

Health[e]Foundation
Amsterdam

Report on the
annual accounts 2007

13 June 2008

Health[e]Foundation
Amsterdam

Index

	Page
Annual accounts 2007	3
Management Board's report	4
Financial statements	10
Balance sheet as at 31 December 2007	11
Statement of income and expenditure 2007	12
Notes to the financial statements	13
Other information	19

Health[e]Foundation
Amsterdam

Annual accounts 2007

- Management Board's report
- Financial statements
- Other information

Health[e]Foundation
Amsterdam

Management Board's report

Mission statement

Health[e]Foundation is a non-profit organization based in Amsterdam, the Netherlands. It was established in the belief that a good healthcare system is essential for sound social economic growth in developing countries. It focuses on training and educating healthcare workers in a sustainable way in the care of poverty-related diseases (HIV/AIDS, tuberculosis and malaria) by means of a distance-based e-learning system.

Health[e]Foundation is part of CPCD, the Center for Poverty-related Communicable Diseases, Academic Medical Center, University of Amsterdam.

Directorate and management

Executive Director

Fransje van der Waals MD PhD

Project Management

Esther Erwteman

Debby Heuft

Lieke van Kerkhoven

Management Board

Frank Ex (IATEC, Amsterdam)

Elly Katabira (Makerere University, Kampala)

Joep Lange (CPCD, University of Amsterdam)

Marcel Levi (Academic Medical Center (AMC), Amsterdam)

Praphan Phanuphak (Chulalongkorn University, Bangkok)

Activity 1: countries and workshops

As is shown in the figures, many more people were trained in 2007 in comparison to 2006. Despite the unexpected problems with the software platform, we were able to train 225 healthcare workers in Uganda, 171 affiliated to TASO and 54 pediatricians. The 54 pediatricians were the first participants to be trained by the new training program Pediatric HIVeDucation. This development and creation of the program as well as the workshop itself were co-financed by International Child Support (ICS), Mattel and Cordaid.

In June, the HIVeDucation program was introduced in South-Africa and 15 fieldworkers of the Medical Research Council were trained. A new group started training in the Thika district in Kenya.

In Mozambique 33 healthcare workers of the Manhiça research and healthcare center were trained and 39 fifth year students of Catholic University of Mozambique. After the successful training in South-Africa, an additional group of 24 researchers from various organizations working on trials of the Medical Research Council was trained in Maputo. Those 3 groups were the first groups to be trained with the HIVeDucation program translated into Portuguese. The translation of the program and the workshops were subsidized by Tibotec.

In collaboration with Stichting HIV Monitoring and NASHKO, a training was organized for healthcare workers from Suriname, The Netherlands Antilles and Aruba on Curaçao in May 2007.

In Indonesia 63 healthcare workers from Batam and the Riau Islands were trained. This training was fully accredited by the Indonesian government, and new trainings were planned for 2008 in Djakarta and Bandung. All three trainings are financed by the AIDS foundation.

The planned training in the Zomba District in Malawi was postponed due to problems with importing the computers we donated to the participating health centers of the Ministry of Health. This training will take place in 2008. Meanwhile the government has given full accreditation for the course.

For 2008, already more projects are planned in more countries. The HIVeDucation program has been translated into French and implemented into the software platform.

Pediatric HIVeDucation was translated into French and Spanish, and in collaboration with the GIP Foundation, the HIVeDucation program will be translated into Russian in 2008.

Health[e]Foundation
Amsterdam

New countries

In 2008, HIVeDucation training programs in several new countries are planned.

Europe:

Following the addition of a module on Good Clinical Practice, training will start in Poland in June 2008. This will be linked to the Central European AIDS meeting in Warsaw, Poland, which is being organized by Dr. Andrzej Horban.

Africa:

In 2008, the first training in Malawi will be organized. With the French translation of HIVeDucation we are planning to start the first training in Senegal in May, which will be linked to the Interest Conference 2008. Other West African countries will be included in collaboration with the Solthis Foundation. Initial contacts have been made with the Give Milk Foundation to start training in Cameroon.

Asia:

New training programs are planned in Indonesia; in Djakarta and Bandung in 2008.

A new country co-coordinator has been appointed in Thailand: Jasper van der Lugt. He is affiliated to HIVNAT and will organize the first training for pediatricians (from Thailand, Vietnam and Cambodia) in HIV/AIDS in July in Bangkok.

Contact has been made with other groups in Vietnam and in Cambodia. The plan is to organize a first training program in both countries before the end of 2008.

Latin America:

The Spanish translation of the pediatric HIVeDucation will be implemented in San Salvador in El Salvador in May 2008.

Health[e]Foundation
Amsterdam

Activity 2: updates and new content

All authors have been asked to update their modules. These updates will be implemented into the software in 2008. New modules on good clinical practice, mental health and AIDS, and vaccines and AIDS will be implemented in 2008. More new modules are under development on STD and AIDS, elder AIDS patients, and prevention methods. TBeDucation is almost finished: the last 3 modules will be completed in 2008 and, after approval of the scientific advisory board, will be implemented in the software platform.

The Community[e]Ducation program continues to grow. Currently, pilots are conducted at Dutch high schools. These pilots are aimed at the fourth grade: the first part of the day the HIV/AIDS situation in Africa will be explained, and in the afternoon the emphasis will be on prevention of STDs, communication and risk behavior. Thorough evaluation will provide insight to further improve the program.

Future plans

Activity 3: new programs

As mentioned before, the TBeDucation program will be finished and implemented in the software platform in 2008. A new program on Neglected Tropical Diseases was initiated in December 2007, together with Imperial College, London. It should be finished in 2008. Development of the community program is in progress and will be first in use in 2008. Finally, programs on Malaria and Heart Disease and Diabetes are in the pipeline.

Activity 4: training of trainers

Health[e]Foundation's aim is to train as many healthcare workers as possible in a short period of time. Every year, more people are being trained and requests for training are increasing. To be able to fulfill these requests, Health[e]Foundation will start a training-of-trainers program: carefully selected participants from the HIVEducation course can become a mentor to two or three colleagues they think can benefit from the program. For this purpose, they will receive a special training, which will include instructions on teaching methods and more information about the content and functioning of the program. The program will start in Uganda because Health[e]Foundation's network and experience are the strongest there.

Health[e]Foundation
Amsterdam

Adjustments and improvements

The transfer from a custom-made software platform to the more general EEDO platform was not as smooth as anticipated. The program is more complex than expected and it does not function properly on Windows VISTA and Apple software. In the beginning of 2007, some trainings were postponed until the program was functioning properly. However, since this took too long we had to continue using the old version. For this reason a new group on Curaçao received the old version of the program.

Although the program is now running and can be handed out to trainees, many problems occur and there is still no online version available. The Health[e]Foundation staff strives to maintain as much work as possible in own hands, which is more convenient, especially financially. Although a lot of efforts are made to improve the EEDO platform, we are looking for a custom-made platform which can be entirely controlled by Health[e]Foundation staff. All options will be thoroughly analyzed, both financially as well as user friendliness.

Expansion of personnel

There has been a large increase in number of countries and number of courses, and the IT developments are rather time consuming. With three project managers all these activities can be covered. For technical IT assistance an IT specialist was employed for one day in the week. An e-learning specialist was hired on freelance basis to implement all the translations and new contents in the software platform.

Finances and personnel were delegated to IATEC in 2007. In 2008, this will be taken over by a financial advisory company specialized in non-profit organizations: Den Boer en Vink.

Annual meetings

During the Interest Workshop in Kampala, Uganda, in May 2007, a board meeting was organized. Three out of five board members were present. At this workshop, a lunch symposium was organized as well, which led to several new contacts: such as Kenya and Manhiça. In May 2008, the board meeting will be held at the Interest Workshop again, this time in Senegal. The first French kickoff meeting will be held here as well.

Visiting of congresses was educational, but also very important for promotional activities. In 2008, Health[e]Foundation will be present at the International AIDS Congress in Mexico City. An abstract will be presented, a demonstration workshop will be organized and there will be a promotional stand.

Just as in 2006, an extensive annual report will be made to inform sponsors and to serve as promotional material at congresses and other meetings.

Health[e]Foundation
Amsterdam

Liquidities

In 2007, the income and expenses were less than budgeted for 2007. Due to problems in the new IT platform, less trainings were completed than originally planned.

Thanks to donations from other organizations and voluntary contributions, in 2007 Health[e]Foundation has managed to obtain the conditional 35% of income from other parties, as requested for the TMF grant from the Dutch Ministry of Foreign Affairs. Efforts will be made to meet this criterion again in 2008.

Assuming that the coming years will become more expensive, a proportionally smaller amount than anticipated will be requested for 2008.

Amsterdam, 13 June 2008

Management Board:

H.F.F. Ex

J.M.A. Lange

E.T. Katabira

P. Phanuphak

M.M. Levi

Health[e]Foundation
Amsterdam

Financial statements

- Balance sheet
- Statement of income and expenditure
- Notes to the financial statements

Balance sheet as at 31 December 2007

(after appropriation of surplus)

	Note	31.12.2007 EUR	31.12.2006 EUR
Assets			
Fixed assets			
Intangible fixed assets	1	225.886	301.182
Current assets			
Receivables:			
Taxes	2	16.633	29.491
Pension		8.643	0
Debtors		17.947	2.275
Receivables and accrued income	3	31.260	10.074
Cash	4	817.677	536.283
		<u>1.118.046</u>	<u>879.305</u>
Equity and liabilities			
Balance of income and expenditure	5	282.811	169.563
Current liabilities			
Creditors		62.647	26.751
Deferred income	6	692.008	599.938
Taxes and social security contributions	7	4.347	5.844
Other liabilities and accrued expenses	8	76.233	77.209
		<u>1.118.046</u>	<u>879.305</u>

Health[e]Foundation
Amsterdam

Statement of income and expenditure 2007

	Note	Budgeted 2007 EUR	Actual 2007 EUR	Actual 2006 EUR
Revenue of own fundraising:				
Contributions, donations		0	19.130	2.250
Costs of own fundraising:				
Organization costs		0	1.830	0
		0	17.300	2.250
(Costs as a % of own fundraising)		0%	9,6%	0%
Total own fundraising		0	17.300	2.250
Government subsidy		872.669	341.992	261.030
Other subsidies	9	590.100	227.113	20.000
Training workshops HIVEducation		0	47.018	14.305
		1.462.769	616.123	295.335
Available for objective		1.462.769	633.423	297.585
Interest		0	13.330	10.894
Total available for objective		1.462.769	646.753	308.479
Allocations:				
HIVEducation project costs	10	1.040.000	236.624	164.906
Operating costs	11	302.567	296.881	247.381
Total spent on objective		1.342.567	533.505	412.287
The surplus/deficit is taken to/charged to the balance of income and expenditure		120.202	113.248	(103.808)

Health[e]Foundation
Amsterdam

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

As of 2007, the annual accounts have been prepared in accordance with the Guideline for annual reporting 650 "Fondsenwervende instellingen" (generally accepted accounting principles for fundraising institutions in the Netherlands) of the Dutch Accounting Standards Board. The comparative figures have been adjusted accordingly.

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.

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 16,67% of cost. Amortization is provided from the date an asset comes into use.

Health[e]Foundation
Amsterdam

Receivables

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

Deferred income

Deferred income consists of revenue received in advance related to the HIVeDucation program to be carried out, decreased by the realized revenue of this program.

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.

Pension

The pension costs are based on a defined contribution plan.

Notes to the specific items of the balance sheet

1. Intangible fixed assets

Research and development costs:

	2007	2006
	EUR	EUR
Book value as at 1 January	301.182	265.194
Adjustment regarding change in amortization period	0	111.284
Amortization for the year	(75.296)	(75.296)
Book value as at 31 December	<u>225.886</u>	<u>301.182</u>
Purchase value as at 31 December	451.773	451.773
Accumulated amortization	(225.887)	(150.591)
Book value as at 31 December	<u>225.886</u>	<u>301.182</u>

The amortization percentage of the intangible fixed assets is 16,67%.

Due to a subsidy agreement regarding the project HIVeDucation for doctors and healthcare workers up to and including 2010 of the Dutch 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 was changed in 2006, being six years.

2. Taxes

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Value added tax	<u>16.633</u>	<u>29.491</u>

3. Receivables and accrued income

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Subsidy Cordaid	30.000	0
Other receivables	1.260	10.074
	<u>31.260</u>	<u>10.074</u>

4. Cash

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Petty cash	3.096	0
Rabobank, euro account	62.604	10.601
Rabobank, euro savings account	751.977	525.682
	<u>817.677</u>	<u>536.283</u>

Cash is at free disposal.

5. Balance of income and expenditure

	<u>EUR</u>
Balance as at 31 December 2006	169.563
Surplus	113.248
Balance as at 31 December 2007	<u>282.811</u>

Health[e]Foundation
Amsterdam

6. Deferred income

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Payment in advance by Dutch Ministry of Foreign Affairs for the HIVeDucation program	692.008	599.938
	<u>692.008</u>	<u>599.938</u>

7. Taxes and social security contributions

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Wage taxes	2.811	469
Social security contributions	1.536	5.375
	<u>4.347</u>	<u>5.844</u>

8. Other liabilities and accrued expenses

	<u>31.12.2007</u>	<u>31.12.2006</u>
	EUR	EUR
Holiday allowance	7.560	4.257
Accrued expenses	5.594	12.952
Other liabilities	63.079	60.000
	<u>76.233</u>	<u>77.209</u>

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

In 2007, the income and expenses were less than budgeted for 2007. Due to problems in the new IT platform, less trainings were completed than originally planned.

9. Other subsidies

	<u>2007</u>	<u>2006</u>
	EUR	EUR
Subsidy AIDS foundation	80.000	0
Subsidy Stichting Cordaid	30.000	20.000
Subsidy Tibotec	67.113	0
Subsidy ICS	50.000	0
	<u>227.113</u>	<u>20.000</u>

Health[e]Foundation
Amsterdam

10. HIVeDucation project costs

	<u>2007</u>	<u>2006</u>
	EUR	EUR
Updates and new content	28.139	49.946
Organization and execution per country	205.363	114.960
Community program	1.592	0
Tuberculosis and malaria	1.530	0
	<u>236.624</u>	<u>164.906</u>

11. Operating costs

	<u>2007</u>	<u>2006</u>
	EUR	EUR
Staff on site	31.200	26.452
Staff Netherlands	165.607	89.399
Overhead costs	12.873	16.426
Travel and accommodation expenses	11.913	43.321
Community program	0	56
General costs	75.288	71.727
	<u>296.881</u>	<u>247.381</u>

Health[e]Foundation
Amsterdam

Other notes and signing of the financial statements

Number of employees

The average number of employees during the financial year was 4 (2006: 2).

Signing of the financial statements

Amsterdam, 13 June 2008

Management Board:

H.F.F. Ex

J.M.A. Lange

E.T. Katabira

P. Phanuphak

M.M. Levi

Health[e]Foundation
Amsterdam

Other information

Auditor's report

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

Appropriation of the surplus for the year

The surplus for the year has been added to the balance of income and expenditure.

To the Management Board of
Health[e]Foundation
Amsterdam

Date
13 June 2008

Reference
H. Hibma

Auditor's report

We have audited the accompanying financial statements 2007 of Health[e]Foundation, Amsterdam, which comprise the balance sheet as at 31 December 2007, 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 and for the preparation of the Management Board's report, both in accordance with the Guideline for annual reporting 650 "Fondsenwervende instellingen" of the Dutch Accounting Standards Board. 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.

Health[e]Foundation
Amsterdam

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 Health[e]Foundation as at 31 December 2007, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Fondsenwervende instellingen" of the Dutch Accounting Standards Board.

Deloitte Accountants B.V.


H. Hibma

