

ANNUAL REPORT 2008

of

Health[e]Foundation

in

Amsterdam

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REPORT BY THE EXECUTIVE BOARD

1. General information

1.1 *Incorporation and purpose*

Stichting Health[e]Foundation was incorporated on 14 May 2003 with the following purpose; Offering support for the improvement of healthcare in developing countries, partly by training and educating employees in the healthcare sector in the field of illnesses associated with poverty, particularly through the application of the 'Computer Based Learning' educational method and online applications designed to support local infrastructures, along with the promotion of the notion that good healthcare is a precondition of healthy social and economic growth in developing countries.

Stichting Health[e]Foundation attempts to realise this purpose by:

- providing explanations on the Foundation's work;
- raising funds;
- managing resources;
- entering into collaborative arrangements, and all other means which might assist in achieving the purpose.

1.2 *Management and personnel*

According to the Articles of Association, the Executive Board must consist of at least five individuals. A member of the Executive Board is appointed for a period of three years and may be reappointed without restriction. The directors receive no remuneration for their work. As at 31 December 2008, the following individuals were members of the Executive Board:

- Prof. dr. J.M.A. Lange, Chairman (CPCD, University of Amsterdam)
- Drs. H.F.F. Ex, Treasurer and Secretary (IATEC Amsterdam)
- Prof. dr. E.T. Katabira, member (Makerere University, Kampala)
- Prof. dr. M.M. Levi, member (Academic Medical Centre, Amsterdam)
- Prof. dr. P. Phanuphak, member (Chulalongkorn University, Bangkok)

	<u>Position on Executive Board</u>	<u>Year of (re- appointment</u>	<u>Planned year for leaving office</u>
Mr. prof. dr. J.M.A. Lange	Chairman	2003/2006	2009
Mr. drs. H.F.F. Ex	Treasurer and Secretary	2003/2006	2009
Mr. prof. dr. E.T. Katabira	member	2008	2011
Mr. prof. dr. M.M. Levi	member	2008	2011
Mr. prof. dr. P. Phanuphak	member	2008	2011

The Executive Board meets once each year, in May. Its specific task, in broad terms, is to exercise a supervisory function. The Executive Board also provides advice on the Foundation's policy as well as new training opportunities and the development of new programmes. A new board member will be co-opted in 2009, who has a more commercial background.

An average of four employees were employed by Stichting Health[e]Foundation in 2008, representing a total of 2,9 FTEs. Of this, 0,5 FTE had a permanent contract and 2,4 FTEs had fixed term contracts. Stichting Health[e]Foundation also uses stand-by workers. As at 31 December 2007, there were also 4 individuals who were employed, representing a total of 2,9 FTEs. In 2008, Ms Pakker and Ms Kakooza carried out local work in Uganda. They were hired in via CPCD, AMC Amsterdam.

1.3 Provisions under the Articles of Association

The Executive Board adopts the balance sheet and statement of income and expenditure within six months after the close of the financial year. The financial year coincides with the calendar year.

2. Fiscal matters

2.1 Public advancement institution

Stichting Health[e]Foundation received notification on 17 June 2008 from the Tax & Customs Authority that it was being regarded as a public advancement institution.

2.2 VAT

The foundation is regarded as a taxpayer for VAT.

2.3 Corporate Income Tax

The Foundation is not regarded by the Tax & Customs Authority as being liable to pay Corporate Income Tax.

3. Administrative matters

Jac's den Boer & Vink bv, a commercial and economic advisory bureau for non-profit organisations, was instructed to undertake the bookkeeping and prepare the Annual Financial Statements for 2008.

PricewaterhouseCoopers was instructed to undertake the audit of the 2008 Annual Financial Statements. The accountant's certificate is included in the Annual Financial Statements under the heading "Miscellaneous information".

4. Financing

The financing of the Foundation's activities is achieved through:

- a grant from the Ministry of Foreign Affairs;
- grant contributions from a range of different funds;
- payment of expenses by local organisations and institutions;
- all other revenue, such as interest income and donations.

5. Policy on volunteers

Stichting Health[e]Foundation regularly uses the services of volunteers in order to keep its costs down. These might, for instance, include authors who mostly donate their allowances to the Foundation for the modules they have written.

In 2008, a total of 17 authors wrote or adjusted modules. An author spends an average of 28 hours on writing or adjusting a module. That average hourly rate for these authors is € 150. Each author receives a volunteer's contribution of \$ 500. The remaining time spent by the authors is donated by them to Health[e]Foundation, which is more or less equivalent to € 65.110. Also, in 2008, a great deal of use was made of volunteers who helped to migrate the course content to the new software platform. The new courses and different translations were also added to this platform. They also helped in the preparation of training courses and conferences and in processing data following kick-off meetings or workshops, updating procedural guidelines and keeping the website up-to-date. During 2008, four volunteers each worked an average of three months at the office, amounting to an average of 0,5 FTE. Normally, a stand-by worker earns about € 20 per hour at Health[e]Foundation. By using these volunteers, Health[e]Foundation saved the sum of approximately € 21.000.

In addition to the use of volunteers at the office, local volunteers - mainly local doctors - are also used during on-site training courses. On average, four volunteers help with each training course, and this takes the form of presenting and facilitating the course. These volunteers spend an average of 10 hours on a single training course. An average hourly wage for these local volunteers would be € 30. Health[e]Foundation provided a total of 17 on-site training courses in 2008, representing a volunteer contribution of € 20.400.

Furthermore, in 2008, HIV[e]Ducation was translated into French and partly into Russian and Thai. Paediatric HIV[e]Ducation was translated into Spanish and Mental Health[e]Ducation was translated into Russian. The translators received payments of € 16.000 and € 6.000 respectively for the French and Thai translations. It costs on average € 2.000 to translate all of the text, including questions, for each module.

HIV[e]Ducation consists of 19 modules, Paediatric HIV[e]Ducation of 18 modules and Mental Health[e]Ducation of 16 modules. 65 modules in total were translated during 2008 (some modules into three languages). This was worth approximately € 130.000. The total paid was € 22.000, meaning that € 108.000 was saved through the use of volunteers' time.

By way of comparison, there were 10 on-site training courses in 2006 and 22 in 2007, meaning that 40 local volunteers helped out in 2006, and 88 in 2007. This represents a voluntary contribution of € 12.000 in 2006 and € 26.400 in 2007.

Furthermore in 2006 and 2007, 17 authors either wrote or adjusted a module, which is an annually recurring activity. The authors received a payment of \$ 250 in 2006, which was increased to \$ 500 from 2007. This means that, on average, € 37.060 was donated to Health[e]Foundation in terms of time in 2006, and € 33.600 in 2007, just as in 2008.

At the office level, five volunteers on average worked in the office during 2006 and 2007, with each of them working for an average of 200 hours. This amounted to annual savings of approximately € 20.000.

In contrast to 2008, no training programmes were translated through the efforts of volunteers in 2006 and 2007.

6. Policy for 2008

17 training courses took place in 2008, and the Health[e]Foundation team was out and about on average once a month, assisting with local training courses. A total of about 800 people were trained. In response to requests from participants and advice from experts, two new programmes were developed: TB[e]Ducation and Mental Health[e]Ducation. Because experience tells us that participants really appreciate being able to study in their own language, HIV[e]Ducation was also translated into French and partly into Russian and Thai, while Paediatric HIV[e]Ducation was translated into Spanish, and a start was also made on translating it into Portuguese.

The most important event in 2008 was the transition to a new software platform from Crossmarx. All training activities were suspended during the summer, because the content of all the courses had to be processed for this new platform. This new platform means that all Health[e]Foundation facilities, such as the website, e-learning platform and email traffic are now within the same system. This also means that the online and offline versions, the website and the portal can be better synchronised with each other.

7. Operation in 2008

The financial year 2008 closed with a negative operating balance of € 46.179; a negative operating balance of € 540.000 had been budgeted.

Revenue

Total revenue was € 66.105 lower than budget. Revenue from in-house fundraising remained € 132.885 below budget, explained to a large extent by the fact that the budgeted contributions for translations (total of € 78.000) were received in kind (through volunteer efforts) rather than in cash.

In addition, the contribution for 2008 from Stichting Cordaid was budgeted too highly and the contributions for HIV[e]Ducation training workshops remained below budget.

The contribution from the government is set at 65% of the total expenditure and, calculated at € 495.738 is therefore € 36.138 higher than budget. The promised grant amounts to a maximum of € 600.000 for 2008. The difference between the calculated contribution and the maximum contribution cannot be claimed, because the work in kind cannot be valued and audited by the accountant.

Furthermore, € 30.642 of non-budgeted interest income was achieved.

Expenses

Total expenses were € 559.926 lower than budget.

The cost of the training courses and associated activities ended up being € 742.288 lower than budget. The principal reason for this was the lower number of training courses undertaken. The transition to the new IT software platform meant that no training courses could be provided during the transitional phase. By contrast, this meant that the costs of a number of training programmes, such as Paediatric HIV[e]Ducation, were actually higher because the content had to be loaded on to the IT platform all over again.

As with revenue, costs not achieved through the input of volunteers, such as translations and content renewal, for instance, were budgeted for in the expenses budget.

Health[e]Foundation purchased more training materials locally and used more local workers in 2008. This was another reason why operating expenses were lower than the budget figures.

Personnel, accommodation, office and general costs as well as depreciation expenses were all higher than budget, because they were not estimated accurately enough at the time when the 2008 budget was being prepared. The costs of PR and conferences were € 15.535 above budget, because more conferences were attended in 2008 than had been predicted.

Summary of revenue and expenses in 2008, with expenses allocated to cost headings:

	Actual 2008	Budget 2008
	€	€
<u>Revenue</u>		
Revenue from in-house fundraising	190.115	323.000
Government grants	495.738	459.600
Revenue from investments	<u>30.642</u>	<u>0</u>
Total revenue	<u>716.495</u>	<u>782.600</u>
<u>Expenses</u>		
Activities	386.712	1.129.000
PR and conferences	45.535	30.000
Personnel expenses	192.908	132.600
Accommodation expenses	6.604	0
Office and general expenses	55.429	31.000
Depreciation	<u>75.486</u>	<u>0</u>
Total expenses	<u>762.674</u>	<u>1.322.600</u>
Operating result	<u><u>-46.179</u></u>	<u><u>-540.000</u></u>

8. Communication with stakeholders

Health[e]Foundation uses a variety of forms of communicating with all of its stakeholders. Communication with the participants primarily takes place via the web portal and the e-forum. During the three months of the private study period, we also use SMS messages to continue motivating individuals and provide them with information on, for example, any forthcoming workshops.

Communication with authors and local training partners mainly takes place by email, and very firm arrangements on financial matters, for example, are made by telephone.

Contact is maintained via email on a very regular basis with all local team members, and we also attempt to contact them by telephone at least every two weeks. A brief mailing is also sent out every two weeks, so that all team members can be kept aware of each other's activities, wherever they are in the world.

Communication with the most important financier, the Ministry of Foreign Affairs, primarily takes place via email. Meetings are set up twice a year with Lander van Ommen, Health[e]Foundation's contact, to discuss ongoing matters and make concrete arrangements. Personal arrangements are also made with other financiers at the start of a project, so that the details are clear and there are no misunderstandings. Regular contact is maintained during the course of a project by means of email. A written report is normally submitted on completion, depending on what the financier actually wants.

All stakeholders and parties who are involved receive a newsletter every two months containing information on recent activities and plans for the immediate future. An extensive annual report is published each year.

9. Key figures

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
Total spend on the purpose divided by the total revenues	100,4%	165,5%	75,3%
Costs of in-house fundraising divided by revenues from in-house fundraising	10,5%	3,9%	12,9%
Costs of management/administration divided by the total expenses	1,6%	0,6%	1,7%

10. Policy for 2009

The number of applications for training courses continues to grow. In order to be able to continue providing for all of these applications, a decision has been made to start delegating duties to local representatives in 2009. Because they operate locally, they can forge and maintain more effective contacts with new and existing training course partners. They are also an approachable contact point for participants who have questions or problems.

A sort of "no cure, no pay" agreement will be concluded with these local representatives: they will have to sort out their own groups to train and they will receive an amount agreed in advance once the training course is completed.

Health[e]Foundation Amsterdam will thus end up playing a facilitative role (supply of materials and study method) and also a supervisory role (quality and satisfaction).

In order to achieve greater independence from grant income and greater freedom in spending its funds, Health[e]Foundation will be increasing its efforts to generate its own income from 2009 onwards. This might involve income arising from training paying partners, as well as entering into relationships with profit-making organisations. The capital which is built up in this way will be spent on extending the global network of representatives.

11. Budget for 2009

The budget has been prepared under the responsibility of the Treasurer and is expected to be adopted at the meeting of the Executive Board on 18 May 2009.

In broad terms, this is what the draft budget for 2009 looks like:

	<u>Draft budget, 2009</u>
REVENUE	
Revenue from in-house fundraisi	178.000
Government grants	730.000
Revenue from investments	<u>10.000</u>
Total revenue (A)	<u>918.000</u>
EXPENDITURE	
<i>Spend on purposes</i>	
- Supporting improvement in healthcare	987.390
- Promoting the notion that good healthcare is a precondition for growth in developing countries	<u>100.368</u>
Total spend on purposes	<u>1.087.758</u>
<i>Raising revenues</i>	
- Costs of in-house fundraising	22.345
- Costs of obtaining government grants	<u>11.335</u>
Total for raising revenues	<u>33.680</u>
<i>Management and administration</i>	
- Costs of management/administration	<u>28.893</u>
Total expenditure (B)	<u>1.150.331</u>
Result (A - B)	<u><u>-232.331</u></u>

Amsterdam, 23 March 2009

prof. dr. J.M.A. Lange

drs. H.F.F. Ex

prof. dr. E.T. Katabira

prof. dr. M.M. Levi

prof. dr. P. Phanuphak

ANNUAL FINANCIAL STATEMENTS 2008

of

Health[e]Foundation

in

Amsterdam

A. BALANCE SHEET

<u>Ref.</u>	<u>31-12-2008</u>	<u>31-12-2007</u>
	€	€
ASSETS		
Fixed assets		
1.	150.590	225.886
2.	<u>2.400</u>	<u>0</u>
Total fixed assets	<u>152.990</u>	<u>225.886</u>
Current assets		
3.	76.385	74.483
4.	<u>867.076</u>	<u>817.677</u>
Total current assets	<u>943.461</u>	<u>892.160</u>
Total	<u><u>1.096.451</u></u>	<u><u>1.118.046</u></u>
LIABILITIES		
Reserves and funds		
5.	<u>236.632</u>	<u>282.811</u>
Liabilities		
6.	<u>859.819</u>	<u>835.235</u>
Total	<u><u>1.096.451</u></u>	<u><u>1.118.046</u></u>

B. STATEMENT OF INCOME & EXPENDITURE

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
REVENUE			
7.	190.115	323.000	293.261
8.	495.738	459.600	341.992
9.	<u>30.642</u>	<u>0</u>	<u>13.330</u>
	<u>716.495</u>	<u>782.600</u>	<u>648.583</u>
10. EXPENDITURE			
<i>Expenditure on purposes</i>			
- Supporting improvements in healthcare	629.415	1.237.105	412.231
- Promoting the notion that good healthcare is a precondition for growth in developing countries	<u>89.642</u>	<u>57.801</u>	<u>76.336</u>
Total expenditure on purposes	<u>719.057</u>	<u>1.294.907</u>	<u>488.567</u>
<i>Raising revenues</i>			
- Costs of in-house fundraising	19.890	12.601	37.743
- Costs of obtaining government grants	<u>11.220</u>	<u>6.966</u>	<u>0</u>
Total for raising revenues	<u>31.110</u>	<u>19.567</u>	<u>37.743</u>
<i>Management and administration</i>			
- Costs of management/administration	<u>12.507</u>	<u>8.127</u>	<u>9.025</u>
Total expenditure (B)	<u>762.674</u>	<u>1.322.600</u>	<u>535.335</u>
Result (A - B)	<u><u>-46.179</u></u>	<u><u>-540.000</u></u>	<u><u>113.248</u></u>

C. EXPLANATORY NOTE FOR THE BALANCE SHEET

General

Assets are held for the purposes of the Foundation, unless otherwise indicated.

Principles for the valuation of assets and liabilities

The annual financial statements for 2008 had been prepared in accordance with the "Guideline for reporting by fundraising institutions" (the Guideline). Guideline 650 issued by the Council for Annual Reporting, i.e the guideline for fundraising institutions, was followed when the annual financial statements were being prepared.

The assets and liabilities incorporated in the Balance Sheet are included at fair value unless stated otherwise. "Fair value" is understood to mean the amount received or paid at the appropriate time on settlement of the relevant entry.

	<u>31-12-2008</u>	<u>31-12-2007</u>
	€	€
1. <u>Intangible fixed assets</u>		
Research & development, HIV/AIDS programme		
Book value as at 1 January	225.886	301.182
Movements:		
- depreciation charges	<u>-75.296</u>	<u>-75.296</u>
Book value as at 31 December	<u>150.590</u>	<u>225.886</u>
Accumulated acquisition values	451.773	451.773
Accumulated depreciation	<u>-301.183</u>	<u>-225.887</u>
Book value as at 31 December	<u>150.590</u>	<u>225.886</u>

The intangible fixed assets comprise principally the development costs of the programme, consisting of self-guided modules, case studies, pre- and post-testing and a mechanism for course feedback, with the objective of making clinicians better equipped to start and keep patients on ARV therapy.

Intangible fixed assets are valued at cost price less cumulative depreciation. Depreciation commences from the date of acquisition. The rate of depreciation on intangible fixed assets is 16,67%.

The development costs for the HIV/AIDS programme can be charged against the HIV[e]ducation project as a result of a grant agreement relating to the project for doctors and healthcare workers, up to and including 2010, with the Dutch Ministry of Foreign Affairs. As a result of this, the depreciation period for these intangible fixed assets was amended to six years in 2006.

2. Tangible fixed assets

Tangible fixed assets are valued at their historical cost less depreciation based on their anticipated useful economic life. Depreciation is applied pro rata in the year of acquisition. The depreciation rate applied is 20%.

	<u>31-12-2008</u>
	€
Movements in 2008:	
- investments (computers)	2.590
- depreciation charges	<u>-190</u>
Book values as at 31 December	<u><u>2.400</u></u>
Accumulated acquisition values	2.590
Accumulated depreciation	<u>-190</u>
Book values as at 31 December	<u><u>2.400</u></u>

	<u>31-12-2008</u>	<u>31-12-2007</u>
	€	€
3. <u>Receivables</u>		
VAT	34.414	16.633
AIDS Fund contribution	20.000	0
Contribution from workshops	11.794	0
Interest	5.950	0
Pensions	1.666	8.643
Cordaid grant	0	30.000
Other receivables	<u>2.561</u>	<u>19.207</u>
Total receivables	<u><u>76.385</u></u>	<u><u>74.483</u></u>

All receivables are incorporated at full value.

4. <u>Cash and cash equivalents</u>		
Rabobank - savings account	592.877	101.977
Rabobank - deposits	150.000 *	650.000
Rabobank - current account	124.199	62.604
Cash in hand	<u>0</u>	<u>3.096</u>
Total of cash and cash equivalents	<u><u>867.076</u></u>	<u><u>817.677</u></u>

* A 3-month deposit was concluded on 17 October 2008, with the interest rate amounting to 4,65%.

5. <u>Health[e] Foundation purpose reserve</u>		
Balance as at 1 January	282.811	169.563
Results from the financial year	<u>-46.179</u>	<u>113.248</u>
Balance as at 31 December	<u><u>236.632</u></u>	<u><u>282.811</u></u>

	<u>31-12-2008</u>	<u>31-12-2007</u>
	€	€
6. <u>Short-term liabilities</u>		
Advance receipts of financing from the Ministry of Foreign Affairs - HIV[e]Ducation programme	796.270 *	692.008
Creditors	38.333	55.968
Holiday pay reserve	8.803	7.560
Wages tax and national insurance charge	5.767	4.347
Accrued accountancy fees	6.250	0
Accrued costs from 2007 for USB sticks	3.096	6.679
Other short-term liabilities	<u>1.300</u>	<u>68.673</u>
Total of short-term liabilities	<u><u>859.819</u></u>	<u><u>835.235</u></u>

* The difference between committed for 2008 (€ 600.000) and actual 2008 (€ 495.738) has been added to the prepayment.

D. EXPLANATORY NOTE ON THE STATEMENT OF INCOME & EXPENDITURE

Valuation principles for the Statement of Income & Expenditure

Income and expenditure attributable to the financial year has been included for the determination of the results, unless otherwise stated. Revenues are accounted for in the year in which they are achieved; losses as soon as they are foreseen.

	Actual 2008	Budget 2008	Actual 2007
	€	€	€
REVENUE			
7. <u>Revenue from in-house fundraising</u>			
Grants:			
- AIDS Fund	20.000	20.000	80.000
- Cordaid Foundation	60.000 *	100.000	30.000
- Tibotec	0	p.m.	67.113
- ICS	54.000	30.000	50.000
Mattel contribution	0	p.m.	19.130
Training workshops HIV[e]ducation	50.513	85.000	47.018
Contribution for Spanish translation	0	28.000	0
Contribution for French translation	0	25.000	0
Contribution for Russian translation	0	25.000	0
Community programme	1.790	0	0
Volunteer input	1.312	10.000	0
Other revenues	2.500	0	0
Total revenue from in-house fundraising	<u>190.115</u>	<u>323.000</u>	<u>293.261</u>

* In a letter dated 15 May 2008, the Cordaid Foundation promised a total of € 100.000 for 2008/2009. Of this, € 60.000 was received and realised in 2008.

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
8. <u>Government grants</u>			
Ministry of Foreign Affairs	<u>495.738</u> *	<u>459.600</u>	<u>341.992</u>

* Out of the grant of € 600.000 received from the Ministry of Foreign Affairs, € 495.738 is accounted for as revenue, representing 65% of the total expenditure. The grant recipient must demonstrate or at least make out a plausible case that at least 35% of annual expenditure for 2008 was paid from in-house resources and/or financial contributions from third parties.

9. <u>Revenue from investments</u>			
Interest from banks	<u>30.642</u>	<u>0</u>	<u>13.330</u>

10. EXPENDITURE

The explanatory note for expenditure commences on page 19 with the allocation of costs according to destination.

Explanation of allocation of expenditure - specification and allocation of costs according to destinations - actual for 2008

Principles for allocation of expenditure

1. *The basis for allocating expenditure is inherent in an annual assessment by Health[e]Foundation of the time per person per destination. The allocation calculated from the assessment is processed in both the budget and the actual figures for 2008.*
2. *Personnel expenses are allocated per individual in accordance with the estimate of time spent. The other personnel costs are added to individual salary costs by means of a percentage surcharge.*
3. *The cost heading for PR and conferences is allocated entirely to the purpose of 'Promoting the notion that good healthcare is a precondition for growth in developing countries'.*
4. *The cost heading of depreciation is allocated entirely to the purpose of 'Supporting improvement in healthcare'.*
5. *The amounts for the costs headings of accommodation expenses, office expenses and general expenses are allocated on the basis of FTEs. The budgeted number of FTEs is established on the basis of the estimated time spent per destination. The total allocation thus arrived at is followed by the allocation of the costs.*
6. *The method of cost allocation in 2008 is the same as the method applied to the budget for 2008 and actual for 2007.*

	Allocation						
	Expenditure on purposes		Raising revenues				Total
	Supporting improvements in healthcare	Promote the notion	In-house fundraising	Obtaining government grants	Investments	Management/administration	
<u>Expenditure</u>	€	€	€	€	€	€	€
Activities	386.712	0	0	0	0	0	386.712
PR and conferences	0	45.535	0	0	0	0	45.535
Personnel expenses	124.222	34.481	15.398	9.295	0	9.512	192.908
Accommodation expenses	4.577	1.025	478	205	0	319	6.604
Office and general expenses	38.418	8.601	4.014	1.720	0	2.676	55.429
Depreciation	75.486	0	0	0	0	0	75.486
Total	629.415	89.642	19.890	11.220	0	12.507	762.674

Supplement to explanation on expenditure

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
<u>Activities</u>			
Content renewal	169.782	205.000	28.139
Organisation and implementation per country	186.884	655.000	236.563
Implementation, monitoring and evaluation	1.484	0	0
Development of Paediatric HIV and Community programme	24.322	24.000	1.592
Development of TB and malaria programme	<u>4.240</u>	<u>245.000</u>	<u>1.530</u>
Total activities	<u><u>386.712</u></u>	<u><u>1.129.000</u></u>	<u><u>267.824</u></u>
- Content renewal			
Updating theory modules	15.160	60.000	1.518
Developing new module	24.647	0	0
Developing country specs	21.981	0	743
Translating modules	98.539	125.000	22.348
Participant portal	<u>9.455</u>	<u>20.000</u>	<u>3.530</u>
Total content renewal	<u><u>169.782</u></u> *	<u><u>205.000</u></u>	<u><u>28.139</u></u>

* Includes 85% (€ 11.977) of the recharged personnel costs for stand-by staff, amounting to € 14.091.

The updating of the theory modules and also the translation of the modules are carried out largely by authors and translators who mostly donate their allowances for the modules they write or translate to the Foundation. The budget figures include all costs, including volunteer time.

The costs of the renewed content, for both translations and newly developed modules, relate primarily to loading them on to the IT software platform with appropriate adjustments. This is why the IT costs are incorporated pro rata in the actual expenditure. We expect that these costs will be lower in 2009, because a new IT software platform was purchased in 2008, meaning that most of the content had to be reloaded on to it.

The participant portal was still in development at the close of 2008, so the costs were lower than budgeted. The participant portal will be implemented during 2009.

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
- Organisation and implementation per country			
Introductory workshop	54.204	85.000	30.004
Local personnel for introductory workshop	0	25.500	0
Materials and resources	35.067	170.000	92.880
Workshop	75.931	255.000	82.199
Local personnel for workshop	0	85.000	0
Evaluation per country	5.080	28.500	280
TOT Course	2.204	0	0
School workshops	<u>822</u>	<u>6.000</u>	<u>0</u>
Subtotal	173.308	655.000	205.363
Country coordinators	<u>13.576</u>	<u>0</u>	<u>31.200</u>
Total organisation and implementation per country	<u><u>186.884</u></u>	<u><u>655.000</u></u>	<u><u>236.563</u></u>

The cost of the training courses and associated activities ended up lower than had been budgeted. The principal reason for this was the lower number of training courses undertaken.

The transition to the new IT software platform meant that no training courses could be provided during the transitional phase. Training materials were also increasingly purchased locally, so that costs were reduced.

Health[e]Foundation also involved more local workers in 2008, who prepared and presented the training courses on site. This reduced the cost of flight tickets etc. The actual costs of the introductory workshop and Workshop include travel and accommodation costs and local personnel.

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
- Development of Paediatric HIV and Community programme			
Development of Community[e]Ducation	7.391	24.000	
Development of Paediatric HIV[e]Ducation	<u>16.931</u>	<u>0</u>	
Total development programme Paediatric HIV and Community	<u><u>24.322</u></u>	<u><u>24.000</u></u>	<u><u>1.592</u></u>

The costs of developing Paediatric HIV[e]Ducation ended up exceeding the budget because the transition to the new IT platform was not yet known about when the 2008 budget was set. This transition involved the whole programme having to be reloaded, which explains these unbudgeted costs.

By contrast, the costs of the Community[e]Ducation were lower than budgeted. The development phase started in 2008 and implementation will take place in 2009.

- Development of the TB and Malaria programme

Update and implementation of content guidelines and glossary	0	30.000	
New modules	0	30.000	
Development of country-specific epidemiological modules	0	60.000	
Development of TB[e]Ducation	<u>4.240</u>	<u>125.000</u>	
Total development of the TB and Malaria programme	<u><u>4.240 *</u></u>	<u><u>245.000</u></u>	<u><u>1.530</u></u>

* Includes 15% (€2.114) of the personnel costs for stand-by staff, amounting to € 14.091.

Virtually all of the modules in the TB[e]Ducation programme were written in 2008. The authors' allowances were largely donated to Health[e]Foundation, resulting in a reduction of the costs. Implementation in the IT software platform will take place in 2009.

The development of the Malaria[e]Ducation programme has been postponed until late 2009/early 2010.

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
<u>PR and conferences</u>			
AIDS meetings/conferences	<u>45.535</u>	<u>30.000</u>	
Total for PR and conferences	<u><u>45.535</u></u>	<u><u>30.000</u></u>	<u><u>40.234</u></u>

Health[e]Foundation had a presence in 2008 at the HIVNAT symposium in Bangkok, where the initial contacts were made for the training course in Pattaya in July 2008 and the training course in Indonesia in March 2008. There were discussions, during the CROI conference in Boston, with the authors and translators of the various training programmes. Initial arrangements were also made for the training course in El Salvador in May 2008. Health[e]Foundation provided a kick-off training course to the first group in Senegal during the INTEREST workshop in Senegal. Health[e]Foundation met the local training coordinator for Senegal at this conference. Initial contact was also made for a training course in Bangladesh, to take place in 2009.

Health[e]Foundation also took part in the World AIDS Conference in Mexico with a stand, a poster and a lunch presentation, at which the training coordinators from hospitals in South America in particular made an initial acquaintance with our training programmes. In December 2008, Health[e]Foundation took part, with a stand, at the World AIDS Day in Amsterdam, for contact with Dutch healthcare workers.

		<u>Actual</u> 2008	<u>Budget</u> 2008	<u>Actual</u> 2007
		€	€	€
<u>Personnel expenses</u>				
- Salary costs	<u>FTEs</u>			
Director (FvdW)	0,50	71.681		
Project Manager (DH)	0,80	37.856		
Programme Manager (LvK)	0,80	40.454		
Operational Manager (EE)	0,80	<u>38.075</u>		
Total personnel costs, time allocated	<u>2,90</u>	<u>188.066</u>		
Administration employee (RF)	0,06	2.147		
Administration employee (MT)	0,07	3.023		
Administration employee (RR)	0,21	6.943		
Office Assistant (MC)	0,03	<u>1.978</u>		
Total direct personnel costs	<u>0,37</u>	<u>14.091</u>		
Total salary costs	3,27	202.157		
Salary costs recharged to projects	<u>-0,37</u>	<u>-14.091</u>		
Total salary costs	<u>2,90</u>	<u>188.066</u>	<u>122.600</u>	<u>136.293</u>
- Miscellaneous personnel expenses				
Miscellaneous personnel expenses		<u>4.842</u>		
Total miscellaneous personnel expenses		<u>4.842</u>	<u>10.000</u>	<u>29.314</u>
Total personnel expenses		<u>192.908</u>	<u>132.600</u>	<u>165.607</u>

An average of 4 employees were employed by Stichting Health[e]Foundation in 2008, representing a total of 2,9 FTEs. Of these, 0,5 FTEs had a permanent contract and 2,4 FTEs had fixed term contracts. Stichting Health[e]Foundation also uses stand-by workers. As at 31 December 2007, there were also 4 individuals employed, representing a total of 2,9 FTEs.

Personnel costs were not budgeted accurately for 2008. This was partly because the budget did not include costs for pensions, national insurance charges and holiday pay. Furthermore, the 2008 budget included part of the personnel costs as project costs.

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
	€	€	€
<u>Accommodation expenses</u>			
Rental	<u>6.604</u>		
Total accommodation expenses	<u><u>6.604</u></u>	<u><u>0</u></u>	<u><u>11.867</u></u>
 <u>Office and general expenses</u>			
Outsourcing of administration	24.672		21.627
Accountants' fees	20.338 *		3.553
Postage and telephone expenses	4.801		0
Management costs (meetings, travel and accommodation)	1.251		12.317
Computerisation	0		393
Bank expenses	1.336		0
Miscellaneous office and general expenses	<u>3.031</u>		<u>0</u>
Subtotal	55.429		37.890
Travel and accommodation expenses	<u>0</u>		<u>11.913</u>
Total office and general expenses	<u><u>55.429</u></u>	<u><u>31.000</u></u>	<u><u>49.803</u></u>

* Relates to € 6.250 for the audit of the 2008 annual financial statements and € 14.088 for accountants' expenses for 2007.

The accountants' expenses were not included in the 2008 budget.

Depreciation

Depreciation on research & development HIV/AIDS programme	75.296		
Depreciation of tangible fixed assets	<u>190</u>		
Total depreciation	<u><u>75.486</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

E. KEY FIGURES

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
1. Total spend on the purpose divided by the total revenues	100,4%	165,5%	75,3%
2. Costs of in-house fundraising divided by revenues from in-house fundraising	10,5%	3,9%	12,9%
3. Costs of management/administration divided by the total expenses	1,6%	0,6%	1,7%

Health[e]Foundation operates with great cost awareness and considers that it is both effective and efficient. The actual costs of in-house fundraising and administration remain below the level of 2007.

CASH FLOW SUMMARY

	<u>2008</u>	
	€	€
Opening balance, cash and cash equivalents		<u>817.677</u>
<u>Cash flow from commercial operations</u>		
Operating result	-46.179	
Depreciation	<u>75.486</u>	
Total cash flow from commercial operations		29.307
<u>Cash flow from investment activities</u>		
Investments in tangible fixed assets		-2.590
<u>Cash flow from financing activities</u>		
Movement in short-term receivables	-1.902	
Movement in short-term liabilities	<u>24.584</u>	
Total cash flow from financing activities		<u>22.682</u>
Increase in cash and cash equivalents		<u>49.399</u>
Closing balance, cash and cash equivalents		<u><u>867.076</u></u>