



## **Stichting Health Action International Foundation**

**Financial statements for the year**

**2005**

**April 2006  
Amsterdam**

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## 1 BALANCE SHEET

### ASSETS

	31/12/2005		31/12/2004	
	€	€	€	€
<b>Fixed assets</b>				
Tangible fixed assets		0		0
<b>Current assets</b>				
Debtors	216		1,859	
Prepaid expenses and other receivables	14,658		11,749	
Other assets	1,763		1,723	
Grants to be received	3,500		6,300	
		<u>20,137</u>		<u>21,631</u>
<b>Bank balances</b>		826,877		1,092,297
<b>Total assets</b>		<u><u>847,014</u></u>		<u><u>1,113,928</u></u>

**LIABILITIES**

	31/12/2005		31/12/2004	
	€	€	€	€
Retained earnings		120,697		100,689
Grants to be spent		655,358		965,455
<b>Current liabilities</b>				
Creditors		33,649		11,019
Taxes and social security premiums		11,815		9,816
Accounts payable		25,496		26,948
		<u>70,960</u>		<u>47,784</u>
<b>Total liabilities</b>		<u><u>847,014</u></u>		<u><u>1,113,928</u></u>

## 2 STATEMENT OF INCOME AND EXPENDITURE

	2005		2004	
	€	€	€	€
<b>Income</b>				
Grants	1,086,990		994,706	
Other income	22,022		27,463	
		1,109,012		1,022,169
Transfers to other regions		-384,037		-283,537
		<u>724,975</u>		<u>738,632</u>
<b>Expenses</b>				
<i>Office costs</i>				
Staffing	182,261		163,300	
Other office costs	44,721		63,263	
		226,982		226,563
<i>Project expenses</i>		477,985		506,557
<b>Result</b>		<u>20,008</u>		<u>5,512</u>

### 3 NOTES TO THE FINANCIAL STATEMENTS

#### *PRINCIPLES OF VALUATION AND DETERMINING OF RESULT*

**Accrual basis of accounting** The financial statements of the Foundation have been prepared using the accrual basis of accounting

**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.

**Foreign currencies** Payables and receivables in foreign currencies are translated into euros at the exchange rates of the balance sheet date. Transactions and cash flows in foreign currencies are converted at rates from the date the transaction was performed.

The following exchange rates against the euro have been used:

<u>Currency per € 1</u>	<u>31/12/2005</u>	<u>2005 average</u>
USD	1.18426	1.24539

**Income** The grants HAI receives belong to a certain financial year, although it is allowed to have a left-over at the end of the year: carry-over.

The income of a financial year exists of the carry-over from last year plus the receivings of the current year minus the carry-over to the next year.

**Tangible fixed assets** Tangible fixed assets are recognized as costs in the year of purchase.

**Carry-over** Part of the Global Program funding is transferred to one or more of our Regional Offices. Carry-overs of these transfers do not appear in this financial report. The Regional Offices have their own audited financial reports in which carry-over is separately disclosed.

**Project expenses** Some of the time HAI staff spends on specific projects are directly allocated to these projects (see the reduction of Staffing costs at page 11).

Time spend on project items of the Global Program could also be accounted for in the item 'Projects'. Staffing costs which can be allocated to project items of the Global Project amounts:

€ 70,470

**Board** This report has been drafted by order of the Foundation Board of Stichting Health Action International Foundation, hereby represented by it's chairman mrs. A. Hardon.

**BALANCE SHEET**

	31/12/2005		31/12/2004	
	€	€	€	€
<b>ASSETS</b>				
<b>Current assets</b>				
<i>Prepaid expenses and other receivables</i>				
Prepaid expenses	10,531		7,629	
Bank interest 4e quarter	4,127		4,120	
	<u>          </u>	<u>14,658</u>	<u>          </u>	<u>11,749</u>
<i>Other assets</i>				
Deposit	1,763		1,723	
	<u>          </u>	<u>1,763</u>	<u>          </u>	<u>1,723</u>
<b>Bank balances</b>				
ABN-AMRO current usd-account	9,757		26,242	
ABN-AMRO current euro-account	25,191		34,478	
ABN-AMRO saving euro-account	750,000		950,000	
ABN-AMRO New York usd-account	40,762		80,323	
Postbank current euro-account	1,167		1,254	
Cheques	0		0	
	<u>          </u>	<u>826,877</u>	<u>          </u>	<u>1,092,297</u>

	31/12/2005		31/12/2004	
	€	€	€	€
<b>LIABILITIES</b>				
<b>Retained earnings</b>				
Balance as at January 1st		100,689		95,177
Result financial year		20,008		5,512
		<u>120,697</u>		<u>100,689</u>
<b>Grants to be spent (see Appendix A)</b>				
Carry-over previous year		965,455		805,425
Received		776,893		1,154,737
		<u>1,742,348</u>		<u>1,960,162</u>
Spent		1,086,990		994,706
		<u>655,358</u>		<u>965,455</u>
<b>Current liabilities</b>				
<i>Taxes and social security premiums</i>				
Wage tax		-91		6,840
Social security premiums		566		1,514
Pension premiums		11,340		1,462
		<u>11,815</u>		<u>9,816</u>
<i>Accounts payable</i>				
Holiday money (X)		23,069		24,117
Net salary		-673		101
Costs to be paid		3,100		2,730
		<u>25,496</u>		<u>26,948</u>

(X) This items consists of two items:

- 1 - a provision for holiday money related to the period of June to December 2005 that needs to be paid out with the salary of May 2006
- 2 - a provision for an accrued balance of holidays of the employees on the balance sheet date

**STATEMENT OF INCOME AND EXPENDITURE**

	2005		2004	
	€	€	€	€
<b>INCOME</b>				
<b>Grants</b>				
HAI Global Programme 2002-2006				
Ministry of Foreign Affairs, the Netherlands		483,093		429,466
Ministry of Foreign Affairs of Finland		110,035		30,869
Swedish International Development Cooperation Agency, Sida		113,360		88,506
Drug Pricing Project				
Ministry of Foreign Affairs, the Netherlands		51,801		128,138
Rockefeller Foundation		57,716		43,915
World Health Organization		0		127,820
Swedish International Development Cooperation Agency, Sida		87,415		0
Public Private Partnerships				
Danida		176,225		75,059
Medico		0		5,482
Save the children fund		0		0
Other projects				
Essential innovations/Ford Foundation		0		24,496
Essential innovations/Netherlands Ministry of Health, Welfare and Sport		0		9,933
Drug Promotion Project/WHO		7,345		3,954
NGO-officer/MSF		0		16,684
NGO-officer/Oxfam		0		10,374
		<u>1,086,990</u>		<u>964,706</u>
<b>Other income</b>				
Membership HAI Europe		5,437		5,398
Income publications		62		333
Interest		14,661		14,552
Miscellaneous income		1,862		7,180
		<u>22,022</u>		<u>27,463</u>
total income		1,109,012		1,022,169

	2005		2004	
	€	€	€	€
<b>Transfers</b>				
HAI Global Programme 2002-2006				
Transferred to Latin America		-159,612		-125,098
Transferred to Asia/Pacific		-197,555		-155,024
Transferred to Africa		-26,870		-3,415
		<u>-384,037</u>		<u>-283,537</u>
total transfers		-384,037		-283,537
		<u>724,975</u>		<u>738,632</u>

	2005		2004	
	€	€	€	€
<b>EXPENSES</b>				
<b>Staffing (X) (XX)</b>				
Gross salaries		226,515		184,296
Social security premiums		42,510		32,038
Temporary staff		0		20,900
Miscellaneous costs		25,236		22,616
Allocated to projects (not Global Program)		-112,000		-96,550
		<u>182,261</u>		<u>163,300</u>
<b>Other office costs</b>				
Rent		19,503		18,169
Maintenance etc.		1,065		936
Stationery		1,601		1,453
Postage		1,556		1,215
Telecommunication		8,161		6,447
Photocopying		5,791		6,036
Computers		6,445		11,640
Auditor/accounting		4,973		3,618
Insurance		1,798		1,283
Donor liaison		31		0
Currency differences		-7,752		12,039
Miscellaneous expenses		1,549		427
Depreciation		0		0
		<u>44,721</u>		<u>63,263</u>
(X) HAI Europe had an average number of FTE's of:		4.5		4.5
(XX) In chapter 3 we mentioned the effect of accounting for hours spent by HAI-office staff on project-items of the Global Program. The results on the figures of the general expenses mentioned above would be:				
Staffing expenses (before re-allocation)		182,261		163,300
Re-allocation		-70,470		-46,188
Staffing expenses (after re-allocation)		<u>111,791</u>		<u>117,112</u>

PROJECTS	2005		2004	
	€	€	€	€
<b>Global Program (X)</b>				
Increase participation		39,962		17,451
Increase capacity		20,959		16,927
Providing information		4,532		7,334
Network maintenance		<u>31,012</u>		<u>18,382</u>
		96,465		60,094
<b>Drug Pricing Project (incl. 2nd phase)</b>		197,950		300,104
<b>Public Private Partnerships</b>		176,225		80,541
<b>Essential innovation for health</b>		0		34,426
<b>NGO liaison officer</b>		0		27,426
<b>Drug Promotion Project</b>		7,345		3964
		<u>477,985</u>		<u>506,557</u>

(X) In chapter 3 we mentioned the effect of accounting for hours spent by HAI-office staff on project-items of the Global Program.  
The results on the figures of the Global Programs mentioned above would be:

Increase participation	79,554		34,663	
Increase capacity	27,589		19,740	
Providing information	8,470		9,247	
Network maintenance	<u>51,322</u>		<u>42,632</u>	
		166,935		106,282
Re-allocation	<u>-70,470</u>		<u>-46,188</u>	
Expenses before re-allocation		<u>96,465</u>		<u>60,094</u>

Amsterdam, April 18, 2006

A. Hardon

## 4. Auditors' report

### *Introduction*

We have audited the financial statements of Stichting Health Action International Foundation, Amsterdam, for the year 2005 (as set out on pages 3 to 12). These financial statements are the responsibility of the board of the foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

### *Scope*

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the foundation as at December 31, 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

Amsterdam, April 18, 2006

Bruines & Erkamp



R.P.J. Erkamp RA

## GRANTS TO BE SPENT 2005

	Carry-over 2004	Received 2005	Allocated 2005	Carry-over 2005
	€	€	€	€
<b>Global Program 2002-2006</b>				
Dgis	345,657	403,200	483,093	265,764
Finland	69,131	120,000	110,035	79,096
Sida	76,478	108,201	113,360	71,319
<b>Drug Pricing Project phase II</b>				
Dgis	-27,768	100,000	51,801	20,431
Rockefeller Foundation	40,647	35,692	57,716	18,823
DFID	0	0	0	0
Sida	198,645	0	87,415	111,230
<b>Public private partnerships</b>				
Danida	250,329	0	176,225	84,104
Medico	0	0	0	0
Save the children fund	0	0	0	0
<b>Other funds</b>				
VWS/Essential innovations	0	0	0	0
Ford/Essential innovations	0	0	0	0
MSF/NGO officer	0	0	0	0
Oxfam/NGO officer	0	0	0	0
WHO/Drug promotion project	2,336	9,800	7,345	4,791
<b>Total</b>	<b>965,455</b>	<b>776,893</b>	<b>1,086,990</b>	<b>655,358</b>