



ANNUAL REPORT 2019

**DRIVING CHANGE IN
ACCESS TO MEDICINES**

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June 2020



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1. INTRODUCTION

Will 2019 go down in the history books as a turning point for the access to medicines movement? Perhaps it's too soon to give a definitive answer to that question, particularly given the shifting sands caused by the COVID-19 pandemic, but whatever happens, it was certainly a year in which positive strides were made on a global scale.

Stichting Health Action International (HAI) has, since its inception in 1981, been at the forefront of the access to medicines movement, staying true to its vision of a world with affordable access to safe, effective and quality-assured medicines. For everyone, everywhere.

HAI has remained resolute in the face of challenges and setbacks that threaten global efforts to help the most vulnerable achieve the human right to the highest attainable level of health. Increasing prices in the Global North driven by a stifling intellectual property regime; weak health systems in the Global South unable to deliver on the health needs of vulnerable populations; a dearth of new and effective antibiotics that pose an existential threat to societies around the world. These are just some of the realities that HAI and its partners face as we enter a new decade. And now, thrown into the mix, a pandemic in the shape of COVID-19 that is stretching health systems in the Global North and threatens to further devastate those in the South.

Yet, in the last year, we have seen the positive impact that can be made through strong advocacy and policy interventions. One such moment was the approval at the World Health Assembly of a milestone resolution on medicine price transparency. In that same week we saw the launch of the World Health Organization's (WHO) strategy for the prevention and control of snakebite envenoming, something HAI has been striving toward in the past few years.

In Europe, as a result of interventions from HAI and other civil society groups, the European Medicines Agency (EMA) took steps to improve reporting of clinical study results.

These successes, among a host of others, will help us bolster our message and give confidence in the fact that the work we do is as important—if not more—now than it was when it all began nearly 40 years ago. But we must also continue to adapt to ever changing policy and funding environments and ensure HAI's work remains relevant, with an impact that improves the lives and health of people around the world. As such, we undertook a full strategy refresh during 2019 that gave us the opportunity to reflect on our work and plan for the future. More on these developments will be communicated over the coming year.

For now, as we look forward to HAI's 40th anniversary in 2021, it remains for me to sincerely thank HAI's dedicated staff, interns and network of partners, whose incessant commitment in the pursuit of health for all remains a source of inspiration and hope for the future.



Lander van Ommen
Chair, HAI Foundation Board
May 2020

2019 AT A GLANCE

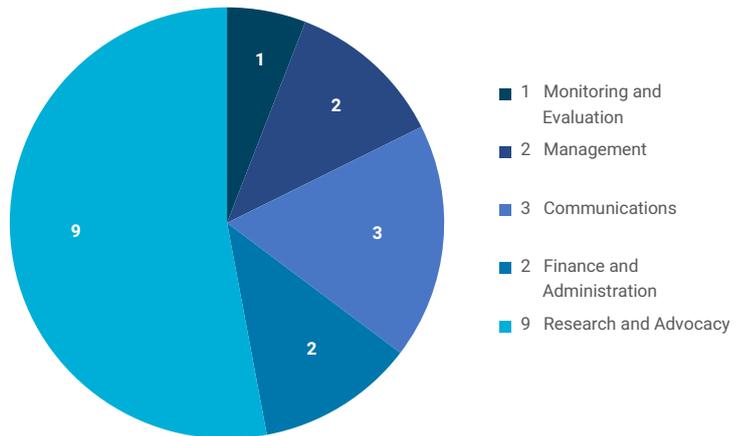
How We Spend Our Funding



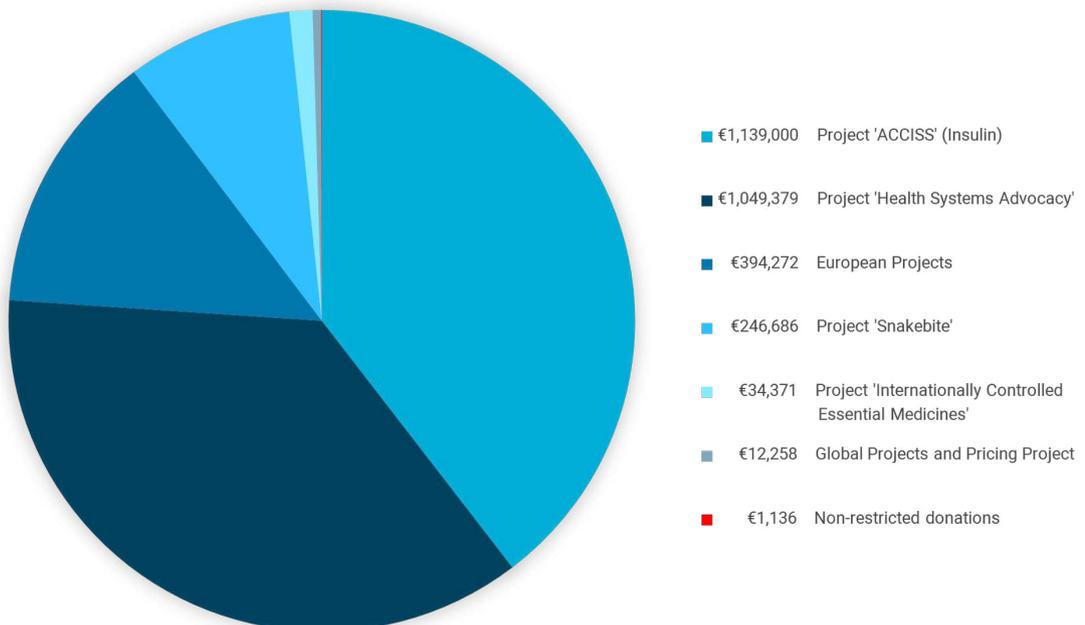
Gender Balance



Staff Composition



Income By Programme Area



Hear it from the HAI Team - Biggest Project Wins



2019 saw a lot of exciting things happening at the global level, for example WHO's announcement on including insulin in WHO PQ, but we've also been able to witness some fantastic progress to improve access to insulin at the national level thanks to the amazing team with which we work in Tanzania, Peru, Mali, Kyrgyzstan and beyond.

MOLLY LEPESKA
PROJECT MANAGER, ACCESS STUDY



My greatest satisfaction was to deliver the policy paper on the conclusion of the "Our medicines, our right campaign" being able to encapsulate two years of developments related to access to medicines and transparency in the Netherlands.

JAUME VIDAL
SENIOR POLICY ADVISOR,
EUROPEAN PROJECTS



After a lot of hard work behind the scenes campaigning tirelessly to establish a global agenda for snakebite, for me our biggest achievement had to be participating at the launch event of the WHO's first-ever global roadmap strategy for snakebite in Geneva. We were now embarking a new phase of collective action with a clear plan to finally address the unnecessary deaths and disabilities associated with snakebite.

BENJAMIN WALDMANN
SNAKEBITE PROGRAMME MANAGER



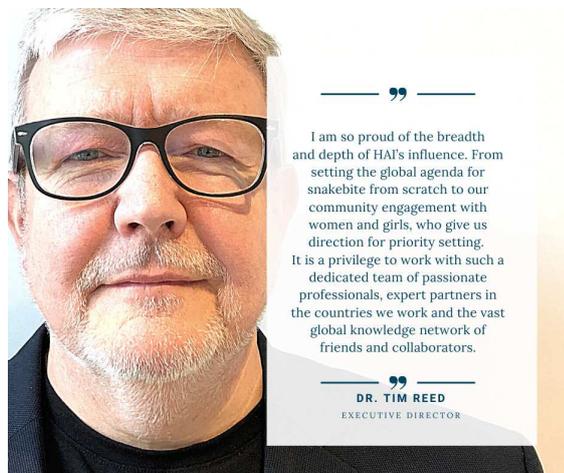
I met a young woman from MeTA Kenya Lake Basin CSO alliance during the Joint Action Planning meeting in Kenya in September 2019. It was really inspiring how passionate she is in her work. She told me she was part of the MeTA Kenya Lake Basin CSO alliance, because she wanted to be heard and make a difference. For her 'no per diems' but the will to change so women will have increased access to SRH commodities.

RENÉE VASSINDER
DEPUTY DIRECTOR



2019 was an exceptionally successful year for the Communications Team. We were able to increase HAI's visibility on all communication channels, offline and online, reaching a total of 130 publications in renowned media and organising numerous impactful live events in the EU and abroad. We succeeded in enlarging our digital footprint by re-branding the website, offering webinars and fostering our social media accounts on facebook, Twitter and Instagram.

BIRTE BOGATZ-MANDER
COMMUNICATIONS ADVISOR



I am so proud of the breadth and depth of HAI's influence. From setting the global agenda for snakebite from scratch to our community engagement with women and girls, who give us direction for priority setting. It is a privilege to work with such a dedicated team of passionate professionals, expert partners in the countries we work and the vast global knowledge network of friends and collaborators.

DR. TIM REED
EXECUTIVE DIRECTOR

2. BOARD REPORT

Who We Are

HAI is a non-profit organisation based in Amsterdam. With a dedicated and professional team of in-house experts, and a global network of members and partners in 70 countries around the world, we work tirelessly to advance policies that enable access to medicines for people around the world. To achieve this, we strive to create lasting change to government and industry policies and practices through evidence-based advocacy and public awareness campaigns at national, regional and international levels.

How We Work

Commitment to Independence and Transparency

To protect and enhance our reputation as a trusted advocate on access to medicines and rational medicine use issues, we safeguard our objectivity and integrity by remaining resolutely independent. We never accept funding from the pharmaceutical industry. And we work with staff and members to mitigate any potential conflicts of interest that could call our independence into question.

We ensure that the same standards we demand of others apply to us too and take great pride in ensuring our organisation is fully transparent. This includes transparency in our business model, projects, policies and relationships, which is critical to earning and retaining the trust of our donors, staff, members, partners and other stakeholders.

Evidence-based Advocacy

A cornerstone of HAI's credibility as an organisation depends on our evidence-based approach to advocacy. We conduct and draw upon independent, robust and impartial research to form all the policy recommendations we make. As a result, policymakers and other stakeholders know they can rely on our position. We remain robust and alert to the ever-changing world of policy, staying abreast of the latest developments, trends and challenges in global health and development so that we ensure our offer is tailored to the needs of those we serve.

Influencing the Highest Levels of Government

For our advocacy to be successful, it is critically important to target policymakers in their domains. We therefore have direct relationships with many national health ministries and WHO departments. We also hold 'official relations' status with the WHO, which allows us to directly participate in sessions of its governing bodies, such as the World Health Assembly. In addition, our longstanding mutually respectful relationship with the EMA has resulted in membership on its Patients' and Consumers' Working Party and its Health Technology Assessment Steering Group. This inclusion is a privilege that allows us to articulate and incorporate consumers' perspectives into the work of the groups.

Governance and Leadership

HAI Foundation Board

The HAI Foundation Board consists of eight professionally diverse members from Europe, Africa, Asia, and North and South America who bring a wealth of knowledge and experience to our work.

The Board appoints the Executive Director and conducts an appraisal interview with him/her at least once a year to evaluate performance. In addition, the Board approves the strategic workplan drafted by the Executive Director, which ensures compliance with our vision and mission. It also appoints a Chair and Treasurer from its Board Members, as well as an external auditor who provides an opinion on the annual report. The Board is responsible for approving HAI's annual budget, report and financial statements. Each Board Member is appointed for a period of four years. An appointment may be extended to a maximum of eight years.

In 2019, the Board had two face-to-face meetings (in March and October), one telecon meeting (July) and held other discussions via electronic means. The Board Chair and other Board Members also keep in regular contact throughout the year and the Chair and Executive Director have monthly consultations.

Primary Position(s)/Ancillary Position(s)

	<p>Lander van Ommen (Netherlands) Board Chair Term 2, 2017–2021</p>	<p>Senior Health Advisor at the Dutch Embassy in Burundi, Ministry of Foreign Affairs, Government of The Netherlands</p>
	<p>Marcus Vreeburg (Netherlands) Treasurer Term 1, 2016–2020</p>	<p>Owner/Director, Vidax BV (financial services for governments), The Netherlands Member of the Committee for Permanent Education, European Institute for Public Controllers</p>
	<p>Francisco Rossi (Colombia) Member Term 2, 2019–2023</p>	<p>Senior Advisor to IFARMA Foundation, Colombia Board Member, Alianza LAC–Global for Access to Medicines Board Member, Alliance GEP/Argentina–ABIA/ Brazil–AIS/Perú and IFARMA/Colombia</p>
	<p>Meri Koivusalo (Finland) Member Term 1, 2016–2020</p>	<p>Professor of Global Health and Development, Tampere University, Finland Member, Expert Advisory Panel, Health Science and Technology Policy, World Health Organization</p>
	<p>Patricia Porekuu (Ghana) Member Term 1, 2016–2020</p>	<p>Programmes Manager, Hope for Future Generations, Ghana African Alternate Representative, West and Central Africa, People's Health Movement Core Team Member, People's Health Movement, Ghana, Member of CSO Platform on Sustainable Development Goals, Ghana</p>
	<p>Briec-Yves Cadat Lampe (Netherlands) Member Term 1, 2016–2020</p>	<p>Senior Researcher, Movisie, The Netherlands Member, Partners Council of Foundation Pakhuis de Zwijger Chair, Board of Directors Foundation Frammer Framed Chair, Foundation Makassarplein Community Member, Foundation Buurtmuseum Indische Buurt</p>
	<p>Cecilia Sison (Philippines) Member Term 1, 2016–2020</p>	<p>Country Coordinator, Medicines Transparency Alliance (MeTA), The Philippines Chair, Coalition for Safe Medicines MeTA Representative, DOH Advisory Council on the Implementation of the Cheaper Medicines Law Member, Committee on Patient, Family and Community Engagement, Philippine Health Research Ethics Board</p>
	<p>Joel Lexchin (Canada) Member Term 1, 2016–2020</p>	<p>Emergency Physician, University Health Network, Canada Board Member, Canadian Health Coalition Board Member, Canadian Doctors for Medicare Professor Emeritus, Faculty of Health, York University Associate Professor, Department of Family and Community Medicine, University of Toronto Affiliate, Faculty of Pharmacy, University of Sydney</p>

Executive Director

Dr Tim Reed was appointed as Executive Director in 2006. He manages the Foundation, which includes preparing its work plan, administering its day-to-day business, and implementing programmes and activities. He also prepares the organisation's annual budget, report and financial statements.

Remuneration of Executive Director & Foundation Board

On 1 January, 2013, the Dutch Law Executives' Remuneration Financed from Public Funds (Disclosure) Act (Wet normering bezoldiging topfunctionarissen publieke en semi publieke sector WNT) came into force. The WNT applies to HAI. This act aims to regulate remuneration of managers in the public or semi- public sector by establishing maximum amounts for remuneration.

Disclosing the annual remuneration of the Executive Director and the Foundation Board is compulsory. The report below is prepared in line with the applicable regulation. As of 2015, the

WNT maximum for the development aid sector applies, which is €181,000 for 2019. The reported maximum amount per person and function is calculated based on the full-time equivalent in the labour agreement of the Executive Director. The full-time equivalent can never exceed 1.0.

For members of the Foundation Board, an entitlement to a maximum of 15% (Chair) or 10% (other Members) of the maximum remuneration of €181,000 for executives applies. However, the Members of the Foundation Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December, 2019, or during 2019, have outstanding loans, advances or guarantees.

No employees or temporary staff received remuneration above the WNT maximum in 2019, nor was remuneration paid that was, or had to be, disclosed based on the WNT in previous years. In 2019, HAI did not pay termination of employment payments to former employees that should be reported in these annual accounts based on the WNT.

REMUNERATION EXECUTIVE DIRECTOR		
	Actual 2019	Actual 2018
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2019	Jan-Dec 2018
REMUNERATION		
	€	€
Annual income		
Gross salary	99,197	93,666
Holiday allowance	8,180	8,067
Year-end allowance	9,560	8,444
Variable annual income	-	-
Untaken leave	7,807	8,224
Total annual income	127,009	118,401
Taxable allocations	-	-
Pension costs (employer share)	23,473	18,062
Back-payment pension 2016/2017 (employer share)	-	6,706
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	149,220	143,169
Applicable WNT-maximum	181,000	174,000

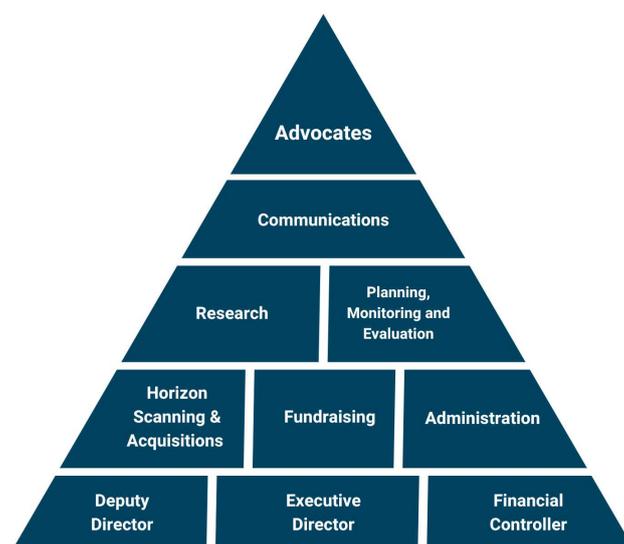
REMUNERATION FOUNDATION BOARD		
CHAIR		
	Actual 2019	Actual 2018
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	27,150	26,100
TREASURER		
	Actual 2019	Actual 2018
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	18,100	17,400

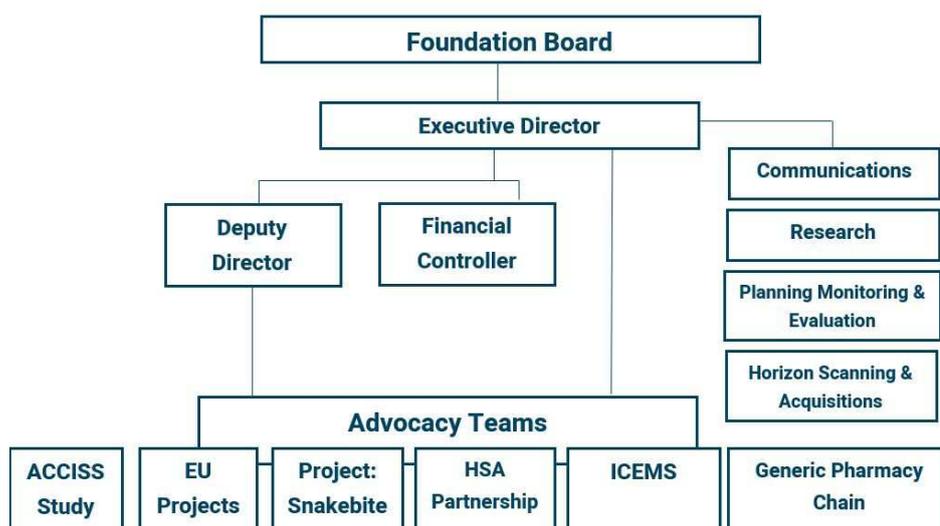
Staff and Team Management

During 2019, Team HAI was at our largest ever complement. Divided by specialist subject and cross cutting support teams, intellectual rigour, tenacity and a passion for social justice remain our most precious assets. Indeed, the range of project subject areas, from the availability of Internationally Controlled Essential Medicines (ICEMs) to Health Technology Assessment (HTA), are testament to the extraordinary capacity of the team. In 2019, we restructured our team and we now have a strategy and development officer and a digital communications officer, both of whom

work on an organisation-wide basis. Also an intern programme has bedded in, and continues to provide us with a pool of young talent that bring exciting new ways of working and a constant renewal of ideas for now and the future. As illustrated below, the HAI's team management structure is a 'support management hierarchy'.

It harnesses and leverages the expertise of our entire staff in support of the interventions made by our Policy Advisors, positioned at the top of the pyramid.





At HAI we look after our staff and offer better than comparable flexibility in working conditions and opportunities. As a result, resignation is rare, but in 2019, we were sad to lose a senior policy officer from the European team, who moved to Brussels. Luckily the post was filled quickly, and we are now back up to full strength.

We were also sad to say goodbye to our Communications Manager, who had been with us since 2012. We were fortunate that one of the team applied for the vacancy and are delighted with the seamless transition of the team.

HAI's Employee Entitlements and Conditions of Employment were adopted by the Foundation Board in 2018 and remain current and relevant.

	31 December 2019	31 December 2018
Number of employees	17	17
Number of FTEs	15.8	16.2
Composition staff	76.5% women 23.5% men	76.5% women 23.5% men
Permanent/ temporary contracts	11 / 6	12 / 5
Average age	40	38
Sick leave percentage	1.57%	0.37%

Code of Conduct

Our Business Conduct Guidelines and other key policies outline the ethical and legal framework within which we conduct our work. If mistakes, wrongful actions, or breaches of our codes occur, any stakeholder, regardless of their affiliation to HAI, has the right to file a complaint using the Complaints Procedure. The Business Conduct Guidelines, Complaints Procedure (English, Dutch, Spanish), Gender Policy, Safeguarding Policy and/or Sexual Harassment Policy make up a suite of policies that guide our ethical conduct.

In addition, in 2019 we introduced a Modern Slavery Policy to accompany the suite of policies that make up the terms and conditions of working at HAI and extend to partners we fund.

HAI has a published set of core values to which employees, partners and sub-contractors comply and support our vision, inspire our talented employees, and shape our culture. We adhere to these values to inspire our partners, so our donors are confident in our ability to execute our work, and HAI is a rewarding, safe and inspirational place to work.

Our Core Values

- 1 Social Justice**
We believe that all people, regardless of their socioeconomic status or geographic location, gender, sexual orientation, or ability, deserve equal economic, political and social rights and opportunities.
- 2 Transparency**
We conduct our work in an honest, transparent and ethical manner.
- 3 Integrity**
To safeguard our objectivity and integrity, we are resolutely independent of the pharmaceutical industry and protect ourselves from all other conflicts of interest.
- 4 Evidence-based**
Our advocacy is always based on objective and current research.
- 5 Empowerment**
We share information with and offer our research and advocacy expertise to other members of civil society so they too, can improve access to medicines and rational medicine use.
- 6 Perseverance**
We know that policy change takes time and never give up until the job is done.
- 7 Inclusion**
We appreciate and respect diversity in all forms.
- 8 Excellence**
We value and invest in our staff and network so they can achieve the high goals and objectives that we set.

2019 PROJECTS AND ACHIEVEMENTS

HSA Partnership

As a member of the [Health Systems Advocacy \(HSA\) Partnership](#), HAI focuses on increasing accessibility and affordability of essential sexual and reproductive health commodities (SRHC) in Uganda, Kenya, Tanzania and Zambia. In collaboration with our country partners, we measure the price, availability and affordability of more than 30 SRHC in all four countries on an annual basis. These studies are critical for understanding the causes of poor access to SRHC and are used by our partners to call for policy change at local and national levels. They do this by working through the Medicines Transparency Alliances (MeTA), a unique model of multi-stakeholder engagement used to address transparency and accountability issues. Our partners also work to equip civil society organisations (CSOs) with knowledge, skills and advocacy tools, through capacity strengthening and creating spaces for evidence-based dialogue of sexual reproductive health rights (SRHR) and health systems strengthening (HSS).



Proud parents outside a health facility in Uganda, September 2019

Major Achievements

- As a result of our CSO training on preeclampsia in Uganda in 2018, Members of Parliament (MPs) and politicians took notice of the high death toll and stock-outs of life-saving magnesium sulphate and dexamethasone, used to treat this often fatal condition. The Ministry of Health (MoH) started to conduct investigations into this previously overlooked issue and increased funding for magnesium sulphate (2019).
- For the past two years, together with Access to Medicines Platform (Kenya), we have provided selected CSOs with a series of training sessions. In 2019 training focused on government budget tracking and analysis for advocacy purposes. As a result of this training, one of our CSO trainees established a network on SRH Commodities, budget advocacy and community sensitisation. This network has championed a 20% increase in the health budget earmarked to improve health infrastructure, though upgraded maternity wings and the purchase of delivery equipment in five wards.

In 2019, the MeTA Zambia secretariat fully transitioned into a functioning NGO; the Medicines Research and Access Platform (MedRAP), with four staff members. While remaining the secretariat of MeTA, it now drives the HSAP programme independently and is able to raise its own funds to ensure sustainability of the programme beyond 2020.

Project Snakebite

HAI is mobilising global, national and local action, following our success in facilitating a global movement to establish snakebite as a priority global health issue. We provide technical and advocacy support to the WHO, as well as to countries, concerned with operationalising the WHO roadmap launched in May 2019 (see below). In Sub-Saharan Africa, our project is developing a much-needed evidence baseline on snakebite cases and the price, availability and affordability of treatment. Through the formation of multi-stakeholder groups, comprised of snakebite experts and civil society representatives, this research provides health authorities with tools for the development of effective snakebite programmes. We equip civil society with advocacy tools to press for greater action on snakebite, and also raise awareness and knowledge about snakebite prevention, first-aid and treatment among healthcare workers and communities in snakebite-affected areas.

Major Achievements

- Following our successful global advocacy efforts, HAI provided technical support to the WHO in drafting and finalising the global roadmap strategy on snakebite. Our most significant impact was in the development of segments for the empowerment and engagement of communities. This ensured recognition of the vital role of civil society in advancing concerted action that supports comprehensive snakebite solutions. Further, we supported in the design and delivery of the launch event in May 2019, at which HAI took the lead as moderator.
- In Uganda, following the Health Ministry's appointment of a focal point for snakebite, the country established a multi-stakeholder committee led by the Ministry of Health in partnership with HAI and HEPS-Uganda. Its task is to develop the national strategy for snakebite. This is an essential milestone in the translation of the WHO's global strategy at a country-level and represents a vital resource mobilisation tool for sustainable funding of snakebite in Uganda.

In Kenya, the multi-stakeholder group SBK (Snakebite Kenya)—made up of government bodies, health care professionals, members of the research community and CSOs, including HAI, was part of the Ministry of Health's Technical Working Group (TWG). The TWG developed national clinical guidelines for the prevention, diagnosis and management of snakebite. Through the TWG, we were able to ensure our evidence-based policy recommendations were integrated into the guidelines.



HAI Team with our friend and colleague, Royjan Taylor (far left), who passed away unexpectedly in June 2019. Royjan was a leading figure in efforts to tackle the global snakebite crisis.

ACCISS Study

Since its inception in 2015, the 'Addressing the Challenge and Constraints of Insulin Sources and Supply' (ACCISS) study has been working to identify and address the inequities and inefficiencies in the global insulin market. The Study is currently in its second phase, focusing on piloting tools and interventions developed in Phase I at country level, while continuing to work globally to address access to insulin issues. 2019 saw exciting progress on insulin at the global level, and we have also seen excellent progress at the national level, thanks to the amazing teams with whom we work in Tanzania, Peru, Mali, Kyrgyzstan and beyond.

Major Achievements

- In October, we organised the first ACCISS regional meeting in Bishkek. The Kyrgyzstan team hosted nine countries from the region, with representatives from governments, diabetes associations, clinicians and people with diabetes coming together and share experiences and best practice.

- In April, the ACCISS team successfully lobbied against the addition of high-priced analogue insulin to the WHO Essential Medicines List. A decision to include analogue insulins in the EML would have increased pressure on national governments to purchase these far higher priced insulins. In low- and middle-income countries, where health systems budgets are already stretched, this could have disastrous consequences for people in need of insulin.



ACCISS Regional Meeting, Bishkek, October 2019

- ACCISS has long advocated for human insulin, which is listed in the WHO Model List of Essential Medicines, to be included in WHO's Prequalification of Medicines (PQ) Programme. The decision by WHO to include human insulin in their PQ programme was therefore a critical development in 2019, that will advance access to insulin, globally. This initiative will lead to greater competition and lower prices, thereby improving affordability for both people with diabetes and national health systems.

European Projects

In the European Union (EU), the price of many new patented medicines is higher every year, jeopardising the ability of patients to access them when needed and threatening the sustainability of healthcare systems. This situation is aggravated by a narrow interpretation of intellectual property (IP) rights that creates harmful monopolies. At the same time, it has been reported that new medicines and indications often offer little, or no added therapeutic value over those that are already available.

Added to this, the trend of accelerating market approval involves evaluating medicines based on limited clinical data, leading to greater uncertainty about a therapy's true effects and the risk of harm. HAI's European work in 2019 can be broken down into three crucial areas: equitable access to affordable medicines; medicines safety, added therapeutic value and rational use of medicines; and democratisation of medicines policy.

Major Achievements

- In 2019 we participated in over 200 meetings with civil society, policymakers, members of the European Parliament and other stakeholders working on access to medicines. We organised public events on subjects including transparency of clinical trials. After discussions with the EMA on clinical trial transparency, the medicines regulator began emailing sponsors who do not make their results public on the EU trial registry.
- We influenced some of the most important policy discussions happening in Europe. An example of this was our ultimately successful advocacy work leading up to the European Parliament's approval of a Supplementary Protection Certificate (SPC) manufacturing waiver for export in April last year.
- We shared our insight and expertise on TRIPS flexibilities in lectures, public discussions and seminars in five different countries. We produced and disseminated over ten reports, policy briefs and other evidence-based advocacy materials on how to tackle high prices of medicines.



HAI Clinical Trials event, European Parliament, October 2019

Access to ICEMs

Internationally controlled essential medicines (ICEMs) are those that, in addition to regulation for quality, safety and efficacy, are controlled by international conventions that restrict their use because of their addictive properties and illicit use. ICEMs do appear on the WHO model list of essential medicines, so people do have a right to them, but access remains woefully inadequate. For example, globally, 5.5 billion people cannot access essential opioids, and more than six million people die in pain each year, because they cannot access a treatment that is theirs by right. Meanwhile, tens of millions more people living with epilepsy do not receive the medicines they need, and 80% of people with severe mental health disorders living in low- and middle-income countries receive no treatment at all. All the while

overuse of controlled medicines gathers pace in the global north, most notably the United States. A balance must be struck between access to, and excess use of these crucial treatments.

In June, we gathered a group of global experts from the fields of pain and palliative care, epilepsy, harm reduction, mental health, obstetrics, anaesthesiology and human rights for a meeting in Amsterdam. It was the first time such a diverse group of experts have been brought together to discuss the common challenge of access to ICEMs. At the meeting, a path was agreed to work together more closely to tackle barriers to access to these vital medicines. We are currently seeking further funding to build on the outcomes of meeting and to pursue policy change to alleviate the suffering of millions.



Experts gathered in Amsterdam to discuss access to ICEMs, June 2019

Programmatic Challenges

CHALLENGE	MITIGATION
<p>It is a challenge to attract new younger members to the HAI Europe Association, in part due to the changing nature of modern network participation, which is now almost entirely social media driven. Coupled with this is the enthusiasm and regularity with which new networks are being established that tend to create a cacophony in policy spaces, non-conducive to reasoned and evidence driven advocacy.</p>	<p>The foundation is working in close collaboration with the Network on benefits of membership and network communications. HAI's new full-time Digital Communications Advisor (2019), has enhanced networking, and brought new skills to our already world-class comms team.</p>
<p>Working with institutional partners such as the WHO and Netherlands Ministry of Foreign Affairs always brings challenges—not least because of their seniority as global authorities. In the case of the Ministry, being both, a partner and a donor, it is an even harder role to fulfil. In addition, we work across WHO thematic clusters (departments), which means more attention is needed for programme coherence and consistency.</p>	<p>The Ministry of Foreign Affairs launched a call for the next five-year round of Strategic Partnership Policy, which will begin in 2021. The future direction of HAI's relationship with the Ministry will be known only after our application has been accepted.</p>
<p>Forging collaborations and partnerships between like-minded NGOs is a common strategy to add strength to any given campaign. In HAI's case, the partnerships are mostly formed organically, based on needs and expertise and driven from grass roots. However, donors are increasingly demanding partnerships at a senior or leadership level as a precondition for funding. This leads to unseemly courtships, uneasy relationships, and sometimes a messy divorce! HAI has struggled in partnerships that are a marriage of convenience. The risk is that organisations can be fixated on their own visibility, at the expense of their partners, the bigger picture and their ultimate goals.</p>	<p>We do not see an end to the trend of enforced collaborations, but we are learning all the time. We are and will continue to be very good partners—we support the leadership, contribute our professional expertise to Planning, Monitoring and Evaluation (PME), communications, financial control and so on. And we always deliver on our work, with our own partner organisations and members of the HAI network. But in future we will be more circumspect about partnerships where we are not the lead partner and will prioritise more effectively to ensure our own objectives within the partnership are achieved in the most efficient manner.</p>

CHALLENGE	MITIGATION
<p>There is a theoretical tension between the hard sciences (e.g., biology/physics/chemistry) and the social sciences (e.g., sociology/political science/ethnography). While on the whole HAI falls squarely in the second camp, in most programmes we act as a bridge and catalyst between expert (hard) scientists, politicians and decision-makers, technocrats and bureaucrats, NGOs and so on. It is sometimes difficult, when we brief an academic virologist or toxicologist for them to understand our social science methods and quantitative approaches. Much has been written about the public understanding of science, but little literature on the scientific community's understanding of the public, communities, politics and bureaucracies.</p>	<p>We are proud of our academic standing, theoretical core and methodological rigour, and continue to promote the role of civil society in technocratic discussions. We have commissioned a report on the clash between the 'hard' and 'soft' sciences to further our understanding of the scientific appreciation of the public and political arena. This will feed how we view technocratic approaches to access to medicines in the future.</p>
<p>Gender bias remains one of the most significant barriers to successful development programmes, and while donors and civil society recognise the impact of gender, it is often lost on the target group.</p>	<p>We have tightened our front facing commitment to gender and inclusiveness and have again taken part in the Global 50/50 assessment where we scored highly on gender and inclusivity. We have appointed a gender contact point to further develop our gender credentials, so that it is mainstreamed across all projects. In the future gender inequality will be a core guiding principle in project development.</p>

Planning, Monitoring and Evaluation of Our Projects

We subject our work to rigorous and robust monitoring and evaluation protocols. This to ensure our evidence-based advocacy interventions are as effective, efficient, relevant and sustainable as possible and therefore our projected outcomes are achieved.

Understanding Change and Improving Strategies

In 2019, we introduced outcome harvesting as a validated process to capture high quality outcomes for those programmes that are based on a theory of change (TOC) model. A TOC enables us to understand the context of the issues at hand and the possibilities for change. It also allows us to track the progress and outcomes of our projects as well as spot opportunities to develop our strategies. The harvested outcomes will be externally evaluated in 2020 to both validate the outcomes harvested and provide us with expert recommendations. The external evaluation will be used to improve our existing programmes and develop new ones.

We underscore that mainstreaming gender and inclusivity should also be done within planning, monitoring and evaluation (PME) systems. We are therefore proud that the Global Health 50/50 report recognises the improvements we have made in this field, placing us in the top 20% of global health organisations.

Our PME Manager is embedded in each of the project teams. Each year, the teams develop workplans and corresponding monitoring and evaluation frameworks, which include timelines for activities, methods of verification and data sources, all of which align with reporting/fundraising cycles.

In 2019, linking and learning was strengthened by introducing lunch presentations in which project teams could present their progress, highlight lessons learnt and share best practice, and ask advice of colleagues.

Transparency

As part of the HSA Partnership, we upload bi-annual financial and narrative reports onto the International Aid Transparency Initiative (IATI), a voluntary, multi-stakeholder initiative to improve the transparency of aid, development, and humanitarian resources. We also comply with the strict planning and reporting requirements set out by the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) for our European Projects. The list of deliverables on which we work across the year is published on CHAFEA's Health Programmes Database, which is publicly available. We also upload our annual report and financial statements onto our website to demonstrate our accountability to funders, members, partners and members of the public.



Communicating Our Work

With the arrival of a new Communications Manager and addition of a Digital Communications Advisor to the team, as well as the return from maternity leave of a Communications Advisor, the team was once again complete, and with it brought new ideas and approaches to the way in which we promote our work and engage with audiences. The positive results became quickly apparent. We've seen improved engagement scores and a growing audience across all our social media channels. The biggest change in this regard came in the form of our long-awaited new website—our visitors are now staying longer and visiting more pages, an encouraging sign that our messages are more successfully cutting through in a crowded digital world. Needless to say, we are always looking for new ways to improve, and in 2020, we'll be testing and developing new and innovative ideas and techniques to ensure our communications set the standard for the sector and are successful in helping to deliver on HAI's wider objectives.

Working with the Media

We continue to expand our reach in the media and noted increasing and significant coverage of our work and policies across all projects throughout the year. The start of the year, for example, saw some excellent global coverage of HAI's research and activities to tackle snakebite (in snakebite endemic regions and beyond), which helped to keep the focus on the issue as we headed towards the launch of the WHO roadmap. Particularly important was the focus placed on health seeking behaviours, a key aspect of our work with local communities. Our research and recommendations on clinical trial transparency performed very well throughout the year, with references in no less than 39 media articles on this subject alone. This undoubtedly helped to keep pressure on the issue heading towards a landmark, and positive, judgement on access to clinical study reports coming out of the Court of Justice of the European Union in January 2020. Our experts on access to insulin remained in high demand for briefing in 2019. The team responded to various requests from around the world for

more information on access to insulin as well as information on the work being done to address a lack of availability and affordability of this life saving medicines. All in all, we saw the positive impact our media work can have and have set ourselves up to build on this work over the next year.

Events with Impact

Our professional communications staff worked across projects to help deliver on various successful and well attended events, both face-to-face and digitally. We hosted two impactful webinars to promote our tools on countering the deleterious impact of pharmaceutical marketing techniques on prescribing behaviours. We also held events in Brussels (on clinical trial transparency), Utrecht (on socially sustainable licensing) and The Hague (on transparency of research and development costs and medicine prices). In Geneva, we had a first-class screening of the documentary *Minutes to Die* ahead of the WHO snakebite roadmap launch, as well as playing a central role in the roadmap launch itself.



Socially sustainable licencing discussion in Utrecht, November 2019.

Our global reach was also on display with various meetings and events taking place in Kenya, Uganda and Rwanda, as well as the regional meeting of the ACCISS Study in Kyrgyzstan, attended by Ministries of Health from across the region.

FUNDRAISING AND ACQUISITION ACTIVITIES

HAI now has an ongoing fund-seeking process, led by a dedicated (external) proposal writer under the supervision of the Executive Director. All technical and non-technical staff are engaged in identifying opportunities and proposal-writing. In 2019, a number of substantial proposals were developed and submitted:

Snakebite	Nationale Postcode Loterij, Lillian Lincoln Foundation, Hennecke Family Foundation and Global Innovation Fund
EU Projects	Perls Foundation/Camino Stiftung, European Commission CHAFAEA, Open Society Foundations, Hippocrene Foundation and Masimo Foundation
ICEMS	Masimo Foundation, Bosch Stiftung
Generic Pharmacy Chain Modelling	Japanese Embassy Zambia IDA Charity Foundation (ICF)

CORPORATE SOCIAL RESPONSIBILITY

HAI recognises its responsibility to the environment. As a result, we take steps to reduce our environmental impact, which is clearly outlined in our Environmental Policy.

We endeavour to comply with and, where appropriate, exceed all relevant regulatory requirements. In addition, we continually monitor and strive to improve our environmental performance and, where possible, reduce environmental impacts (with respect to use of paper, energy, water, office supplies, transportation, and maintenance and cleaning supplies and practices). Furthermore, we incorporate environmental factors into our business decisions, and provide employees with training on environmental awareness and responsibility.

FINANCIAL POLICY AND RESULTS

Key Figures

During the financial year 2019, Stichting HAI spent €2,835,970 (2018: €2,815,491), of which €2,735,562 (96.5%) was spent on achieving HAI's objectives (2018: €2,619,877) and €57,820 on Management & Administration (2018: €86,358). This represents 2.0% of the total expenditure.

Expenditure on Income generation in 2019 was €42,588 (2018: €109,256). This represents 1.5% of the total expenditure.

The total expenditure of €2,833,359 originates fully from the income of the current year.

The result for 2019 shows an operating surplus of €41,202.

	objective	2019	2018	2017	2016	2015
Spent on fund raising vs total income	≤5%	1.5%	3.9%	3.4%	0.8%	1.1%
Spent on objectives vs total income	≥90%	95.1%	93.5%	97.3%	93.8%	80.6%
Spent on objectives vs total expenditure	≥91%	96.5%	93.1%	93.4%	95.6%	94.2%
Spent on management & administration vs total income	≤5%	2.0%	3.1%	3.6%	2.1%	3.8%

Continuity Reserve

The continuity reserve amounts to €71,422 as of 31 December 2019. Its purpose is to offer continuity to the organisation and its staff for a temporary decrease in income. The HAI Foundation Board established the optimum level for the continuity reserve to be €110,000–€150,000, of which €25,000 is necessary for fixed assets replacement and the remainder is a buffer for income fluctuations.

Our current continuity reserve reaches 65% of the target level. In future years, the organisation will work further towards the target level. The nature of HAI's discrete grants model doesn't allow to add considerable amounts to the continuity reserve, but in all future funding applications we will take into account a small margin for this purpose, where possible.

Diversity of Funding

91.6% of the income of €2,877,101 consists of multi-year grants, and 8.4% of the year 2019 was incidental.

The financial health and continuity of the organisation benefits from diversified funding streams. The HAI Foundation Board invest in raising funds and in 2019, the amount spent on fundraising was €42,588. This is less than the amount spent in 2018 (€109,256), but the search for new funding sources was, and remains, a priority.

RISK ASSESSMENT

In this section, we report on perceived risks and challenges faced by HAI, and how we can mitigate the likely impact.

Financial Risk

As with all civil society organisations that rely on competitive bids to institutional donors (foundations and governments) for discreet project funding, growth and sustainability carries risks. Donor priorities may change, HAI can be 'out-bid' in an application or fail to meet operational targets. The risk is lack of financial sustainability.

HAI's policy of financial Diversification, Dispersion and Deflection, introduced in 2017, mitigates some of the risk.

'Diversification' refers to a widened and diversified funding base, so we are not dependent on a few or single donors. 'Dispersion' refers to a policy of spreading operating costs, including core staff costs, across all funding streams, and re-establishing an operating reserve. 'Deflection' dilutes the impact if a funding stream ends or is disrupted by managing operating costs and ensuring core costs can be absorbed in the matrix of donors that remain.

Diversification is going well, and we attracted two new donors in 2019. Moreover, pipeline projects will mature in 2019, which will further widen our donor base. Dispersion takes a little longer, since existing project budgets, agreed with donors before the introduction of the policy cannot be renegotiated to spread core costs. However, with the introduction of two new projects in 2018/19, the deflection of financial risk becomes stronger.

Reputational Risk

The current climate of civil society accountability coupled with the immediacy of reputational damage (for example, through social media) carry risks for all organisations engaged on projects by institutional or government donors. This can include internal and external ethical and legal breaches, moral inconstancies, fraud and corruption. The risk is loss of faith in HAI's corporate identity, and concomitant loss of donor support.

To mitigate reputational risk, a suite of robust and transparent [business practice guidelines](#), augmented in 2019 by the [modern slavery policy](#), provide a benchmark for our staff, contractors, sub-grantees and partners. The business practice guidelines provide the framework and cover all areas of conduct and fraudulent activity. They are accompanied by a complaints procedure (including whistleblowing) and transparency policy.

The organisational culture at HAI is open, transparent and informed. To date, there has been no challenge to our reputation, and we have therefore not needed to report policy violations to donors.

Competencies Risk

Engagement in access to medicines and rational use of medicines policy is very technical, and HAI has assembled a highly skilled, world-class team of expertise. Of course, senior members of staff have vast accumulated knowledge and, in the long term, will resign, retire or seek career advancement elsewhere. The risk is that we might no longer be able to offer world-class research, analysis and policy influencing.

To mitigate competencies risk, a deliberate policy was to engage and nurture young talent and redress the balance between experienced and inexperienced staff (see section on staff). All staff are encouraged and supported to undertake courses and studies, including to a doctorate level, and knowledge transfer between staff is actively promoted. HAI also extends its pool of talent through close links with universities and by offering five internships in 2020.

Health risk

Since the balance sheet date, COVID-19 (coronavirus) has emerged as a global health challenge. This impacts on HAI at both the

organisational level and at the programmatic level, and concerns COVID-19 policy interventions. In terms of the organisational impact, HAI has been well equipped to meet the challenge of self-isolation and social distancing as instructed by the Dutch Government (March 2020), due to our commitment to remote working. All staff are familiar with working from overseas locations and the practice of working from home which is recognised as a benefit to staff and the organisation generally. Coupled with this is the recent installation of a team communications platform, on all laptop workstations that has facilitated a seamless transition to distance working.

During the COVID-19 outbreak, a deliberate policy extending flexible work patterns for members of the HAI team who have additional care responsibilities has further diluted possible problems.

As far as programmatic activities of the team are concerned, we are adjusting according to circumstances as they emerge, and negotiating changes in our workplan with donors where possible.

Heat Map

The following heat map depicts likelihood and consequences of potential risks and challenges.

Likelihood	Almost Certain	11	16	20	23	25
	Likely	7	12	17	21	24
	Possible	4	8	13	18	22
	Unlikely	2	5	9	14	19
	Rare	1	3	6	10	15
		Insignificant	Minor	Moderate	Major	Critical
		Impact				

Financial Risk	Heatmap	Mitigation	2019
Donor Priorities Change	25	Diversification of funding and increased number of donors, stay innovative	No direct challenges, but three new donors recruited, and two new project areas introduced
Partner Priorities Change	23	Dialogue with partners and keep an open mind on new partnerships	HSA funding from the Dutch Ministry of Foreign Affairs will end in Dec 2020. Existing and new partners are being courted
Partner (conflicts) of interest change	24	Look for new partners	No challenges in 2019
HAI becomes over-priced	13	Maintain tight budget control on bids that are actual & reasonable	No challenges in 2019
HAI fails to secure operational (core) funding	17	Review of overhead costs	Sustainability remains a threat, so new ways of accumulating reserves are being investigated as part of overheads, where donors will allow
HAI fails to meet operational targets	14	World class PME management and output/outcome tracking	No challenges in 2019
External Fraud	14	Zero tolerance policy /Transparency	No challenges in 2019
External ethical breach	14	Zero tolerance policy /Transparency	No challenges in 2019
External Safeguarding breach	14	Zero tolerance policy /Transparency	No challenges in 2019
Internal Fraud	6	Zero tolerance policy /Transparency	No challenges in 2019
Internal ethical breach	6	Zero tolerance policy /Transparency	No challenges in 2019
Internal Safeguarding breach	6	Zero tolerance policy /Transparency	No challenges in 2019
Competence drain	13	Staff benefits and CPE programme	No challenges in 2019
Failure to attract talent	13	Intern programme	No challenges in 2019

OUR FUTURE

The Future of Our Work

Pipeline projects will continue our strategy of investing in new areas of intervention, while always recognising our added value in medicines policy. Insulin, SRHC, and access to snakebite antivenom and associated products, the first projects to take on single disease areas, are joined by Internationally Controlled Essential Medicines. We are also delighted to be able to enter the next phase of development of novel model of pharmacy chain in Zambia, which aims to provide essential medicines at affordable prices in remote areas. In 2020 we will be seeking funding to work on access to medicines in fragile and post conflict states and communities, such as internally displaced people and refugees.

The Future of Our Organisation

Notwithstanding the current unstable political and economic context and our funding model of discrete project funding, HAI has grown significantly in the last five years. This is testament to both the model and perceived added value that the organisation contributes to global health. Growth, however, is not an end in itself, and has been at a measured pace, responding to recognised needs.

This is not to say that we are not seeking growth, but that it must be measured and support our core organisational structure in addition to direct outcome-based activities, often perceived as independent from all the other work that contributes to a successful organisation. In the next 12 months, we will continue to pursue funding opportunities to which we can add value and continue to support the management matrix operation that enhances our core skills, such as programme monitoring and evaluation, advocacy and research, across the organisation. Our enhanced communications team will promote the public understanding of medicines policy and the rational use of medicines in innovative ways, and champion the value of HAI as a global player in the field.

The impact of the COVID-19 outbreak (2020) for the organisation cannot yet be assessed. HAI mitigates the organisational risk through measures like working from home and flexible work patterns. Programmatic consequences are evaluated as they occur and workplan modifications are discussed with our donors.

The crisis has also led to COVID-19 policy interventions. Specific COVID-19 activities include:

- We led the coordination for a CSO letter on Horizon 2020's Innovative Medicines Initiative call for responses to Coronavirus (diagnostics and therapeutic elements), stressing the need for access conditionality (affordability), transparency and public return on public investment. The Alliance took over and finalised it, gathering signatures.
- Within the framework of the European Parliament Working Group on Access to Medicines, we drafted an open letter with MSF, for signature by MEPs. The letter is addressed to the Commission, focussing on a relaxation of trade restrictions on health goods among EU member states and promoting non-exclusive licences of any EU-funded research outputs.
- We are initiating monitoring of clinical trials related to coronavirus conducted in the Netherlands and EU.
- In the current circumstances we will reassess our policy of interaction with large coalitions and large (virtual) gatherings of NGOs. Instead, our strategy will be to prime our own membership and engage in ad-hoc coordination with like-minded organisations as has proved successful in recent days and weeks.

Although there appears to be no end to the COVID-19 situation at present, our work continues, with the team in the Netherlands and our partners globally, working flexibly and thinking innovatively about how we can remain on track and adapt to rapidly changing circumstances.

BUDGET 2020

Approved by the Foundation Board in October 2019

	€	% of total income
INCOME		
Raised income	2,635,894	90%
Submitted proposals	248,349	9%
Proposals to submit	36,285	1%
TOTAL INCOME	2,920,528	100%
EXPENDITURE		
Programme costs		
Direct project expenditure	1,380,468	47%
Staff costs: current staff	1,082,703	37%
Occupancy costs	81,993	3%
Office and general costs	81,308	3%
Depreciation	16,340	1%
Total Programme costs	2,642,812	91%
Income generation		
Fundraising costs	30,000	1%
Staff costs: current staff	13,754	1%
Total Income generation	43,754	2%
Communications		
Publicity and communications costs	4,800	0%
Staff costs: current staff	174,019	6%
Total Communications costs	178,819	6%
Management and Administration		
Staff costs: current staff	55,143	2%
Total Management & Administration	55,143	2%
TOTAL EXPENDITURE	2,920,528	100%
RESULT (Addition to/Deduction from Continuity reserve)	-	

3. FINANCIAL STATEMENTS 2019

BALANCE SHEET AS OF 31 DECEMBER 2019

	31 December 2019	31 December 2018	notes
	€	€	
ASSETS			
FIXED ASSETS			A
Tangible fixed assets	15,068	28,817	
Intangible fixed assets	3,571	7,380	
	18,639	36,197	
CURRENT ASSETS			
Receivables and prepaid expenses			
Grants to receive	-	30,868	B
Prepaid expenses	16,815	14,870	
Debtors	-	-	
Other receivables	3,582	43,107	C
	20,397	88,845	
Cash and cash equivalents	1,530,456	1,366,430	D
	1,550,853	1,455,275	
TOTAL ASSETS	1,569,492	1,491,472	
LIABILITIES			
RESERVES AND FUNDS			E
Continuity reserve	71,422	30,222	
	71,422	30,222	
SHORT TERM LIABILITIES			
Grants received in advance	1,156,121	1,208,370	F
Taxes and social security premiums	73,402	67,749	G
Creditors	41,955	45,086	
Other debts	226,592	140,045	H
	1,498,070		
TOTAL LIABILITIES	1,569,492	1,491,472	

The 2019 result of € 41,202 is included in the Continuity reserve at 31 December 2019.

STATEMENT OF INCOME & EXPENDITURE 2019

	Actual 2019 €	Budget 2019 €	Actual 2018 €	notes
INCOME				I
Income from foundations and charitable funds	1,531,586	1,371,037	1,054,156	
Government grants	1,321,902	1,371,931	1,675,685	
Income from own fundraising	5,343	-	75	
Income from services/products	5,747	8,897	59,451	
Other income	12,524	15,473	13,922	
TOTAL INCOME	2,877,101	2,767,338	2,803,288	
EXPENDITURE				
EXPENDITURE on objectives				J
European Projects	385,932	408,461	372,245	
Project 'Health Systems Advocacy'	1,012,265	1,047,860	1,131,834	
Project 'Snakebite'	236,952	218,117	298,967	
Project 'ACCISS' (Insulin)	1,039,479	953,105	767,568	
Global Projects and Pricing Project	20,946	8,413	49,263	
Project 'Internationally Controlled Essential Medicines'	39,988	35,096		
Programme costs	2,735,562	2,671,052	2,619,877	
Income Generation				J
Fundraising costs	42,588	47,850	109,256	
Management and Administration				J
Management and administrative costs	57,820	48,436	86,358	
TOTAL EXPENDITURE	2,835,970	2,767,338	2,815,491	
Result before financial income and expenditure	41,132	-	(12,203)	
Financial income and expenditure: received Interest on saving account	70	-	283	
RESULT	41,202	-	(11,920)	
APPROPRIATION OF RESULT				
Additions to / deductions from:				
Continuity reserve	41,202	-	(11,920)	
	41,202	-	(11,920)	

CASH FLOW STATEMENT IN 2019

	Actual 2019 €	Actual 2018 €
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Result from the statement of income and expenditure	41,202	(11,920)
ADJUSTMENTS FOR:		
Depreciation	19,711	18,463
Additions to/deductions from provisions	-	-
	19,711	18,463
CHANGES IN WORKING CAPITAL:		
Short-term receivables	68,448	13,227
Short-term debts	36,820	196,816
	105,267	210,043
	166,180	216,586
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in tangible fixed assets	(2,153)	(13,931)
Investments in intangible fixed assets	-	-
Disinvestments in intangible fixed assets		1,392
	(2,153)	(12,540)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Changes in cash and cash equivalents	164,027	204,047
Cash and cash equivalents		
Balance per 1 January	1,366,430	1,162,384
Balance at 31 December	1,530,456	1,366,430
Changes in cash and cash equivalents	164,026	204,046

EXPLANATORY NOTES FOR ANNUAL ACCOUNTS: ACCOUNTING PRINCIPLES

General

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 (such as tax liabilities).

The principal accounting policies adopted in the preparation of the annual accounts are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared on the assumption that HAI has a positive business case and, as such, is a going concern. The financial statements are prepared in euros. Balances and results in 2019 are compared with the budget as approved by the HAI Foundation Board and 2018 results and balances. Assets and liabilities are generally valued at acquisition cost or at current value.

Guidelines

The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Organisations (RJ 650). Notwithstanding that HAI receives almost all its funds from subsidies and contracts with donor institutions (governments and foundations) and rarely, if at all, engages in direct marketing and fundraising from the general public, and is therefore not a 'fundraising institution' as defined in guideline RJ 650, reporting in this way offers the best insight into the finances of the organisation. References to notes are included in the Balance Sheet and Statement of Income and Expenditure for further explanation and clarity.

Comparison with Previous Year

The accounting principles used for valuation and recognition of income and expenditure are unchanged from the previous year.

Estimates

The preparation of financial statements requires the HAI management team to make assumptions and estimates that may influence the application of principles and, for example, the reported values of assets and liabilities and of income and expenditure. The actual results may therefore differ from the estimates. However, estimates and the underlying assumptions are constantly reassessed and tested. Any revisions required are recognised in the immediate period in which the revision is made and in future periods for which they have a consequence.

Currencies

Functional Currencies

The financial statements are presented in euros, which is HAI's functional and presentational currency.

Foreign Currencies

HAI holds a foreign currency position in United States (US) dollars. Transactions in foreign currencies during the period are included in the financial statements at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (euros) at the closing rate. The exchange differences arising from the translation into euros are credited or charged to the statement of income and expenditure. HAI does not hedge its exposure to foreign exchange rate risks. However, natural hedges exist because receivables and liabilities are often related.

PRINCIPLES FOR VALUATION OF ASSETS & LIABILITIES

Assets

Fixed Assets

Tangible fixed assets: IT equipment, software, furniture and fittings and other assets are all valued at their purchase value, historical cost, decreased by linear depreciations on their estimated useful life, and impairment losses (damages). For IT equipment and software, the depreciation is 33% per year, while office furniture and fittings depreciation is 20% per year.

Intangible fixed assets: The intangible fixed assets comprise the rebranding of the organisation (visual identity, colour, font and logo). The intangible fixed assets are valued at the purchase value decreased by linear depreciations on their estimated useful lives, and impairment losses. The depreciation percentage for the intangible fixed assets is 33% per year.

Current assets: Receivables are recognised at the nominal (original) value, where necessary less a provision for possible uncollectible amounts.

Grants to Receive

Receivable project funding refers to items where the expenditures precede the receipt of funding. For example, a donor may hold a retention on a grant until a project is completed and reported upon, but expenditure has been made in order to complete activities.

Cash & Cash Equivalents

Cash and cash equivalents comprise cash and bank balances. Cash and cash equivalents are stated at face value. Cash at bank is at free disposal of HAI, if not stated otherwise. The bank balances are stated at face (nominal) value.

Derivatives & Financial Instruments

HAI does not make use of derivatives and/or other financial instruments (e.g., options, forward contracts, swaps, futures, trackers).

Liabilities

General

Liabilities are recognised at their nominal value.

Reserves & Funds

The continuity reserve is created to ensure that HAI can meet its obligations in case of a significant fall in income in the future.

Short-term Liabilities

'Grants received in advance' refers to items where the receipts from a donor precede expenditures on the project.

PRINCIPLES FOR DETERMINING RESULTS

Income

Income from foundations, charitable funds and government subsidies are recognised as income if attributable to the financial year and if the grant conditions are met and there is a reasonable degree of certainty in the assumption they will be received. Such funds are recognised in the statement of income and expenditure in the year in which the subsidised costs were incurred. Other income is accounted for in the year in which it is received.

Expenditure

Expenditure is determined with due observance of the principles of valuation and allocated to the year to which they relate.

Grants to Project Partners

The funding of project partners is part of direct project expenditure. These costs comprise funding that is used directly for the financing of activities of project partners under contract. They are charged to the year in which the allocation to the partner has been approved.

Staff Costs

Salaries and social security contributions are entered in the Statement of Income and Expenditure on the basis of the employment conditions insofar as they are owed to employees or the tax authority respectively.

Allocation of Support Costs

To carry out project activities, the organisation incurs support costs, such as fundraising costs and management and administration costs. All support costs are accounted to the projects based on allocated project time.

Fundraising Costs

The costs of fundraising include staff and other costs related to the generation of income. As HAI does not seek income from the general public, these costs comprise mainly preparation of proposals and investment in prospective projects.

Management & Administration Costs

The costs of management and administration include the costs related to internal control and administration, which cannot reasonably be allocated directly to one of the objectives and/or projects.

Result

The result is determined as the difference between the revenue allocated to the year under review and the expenditures allocated to the year under review, with due observance of the above-mentioned valuation principles.

EXPLANATORY NOTES TO THE BALANCE SHEET

A. FIXED ASSETS

	Actual 2019					
	€					
	Tangible fixed assets			Total tangible fixed assets	Intangible fixed assets	
Computers and peripherals	Software	Office furniture	Corporate identity		Total intangible fixed assets	
Balance as of 1 January						
Aquisition value	60,143	8,341	56,744	125,228	11,447	11,447
Accumulated depreciation	(42,479)	(4,735)	(49,197)	(96,411)	(4,067)	(4,067)
Carrying value as of 1 January	17,664	3,606	7,547	28,817	7,380	7,380
Movements						
Aquisitions	2,153	-	-	2,153	-	-
Disposals	(20,953)	-	(39,830)	(60,783)	-	-
Depreciation	(9,517)	(2,775)	(3,379)	(15,671)	(3,809)	(3,809)
Depreciation on disposals	19,541	-	41,012	60,553	-	-
Total movements	(8,776)	(2,775)	(2,197)	(13,748)	(3,809)	(3,809)
Balance as of 31 December						
Aquisition value	41,343	8,341	16,914	66,598	11,447	11,447
Accumulated depreciation	(32,455)	(7,510)	(11,565)	(51,530)	(7,876)	(7,876)
Carrying value as of 31 December	8,888	831	5,349	15,068	3,571	3,571
Depreciation percentages per year	33%	33%	20%		33%	

The acquisition in 2019 was a new laptop to replace an old one.
All fixed assets are used for HAI's operations.

B. GRANTS TO RECEIVE

	31 December 2019	31 December 2018
	€	€
Foundations and charitable funds		
Other Foundations	-	7,922
	-	7,922
Government grants		
Dutch Ministry of Foreign Affairs - Snakebite	-	22,946
		22,946
Carrying value as of 31 December	-	30,868

There were no receivable grants at 31 December 2019.

C. OTHER RECEIVABLES

	31 December 2019	31 December 2018
	€	€
Interest	70	283
Other receivables	-	35,214
Deposits	3,360	7,549
Advances	152	61
Carrying value as of 31 December	3,582	43,107

D. CASH & CASH EQUIVALENTS

	31 December 2019	31 December 2018
	€	€
ASN savings euro-account	88,286	258,003
Triodos current euro-account	165,155	309,015
ING current euro-account	12,377	17,856
ING current usd-account	1,264,194	780,090
Cash euro	6	-
Cash foreign currencies	438	800
Internal transfers	-	666
Carrying value as of 31 December	1,530,456	1,366,430

All bank balances are at free disposal with exception of a bank guarantee of €11,442 issued by ASN Bank to the landlord of the rented office in Amsterdam.

E. RESERVES AND FUNDS

	31 December 2019	Additions 2019	Deductions 2019	31 December 2018
	€	€	€	€
Reserves				
Continuity reserve	71,422	41,200	-	30,222
Carrying value as of 31 December	71,422	41,200	-	30,222

The purpose of HAI's continuity reserve is to offer continuity to the organisation and its staff for a temporary decrease in income. The HAI Foundation Board established the optimum level for the continuity reserve to be €110,000–€150,000. Our current continuity reserve reaches 65% of the target level. In future years, the organisation will work towards this goal, insofar as the conditions of our grants allow for it.

F. GRANTS RECEIVED IN ADVANCE

	31 December 2019	31 December 2018
	€	€
Foundations and charitable funds		
IDA Charity Foundation	92,500	39,000
Helmsley Charitable Trust	414,239	405,514
Open Society Foundations	158,200	88,212
Hennecke Foundation	98,737	102,678
Lillian Lincoln Foundation	167,407	107,767
	931,083	743,171
Government grants		
Dutch Ministry of Foreign Affairs - HSA	145,864	363,371
European Commission/Chafea	79,174	101,828
	225,038	465,199
Carrying value as of 31 December	1,156,121	1,208,370

G. TAXES AND SOCIAL SECURITY PREMIUMS

	31 December 2019	31 December 2018
	€	€
Wage tax and social security premiums	73,402	67,749
Carrying value as of 31 December	73,402	67,749

H. OTHER DEBTS

	31 December 2019	31 December 2018
	€	€
Outstanding payments to partners	140,640	35,875
Other debts	653	7,368
Salaries and holiday pay	44,501	49,378
Audit costs	17,843	14,484
Provision for holidays not taken	22,955	32,940
Carrying value as of 31 December	226,592	140,045

Assets & Liabilities Not Recognised in Balance Sheet

HAI has provided a bank guarantee amounting to €11,442 to the landlord of the rented offices in Amsterdam. This guarantee has been issued 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 2016 for an additional five years. The rental costs for 2019 amount to €45,367.

HAI has rented a multifunctional printer/copier from Konica Minolta. The rental agreement started on 1 August, 2016, and the duration of the agreement is 60 months. The rental costs include service and toner and amount to €3,551 per year (including VAT).

Subsequent events

Since the balance sheet date, COVID-19 (coronavirus) has emerged as a global health challenge. This impacts on HAI at both the organisational level, and at the programmatic level and concerns COVID-19 policy interventions. In terms of the organisational impact, HAI has been well equipped to meet the challenge of self-isolation and social distancing as instructed by the Dutch Government (March 2020), due to our commitment to remote working.

All staff are familiar with working from overseas locations and the practice of working from home (WFH) which is recognised as benefit to staff and the organisation generally. Coupled with this is the recent installation of a team communications platform, on all laptop workstations which has facilitated a seamless transition to distance working.

During the COVID-19 outbreak, a deliberate policy extending flexible work patterns for members of the HAI team who have additional care responsibilities has further diluted possible problems.

As far as programmatic activities of the team are concerned, we are adjusting according to circumstances as they emerge, and negotiating changes in our workplan with donors where possible.

It is too early to assess the final impact of the COVID-19 crisis. Although there appears to be no end to the COVID-19 situation at present, our work continues, with the team in the Netherlands and our partners globally, working flexibly and thinking innovatively about how we can remain on track and adapt to rapidly changing circumstances.

EXPLANATORY NOTES TO THE STATEMENT OF INCOME & EXPENDITURE 2019

I. INCOME

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
Income from foundations and charitable funds			
Camino Stiftung / Perls Foundation	47,954	42,019	71,178
Helmsley Charitable Trust	1,100,000	985,866	742,814
Hennecke Foundation	111,585	92,442	-
IDA Charity Foundation	39,000	39,000	161,000
Lillian Lincoln Foundation	130,899	96,294	-
Open Society Foundations	102,148	115,416	79,164
	1,531,586	1,371,037	1,054,156
Government grants			-
Ministry of Foreign Affairs, the Netherlands	1,085,569	1,116,931	1,427,513
European Commission/Chafea	236,333	255,000	248,172
	1,321,902	1,371,931	1,675,685
Income from own fundraising			
Donations and gifts	5,343	-	75
	5,343	-	75
Income from services/products			
Consultancies	5,223	8,897	59,451
Publications	524	-	-
	5,747	8,897	59,451
Other income			
Membership fees	4,575	3,500	3,920
Miscellaneous income	7,949	11,973	10,002
	12,524	15,473	13,922
Total income	2,877,101	2,767,338	2,803,288

91.6% of the income of €2,877,101 consists of multi-year grants, and 8.4% of the year 2019 was incidental.

Government grants have been established up till 2018, the reports for 2019 are currently submitted.

J. DISTRIBUTION OF EXPENDITURE

Allocation	Projects						All projects	Income Generation	Management & Admin	Actual 2019	Budget 2019	Actual 2018
	European projects	Health Systems Advocacy	Snakebite project	ACCISS (Insulin)	Pricing & Global projects	ICEM						
Expenditure	€	€	€	€	€	€	€	€	€	€	€	€
Direct project expenditure	77,751	516,645	78,012	688,149	10,940	23,166	1,394,663	16,130		1,410,793	1,251,085	1,383,786
Publicity & communications	2,425	3,900	1,251	2,765	79	132	10,552	208	455	11,215	3,550	3,439
Staff costs	269,578	433,538	139,031	307,322	8,753	14,715	1,172,937	23,144	50,578	1,246,659	1,330,603	1,298,523
Occupancy costs	17,233	27,714	8,887	19,645	560	941	74,980	1,479	3,233	79,692	68,653	78,700
Office and general costs	14,683	23,613	7,572	16,739	477	801	63,885	1,261	2,755	67,900	58,783	32,423
Depreciation	4,262	6,855	2,198	4,859	138	233	18,545	366	800	19,711	19,663	18,619
Total	385,932	1,012,265	236,952	1,039,479	20,946	39,988	2,735,561	42,588	57,820	2,835,971	2,732,337	2,815,490

STAFF

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
Gross salaries	978,715	1,049,947	1,041,800
Social security premiums	148,113	158,887	137,632
Pension costs	89,376	79,496	89,450
Other staff costs	30,455	42,273	29,641
	1,246,659	1,330,603	1,298,524

EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

The Cash Flow Statement is prepared according to the 'indirect method'. Cash flows in foreign currency have been converted into euros using the exchange rate valid on the date of transaction. Cash and cash equivalents increased in 2019 from €1,366,430 at 1 January, 2019, to €1,530,456 at 31 December, 2019. The increase of €164,026

in cash and cash equivalents is attributable in large part to an increase in the short-term debts. The disinvestments in intangible fixed assets increased the cash and cash equivalents for €58,630. The investments shown in the cash flow statement are in IT equipment (see explanatory note on fixed assets).

REMUNERATION OF EXECUTIVE DIRECTOR & FOUNDATION BOARD

On 1 January, 2013, the Dutch Law Executives' Remuneration Financed from Public Funds (Disclosure) Act (Wet normering bezoldiging topfunctionarissen publieke en semi publieke sector WNT) came into force. The WNT applies to HAI. This act aims to regulate remuneration of managers in the public or semi- public sector by establishing maximum amounts for remuneration. Disclosing the annual remuneration of the Executive Director and the Foundation Board is compulsory. The report below is prepared in line with the applicable regulation. As of 2015, the WNT maximum for the development aid sector applies, which is €181,000 for 2019. The reported maximum amount per person and function is calculated based on the full-time equivalent in the labour agreement of the Executive Director. The full-time equivalent can never exceed 1.0.

For members of the Foundation Board, an entitlement to a maximum of 15% (Chair) or 10% (other Members) of the maximum remuneration of €181,000 for executives applies. However, the Members of the Foundation Board are volunteers, and do not receive remuneration or allowances for their work, nor did they, as of 31 December, 2019, or during 2019, have outstanding loans, advances or guarantees.

No employees or temporary staff received remuneration above the WNT maximum in 2019, nor was remuneration paid that was, or had to be, disclosed based on the WNT in previous years. In 2019, HAI did not pay termination of employment payments to former employees that should be reported in these annual accounts based on the WNT.

REMUNERATION EXECUTIVE DIRECTOR		
	Actual 2019	Actual 2018
EMPLOYMENT		
Term	Indefinite	Indefinite
Hours (full-time)	36.00	36.00
Part-time percentage	100%	100%
Period	Jan-Dec 2019	Jan-Dec 2018
REMUNERATION		
	€	€
Annual income		
Gross salary	99,197	93,666
Holiday allowance	8,180	8,067
Year-end allowance	9,560	8,444
Variable annual income	-	-
Untaken leave	7,807	8,224
Total annual income	127,009	118,401
Taxable allocations	-	-
Pension costs (employer share)	23,473	18,062
Back-payment pension 2016/2017 (employer share)	-	6,706
Provisions for future payments	-	-
End of service benefits	-	-
Total salary and employer charges	149,220	143,169
Applicable WNT-maximum	181,000	174,000

REMUNERATION FOUNDATION BOARD		
	Actual 2019	Actual 2018
CHAIR		
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	27,150	26,100
TREASURER		
Period	1/1 - 31/12	1/1 - 31/12
	€	€
Remuneration	-	-
Provisions for future payments	-	-
Total remuneration	-	-
Applicable WNT-maximum	18,100	17,400

KEY FIGURES

	objective	2019	2018	2017	2016	2015
Spent on fund raising vs total income	≤5%	1.5%	3.9%	3.4%	0.8%	1.1%
Spent on objectives vs total income	≥90%	95.1%	93.5%	97.3%	93.8%	80.6%
Spent on objectives vs total expenditure	≥91%	96.5%	93.1%	93.4%	95.6%	94.2%
Spent on management & administration vs total income	≤5%	2.0%	3.1%	3.6%	2.1%	3.8%

VARIANCE ANALYSIS

Income

The income from Foundations and Charitable Funds in 2019 exceeds the budget with €160,000. In the ACCISS Phase 2 project an additional grant was awarded by the donor for supplementary research.

Expenditure

The expenditure on objectives is 65 k€ higher than budgeted. A few projects (European Projects, the Health Systems Advocacy project) have spent slightly less than budgeted, the other projects have spent more than budgeted. Particularly the ACCISS Phase 2 project has spent 86 k€ more on research because of an additional grant. The overspending of the Snakebite project amounts to 19 k€ and is covered by additional funding from existing donors.



Lander van Ommen

Chair, Health Action International
Foundation Board

On behalf of the Health Action International
Foundation Board:

- Brieuç-Yves (Mellouki) Cadat Lampe
- Cecilia Sison
- Joel Lexchin
- Francisco Rossi



Tim Reed

Executive Director, Health Action
International

- Marcus Vreeburg
- Patricia Porekuu
- Meri Koivusalo

INDEPENDENT AUDITOR'S REPORT



Stichting Health Action International
Overtoom 60 (2)
1054 HK AMSTERDAM

INDEPENDENT AUDITOR'S REPORT

To: the board and management of Stichting Health Action International

Report on the audit of the financial statements 2019 included in the 2019 annual report

Our opinion

We have audited the financial statements 2019 (page 27-42) of Stichting Health Action International based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Health Action International as at 31 December 2019 and of its result for 2019 in accordance with the RJ-Richtlijn 650 'Fondsenwervende organisaties' (RJ-Richtlijn 650, guideline for annual reporting for fundraising organisations) of the Dutch Accounting Standards Board and the Wet Normering Topinkomens (WNT, Standards for Remuneration Act).

The financial statements comprise:

1. the balance sheet as at 31 December 2019 (with a balance sheet total of € 1,569,492);
2. the statement of income & expenditure (with a total positive result of € 41,202; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the accompanying financial statements' section of our report. We are independent of Stichting Health Action International in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics). We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Compliance with rule against overlapping pursuant to the WNT not audited in accordance with the Audit Protocol under the Standards for Remuneration Act (WNT)

We have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT and whether the explanation required in this context is correct and complete.

Report on the other information included in the 2019 annual report

In addition to the financial statements and our auditor's report thereon, the 2019 annual report contains other information that consists of:

- introduction;
- board report.

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Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the RJ-Richtlijn 650 and the WNT. We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. The board and management are responsible for the preparation of the director's report and other information in accordance with the RJ-Richtlijn 650 and the WNT.

Description of responsibilities regarding the financial statements

Responsibilities of the board and management for the financial statements

The board and management are responsible for the preparation and fair presentation of the financial statements in accordance with the RJ-Richtlijn 650 and the WNT. Furthermore, the board and management are responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board and management are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, board and management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board and management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

Furthermore, the board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Was signed, Sliedrecht, 4 June 2020.

WITh accountants B.V.
P. Alblas RA

Enclosure.



Enclosure to our auditor's report by the accompanying financial statements 2019 of Stichting Health Action International, based in Amsterdam

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, the 'Regeling Controleprotocol WNT 2019' (Audit Protocol WNT 2018), ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

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