td>
</tr>
<tr>
<td>Balance on 31 December</td>
<td>670.139</td>
<td>512.239</td>
</tr>
<tr>
<td><strong>Changes in cash at banks</strong></td>
<td>157.900</td>
<td>14.048</td>
</tr>
</tbody>
</table>
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 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 USD and GBP.
The following exchange rates against the euro have been used:

<table>
<thead>
<tr>
<th>Currency</th>
<th>31-12-2015</th>
<th>2015 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>1.0927</td>
<td>1.0867</td>
</tr>
<tr>
<td>GBP</td>
<td>0.7351</td>
<td>0.7259</td>
</tr>
</tbody>
</table>

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 5 years. 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 2015

31-12-2015

ASSETS

Tangible fixed assets

Movements of the tangible fixed assets are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>IT equipment</th>
<th>Furniture and fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2015</td>
<td>22.614</td>
<td>39.056</td>
<td>61.670</td>
</tr>
<tr>
<td>Cost</td>
<td>22.614</td>
<td>39.056</td>
<td>61.670</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>10.971</td>
<td>39.056</td>
<td>50.027</td>
</tr>
<tr>
<td>Carrying value at 1 January 2015</td>
<td>11.643</td>
<td>-</td>
<td>11.643</td>
</tr>
<tr>
<td>Changes</td>
<td></td>
<td></td>
<td>-3.323</td>
</tr>
<tr>
<td>Purchases</td>
<td>2.712</td>
<td>-</td>
<td>2.712</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(6.035)</td>
<td>(6.035)</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation on disposals</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Total changes</td>
<td>-3.323</td>
<td>-</td>
<td>-3.323</td>
</tr>
<tr>
<td>Balance at 31 December 2015</td>
<td>25.326</td>
<td>39.056</td>
<td>64.382</td>
</tr>
<tr>
<td>Cost</td>
<td>25.326</td>
<td>39.056</td>
<td>64.382</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>17.006</td>
<td>39.056</td>
<td>56.062</td>
</tr>
<tr>
<td>Carrying value at 31 December 2015</td>
<td>8.320</td>
<td>-</td>
<td>8.320</td>
</tr>
<tr>
<td>Depreciation percentages</td>
<td>33%</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

Current assets

Prepaid expenses and other receivables

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid expenses and receivables</td>
<td>21.463</td>
<td>16.556</td>
</tr>
<tr>
<td>Bank interest 4th quarter</td>
<td>1.196</td>
<td>1.435</td>
</tr>
<tr>
<td>Deposits</td>
<td>3.360</td>
<td>3.360</td>
</tr>
<tr>
<td>Subsidies</td>
<td>707.661</td>
<td>65.400</td>
</tr>
<tr>
<td>Total</td>
<td>733.680</td>
<td>86.751</td>
</tr>
</tbody>
</table>

Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABN-AMRO current gbp-account</td>
<td>38.281</td>
<td>21.796</td>
</tr>
<tr>
<td>ABN-AMRO current usd-account</td>
<td>29.189</td>
<td>271.745</td>
</tr>
<tr>
<td>ABN-AMRO current euro-account</td>
<td>20.204</td>
<td>3.381</td>
</tr>
<tr>
<td>ABN-AMRO saving euro-account</td>
<td>500.000</td>
<td>132.000</td>
</tr>
<tr>
<td>ABN-AMRO New York usd-account</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>ASN saving euro-account</td>
<td>80.000</td>
<td>80.000</td>
</tr>
<tr>
<td>ING current euro-account</td>
<td>1.770</td>
<td>2.815</td>
</tr>
<tr>
<td>Cash foreign currencies</td>
<td>296</td>
<td>152</td>
</tr>
<tr>
<td>PayPal account</td>
<td>397</td>
<td>348</td>
</tr>
<tr>
<td>Total</td>
<td>670.139</td>
<td>512.239</td>
</tr>
</tbody>
</table>
## LIABILITIES

### Continuity Reserve

<table>
<thead>
<tr>
<th></th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at January 1st</td>
<td>142.086</td>
<td>21.287</td>
</tr>
<tr>
<td>Appropriation of result</td>
<td>(42.534)</td>
<td>120.799</td>
</tr>
<tr>
<td><strong>Balance as at December 31st</strong></td>
<td><strong>99.552</strong></td>
<td><strong>142.086</strong></td>
</tr>
</tbody>
</table>

### Programme Fund

<table>
<thead>
<tr>
<th></th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at January 1st</td>
<td>375.782</td>
<td>326.469</td>
</tr>
<tr>
<td>Allocation of result</td>
<td>266.344</td>
<td>49.313</td>
</tr>
<tr>
<td><strong>Balance as at December 31st</strong></td>
<td><strong>642.126</strong></td>
<td><strong>375.782</strong></td>
</tr>
</tbody>
</table>

### Current Liabilities

**Taxes and social security premiums**

<table>
<thead>
<tr>
<th></th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage tax</td>
<td>26.226</td>
<td>22.992</td>
</tr>
<tr>
<td>Social security premiums</td>
<td>7.762</td>
<td>6.627</td>
</tr>
<tr>
<td>Grants received in advance</td>
<td>534.656</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>568.644</strong></td>
<td><strong>29.619</strong></td>
</tr>
</tbody>
</table>

**Accounts Payable**

<table>
<thead>
<tr>
<th></th>
<th>31-12-2015</th>
<th>31-12-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday money</td>
<td>18.714</td>
<td>23.276</td>
</tr>
<tr>
<td>Net salary</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Costs to be paid</td>
<td>12.030</td>
<td>14.030</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30.744</strong></td>
<td><strong>37.306</strong></td>
</tr>
</tbody>
</table>
## Statement of Income and Expenditure

### Income

#### Government subsidies

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department for International Development - UK</td>
<td>370,686</td>
<td>574,317</td>
</tr>
<tr>
<td>EC (CHAFAE)</td>
<td>218,000</td>
<td>218,000</td>
</tr>
<tr>
<td></td>
<td><strong>588,686</strong></td>
<td><strong>792,317</strong></td>
</tr>
</tbody>
</table>

#### Income from investments

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and exchange gains</td>
<td>28,757</td>
<td>10,465</td>
</tr>
</tbody>
</table>

#### Other income

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership HAI Europe</td>
<td>4,645</td>
<td>5,450</td>
</tr>
<tr>
<td>WHO</td>
<td>50,962</td>
<td>24,721</td>
</tr>
<tr>
<td>OSF</td>
<td>154,605</td>
<td>114,893</td>
</tr>
<tr>
<td>Helmsley Trust</td>
<td>642,262</td>
<td>294,026</td>
</tr>
<tr>
<td>Camino</td>
<td>50,000</td>
<td>95,833</td>
</tr>
<tr>
<td>World Bank</td>
<td>-</td>
<td>17,557</td>
</tr>
<tr>
<td>Other</td>
<td>1,165</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>1,001</td>
<td>10,412</td>
</tr>
<tr>
<td></td>
<td><strong>904,640</strong></td>
<td><strong>562,892</strong></td>
</tr>
</tbody>
</table>

#### Total income

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>1,522,083</strong></td>
<td><strong>1,365,674</strong></td>
</tr>
</tbody>
</table>
### DISTRIBUTION OF EXPENDITURE 2015

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Projects</th>
<th>Fundraising</th>
<th>Management and Administration</th>
<th>Total 2015</th>
<th>Budget 2015</th>
<th>Total 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAFEA - EU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outsourcing/direct project expenditure</td>
<td>39.501</td>
<td>224.349</td>
<td>49.989</td>
<td>174.863</td>
<td>488.702</td>
<td>460.732</td>
</tr>
<tr>
<td>Publicity and communication</td>
<td>6.350</td>
<td>7.376</td>
<td>33.758</td>
<td>4.293</td>
<td>69.127</td>
<td>50.000</td>
</tr>
<tr>
<td>Staff cost</td>
<td>264.313</td>
<td>162.510</td>
<td>4.994</td>
<td>141.649</td>
<td>631.666</td>
<td>600.772</td>
</tr>
<tr>
<td>Occupancy cost</td>
<td>27.615</td>
<td>25.912</td>
<td>2.134</td>
<td>7.468</td>
<td>63.129</td>
<td>54.285</td>
</tr>
<tr>
<td>Office cost and general</td>
<td>19.083</td>
<td>16.045</td>
<td>1.464</td>
<td>6.345</td>
<td>42.937</td>
<td>50.143</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2.595</td>
<td>2.354</td>
<td>241</td>
<td>845</td>
<td>6.035</td>
<td>5.500</td>
</tr>
<tr>
<td>Total</td>
<td>359.457</td>
<td>438.546</td>
<td>92.580</td>
<td>335.463</td>
<td>1.301.596</td>
<td>1.193.833</td>
</tr>
</tbody>
</table>

### 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).
## EXPENSES

### Staffing

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross salaries</td>
<td>466,502</td>
<td>463,816</td>
</tr>
<tr>
<td>Social security premiums</td>
<td>106,888</td>
<td>111,414</td>
</tr>
<tr>
<td>Temporary staff</td>
<td>49,959</td>
<td>45,993</td>
</tr>
<tr>
<td>Travel</td>
<td>4,520</td>
<td>4,151</td>
</tr>
<tr>
<td>Recruitment</td>
<td>-</td>
<td>1,379</td>
</tr>
<tr>
<td>Sundry staff cost</td>
<td>2,538</td>
<td>(25,981)</td>
</tr>
<tr>
<td>Provision for holidays not taken</td>
<td>1,259</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>631,666</strong></td>
<td><strong>600,772</strong></td>
</tr>
</tbody>
</table>

### Other office costs

#### Occupancy cost

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>59,975</td>
<td>48,234</td>
</tr>
<tr>
<td>Maintenance etc.</td>
<td>3,154</td>
<td>63,129</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63,129</strong></td>
<td><strong>51,230</strong></td>
</tr>
</tbody>
</table>

#### Office cost and general

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stationery</td>
<td>1,425</td>
<td>1,415</td>
</tr>
<tr>
<td>Postage</td>
<td>92</td>
<td>138</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>4,985</td>
<td>6,054</td>
</tr>
<tr>
<td>Photocopying</td>
<td>3,469</td>
<td>3,924</td>
</tr>
<tr>
<td>Computers - ICT</td>
<td>8,457</td>
<td>7,672</td>
</tr>
<tr>
<td>Auditor/accounting</td>
<td>15,079</td>
<td>15,707</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,301</td>
<td>1,746</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>7,128</td>
<td>1,251</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,936</strong></td>
<td><strong>37,907</strong></td>
</tr>
</tbody>
</table>

#### Depreciation

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,035</strong></td>
<td><strong>4,089</strong></td>
</tr>
</tbody>
</table>

|                  | **112,100**| **93,226** |

HAI had an average number of FTE's of: 8,3  8,3
NOTES TO THE FINANCIAL STATEMENTS

Director’s remuneration

The Executive Director, who carries overall responsibility for the entire network organisation, receives a total remuneration of €100,293 in 2015 (€98,420 in 2014).
No loans, advances or guaranties have been granted to the Executive Director.

<table>
<thead>
<tr>
<th>Name</th>
<th>Tim Reed</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Executive Director</td>
</tr>
</tbody>
</table>

Employment

<table>
<thead>
<tr>
<th>Term</th>
<th>indefinite</th>
</tr>
</thead>
<tbody>
<tr>
<td>hours</td>
<td>36</td>
</tr>
<tr>
<td>part-time percentage</td>
<td>100</td>
</tr>
<tr>
<td>period</td>
<td>1/1-31/12/15</td>
</tr>
</tbody>
</table>

Remuneration (EUR)

<table>
<thead>
<tr>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross salary</td>
</tr>
<tr>
<td>Holiday pay</td>
</tr>
<tr>
<td>Year-end allowance 2014</td>
</tr>
<tr>
<td>Remuneration for the year</td>
</tr>
<tr>
<td>Holidays not taken</td>
</tr>
<tr>
<td>Total paid during 2015</td>
</tr>
</tbody>
</table>

Social security contribution (employer share)   6,050
Taxable allocations                              -
Pension cost (employer share)                    9,930

Total remuneration 2015                          116,273
Total remuneration 2014                          114,256
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 2015 (as set out on pages 8 to 18), which comprise the balance sheet as at December 31, 2015, the statement of income and expenditure in 2015, the overview of cash flow in 2015 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, 2015, 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 annual and financial report is consistent with the financial statements.

Amsterdam, 31 March 2016

Bruines & Erkamp

Signed by: R.P.J. Erkamp RA