

Deloitte.

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (20) 582 5000
Fax: +31 (20) 582 4022
www.deloitte.nl

Stichting Health e-Foundation
Amsterdam

Report on the
annual accounts 2006

2 May 2007

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853.

Member of
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Annual accounts 2006

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Financial statements

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Balance sheet as at 31 December 2006

(after appropriation of result)

	Note	31.12.2006	31.12.2005
		EUR	EUR
Assets			
Fixed assets			
Intangible fixed assets:			
Research and development costs	1	301.182	265.194
Current assets			
Receivables:			
Taxes	2	29.491	48.953
Debtors	3	2.275	2.536
Other receivables	4	<u>10.074</u>	<u>611</u>
Cash	5	<u>536.283</u>	<u>442.158</u>
		<u>879.305</u>	<u>759.452</u>

	Note	31.12.2006	31.12.2005
		EUR	EUR
Equity and liabilities			
Balance of income and expenditure	6	169.563	162.087
Current liabilities			
Creditors		86.751	161.080
Deffered income	7	599.938	430.485
Taxes and social security contributions	8	5.844	0
Other liabilities and accrued expenses	9	<u>17.209</u>	<u>5.800</u>
		<u>879.305</u>	<u>759.452</u>

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Statement of income and expenditure 2006

	Note	2006 EUR	2005 EUR
Income	10	299.836	256.622
Operating expenses:			
Personnel expenses	11	89.124	13.580
General and administrative expenses	12	248.852	75.268
Amortization intangible fixed assets		<u>75.296</u>	<u>(275.427)</u>
		(413.272)	186.579
Financial income and expenses:			
Financial income	13	9.628	1.143
Result		<u>(103.808)</u>	<u>(17.662)</u>

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Notes to the financial statements

General

Foundation

Stichting Health e-Foundation is a non-profit organization based in Amsterdam. The foundation was set up on 14 May 2003.

Objective

The objective of the foundation is to develop, design and set up HIV/AIDS/ART training programs for healthcare workers in the developing countries.

Accounting principles

General

The financial statements have been prepared using the historical cost convention.

If not indicated otherwise, the amounts of the accounts are stated at face value.

Transactions in foreign currencies are recorded at the exchange rates prevailing at the transaction date. At year-end, the assets and liabilities reading in foreign currencies are translated into euros at the rates of exchange as per that date.

Change in amortization period of intangible fixed assets

Due to a subsidy agreement regarding the project HIV(e)DUCATION for doctors and healthcare workers up to and including 2010 of the Ministry of Foreign Affairs the development costs of the HIV/AIDS program can be charged to this project. Therefore the amortization period of these intangible fixed assets are changed accordingly, being six years. Last year the amortization period was two years. Consequently, the equity and the intangible fixed assets as at the beginning of 2006 are adjusted positively with an amount EUR 111.284. The amortization in 2006 amounts to EUR 75.296 (2005: EUR 186.579).

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Intangible fixed assets

Intangible fixed assets mainly comprise the development costs of the program, which offers self-guided modules, case studies, pre- and post-testing and a mechanism for course feedback with the goal of better equipping clinicians in initiating and maintaining patients on ARV therapy.

Intangible fixed assets are stated at cost less accumulated amortization. Amortization is charged as 16,66% of cost. Amortization is provided from the date an asset comes into use.

Receivables

Receivables are recorded at face value, less provisions for doubtful accounts. These provisions are determined by individual review of the receivables.

Statement of income and expenditure

Income and expenditure are recognized as they are earned or incurred and are recorded in the financial statements of the period to which they relate.

Notes to the specific items of the balance sheet

1. Research and development costs

	<u>EUR</u>
Balance as at 1 January 2006	265.194
Adjustment regarding change in amortization period	111.284
Amortization	<u>(75.296)</u>
Balance as at 31 December 2006	<u><u>301.182</u></u>
Amortization percentage	<u><u>16,66%</u></u>

2. Taxes

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Value added tax	<u>29.491</u>	<u>48.953</u>

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3. Debtors

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Debtors	<u>2.275</u>	<u>2.536</u>

4. Other receivables

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Interest bank	<u>10.074</u>	<u>611</u>

5. Cash

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Rabobank, euro account	10.601	82.088
Rabobank, euro savings account	<u>525.682</u>	<u>360.070</u>
	<u>536.283</u>	<u>442.158</u>

6. Balance of income and expenditure

	<u>EUR</u>
Balance as at 31 December 2005	162.087
Adjustment regarding change in amortization period	111.284
Result	<u>(103.808)</u>
Balance as at 31 December 2006	<u>169.563</u>

7. Deferred income

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Payment in advance by Dutch Ministry of Foreign Affairs for the HIVeEDUCATION program	<u>599.938</u>	<u>430.485</u>

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8. Taxes and social security contributions

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Wage taxes	469	0
Social security contributions	<u>5.375</u>	<u>0</u>
	<u>5.844</u>	<u>0</u>

9. Other liabilities and accrued expenses

	<u>31.12.2006</u>	<u>31.12.2005</u>
	EUR	EUR
Holiday allowance	4.257	0
Accrued expenses	<u>12.952</u>	<u>5.800</u>
	<u>17.209</u>	<u>5.800</u>

Notes to the specific items of the statement of income and expenditure

10. Income

	<u>2006</u>	<u>2005</u>
	EUR	EUR
Subsidy Dutch Ministry of Foreign Affairs	261.031	0
Subsidy AIDS foundation	0	110.000
Donation Groene Woudt	0	62.000
Donation De Hoge Dennen	0	40.000
Training workshops HIVeDUCATION	16.555	34.005
Subsidy Stichting Cordaid	20.000	5.800
Donations others	<u>2.250</u>	<u>4.817</u>
	<u>299.836</u>	<u>256.622</u>

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11. Personnel expenses

	<u>2006</u>	<u>2005</u>
	EUR	EUR
Salaries and wages	89.124	0
Consulting fee	<u>0</u>	<u>13.580</u>
	<u>89.124</u>	<u>13.580</u>

12. General and administrative expenses

	<u>2006</u>	<u>2005</u>
	EUR	EUR
Professional fees	61.670	52.650
Computer expenses	96.908	9.600
Travel expenses	63.525	5.157
Accounting fee	7.085	6.467
Accomodation expenses	6.150	0
Office expenses	4.025	0
Marketing expenses	8.222	0
Other	<u>1.267</u>	<u>1.394</u>
	<u>248.852</u>	<u>75.268</u>

13. Financial income

	<u>2006</u>	<u>2005</u>
	EUR	EUR
Interest income	10.261	1.262
Bank charges	<u>(633)</u>	<u>(119)</u>
	<u>9.628</u>	<u>1.143</u>

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Other notes and signing of the financial statements

Number of employees

The average number of employees during the financial year was 2 (2004/2005: 0).

Signing of the financial statements

Amsterdam, 2 May 2007

Directors:

H.F.F. Ex

J.M.A. Lange

E.T. Kaabira

P. Phanuphak

M.M. Levi

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Other information

Auditor's report

The auditor's report is recorded on the next page.

The Directors of
Stichting Health e-Foundation
Amsterdam

Date
2 May 2007

Reference
H. Hibma

Auditor's report

We have audited the accompanying financial statements 2006 of Stichting Health e-Foundation, Amsterdam, which comprise the balance sheet as at 31 December 2006, the statement of income and expenditure for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Health e-Foundation as at 31 December 2006, and of its result for the year then ended.

Deloitte Accountants B.V.

H. Hibma