



**REPORT AND
ACCOUNTS 2018**



ABOUT FRONTLINE AIDS

Frontline AIDS wants a future free from AIDS for everyone, everywhere.

Around the world, millions of people are denied HIV prevention, testing, treatment and care simply because of who they are and where they live.

As a result, almost 2 million people were infected with HIV in 2017 and almost 1 million died of AIDS-related illness.

Together with partners on the frontline, we work to break down the social, political and legal barriers that marginalised people face, and innovate to create a future free from AIDS.

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Cover photo

Margaret Gakii, 30, (right) a sex worker who uses drugs in Watamu, Kenya is so happy to have Sauda Musa (left), both as her counselor and also her friend. She says: "She is amazing, she doesn't discriminate us for the work we do and understands when we get relapses. She hugs us and shares in our hearty jokes. Sauda is adorable."

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WE ARE HERE, ON THE FRONTLINE OF

LEADERSHIP



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01

MESSAGE FROM OUR CHAIR

We are at a critical moment in the global response to HIV and AIDS. We have made greater progress than many of us could have imagined 30 years ago. Yet the end of the epidemic in many parts of the world still feels like a distant hope.

Latest UNAIDS data shows that new HIV infections remain stubbornly high at almost two million annually and AIDS-related illnesses continue to claim almost one million lives every year. We are also facing a challenging external environment, with the realities of declining funding for HIV and AIDS alongside a drive to integrate HIV into broader health service structures.

That's why we need change. And it is why I am proud to chair the Board of an organisation committed to focusing energy, ideas and innovation on many of the most difficult challenges associated with the epidemic. This also means that we focus with precision – and passion – on the people and communities that funders and policy makers find hardest to relate to and easiest to overlook or ignore. I am also proud that we have changed. The results you will find in this report were achieved when we were known as the International HIV/AIDS Alliance. Our identity served us well for 25 years, but we recognised the need to refresh and refocus to ensure we continue to play a leadership role in the HIV response.

Our final year as the International HIV/AIDS Alliance saw us build on the considerable achievements from the past quarter century. Through our partners, more than 5.3 million people were reached with HIV prevention services, 1.6 million people were able to access HIV treatment, care and support, and 16 of our Linking Organisations (LOs) contributed to 10% or more of their countries' national coverage for HIV prevention, treatment or care.

Our results are built on a strong foundation of partnership. In 2018, we worked with 32 LOs in 27 countries, as well as a multitude of public and private sector partners to deliver high quality programming and powerful advocacy. Our commitment to working with those on the frontlines of the epidemic is stronger than ever. We will seek new partnerships and ways of working to ensure we are in the right places and supporting the local and national leadership that is required to end the HIV epidemic.

We focus with precision – and passion – on the people and communities that funders and policy makers find hardest to relate to and easiest to overlook or ignore.

Through our partners, more than 5.3 million people were reached with HIV prevention services and 1.6 million people were able to access HIV treatment, care and support.

Our work in 2018 saw a major focus on human rights with some encouraging victories in an increasingly difficult environment. In May, Jason Jones, with support from our Rapid Response Fund, secured the repeal of colonial-era anti-homosexuality laws in Trinidad and Tobago (a case that could have far-reaching implications across the Caribbean). In September, the Indian High Court repealed section 377, decriminalising same sex activity between consenting adults. While we have seen positive progress on lesbian, gay, bisexual and transgender (LGBT) rights in many countries, we have major concerns about women's reproductive rights elsewhere. Our research in Cambodia and Malawi indicates that the Mexico City Policy, reinstated and expanded by the Trump Administration, has led to chaos and confusion among healthcare providers and their clients and reducing access to vital HIV services.

We also play a leadership role in global HIV advocacy. Our Executive Director, Christine Stegling, continues to push the links between HIV and sexual and reproductive health and rights in her role as a SheDecides champion. Christine also remains an active member of the Global Prevention Coalition that we helped catalyse. Global advocacy for HIV is of utmost importance and the Trustees fully support the Charity's aims to play a leadership role in global conversations.

Financially, Frontline AIDS is on a sound footing. 2018 was an investment year, with continued delivery of high-quality programming, the launch of our new identity and the rollout of new systems to strengthen our controls and value for money in our work. We performed ahead of budget and continue to maintain the right balance of reserves to ensure financial sustainability, whilst investing the resources needed to deliver our strategy.

Our new identity marks the start of an exciting new era for us. It is about much more than a new name and logo, it goes to the very heart of our organisation, how we engage with partners and funders, and, crucially, where we focus our energy. In the coming months, we will launch a new global strategy to set out our unique contribution over the next few years. We will adapt our partnership model to ensure we are able to deliver on the strategy.

Our new identity manifests a deliberate decision to put marginalised people at the centre of everything we do. We know that the frontlines of HIV can be anywhere: from a sex worker's outreach clinic in Malawi to a needle and syringe programme in La Paz; from a LGBT activist march in Kyiv to the high court in India. At all these frontlines people living with, or at risk of acquiring, HIV are facing, and often overcoming, barriers that prevent them from accessing services that keep them healthy.

In closing, I gratefully pay tribute to my predecessor, Martin Dinham. During his tenure as Chair, Martin guided the organisation through one of its most challenging periods. Thanks in great part to his courage, wisdom and leadership, we have emerged from that period with the foundations to make a major contribution to the next phase of the HIV response.

Thank you for taking the time to read our report. I hope that you are as inspired by learning about our results as much as we were fulfilled in delivering them.



Warren Buckingham III



Our new identity manifests a deliberate decision to put marginalised people at the centre of everything we do.



02

STRATEGIC REPORT

An overview of who we are and what we do, a review of our achievements and performance in 2018, and a summary of our objectives for 2019.

Who we are

Frontline AIDS ('the Charity') is registered with the Charity Commission for England and Wales. The Charity functions as the secretariat for a global partnership of independent, nationally based Linking Organisations (LOs) committed to joint action, working with communities through local, national and global action on HIV, health and human rights ('the Partnership'). The Charity re-branded at the beginning of 2019 and all results in 2018 were achieved under our former name, International HIV/AIDS Alliance. The organisations in the global Partnership work together with one goal in mind – a future free from AIDS for everyone, everywhere.

We've been on the frontline of the world's response to HIV and AIDS for 25 years, working with marginalised people who are often denied HIV prevention and treatment simply because of who they are and where they live.

Set up in 1993 to work with community groups in the countries most affected by the global AIDS epidemic, we've continually adapted our approach, looking for innovative ways to break down the barriers that marginalise people living with, or at risk of acquiring, HIV.

Everything we do is rooted in our two key beliefs:

-  **That the lives of all human beings are of equal value.**
-  **That everyone has the right to access the HIV information and services they need for a healthy life.**

Today, we work with communities in more than 40 countries, taking local, national and global action on HIV, health and human rights.

Together, we've made a lot of progress, but HIV is spiking again among the people with the least power. In 2017 there were 1.8 million new HIV infections and almost 1 million people died of AIDS-related illness.

The epidemic hasn't gone away. It's evolving. So, we must keep evolving too. Working with our partners on the frontline we ignite innovations that help break down the social, political and legal barriers that stand in the way of a future free from AIDS.

As a global partnership that is open to everyone, we can only do what we do – and achieve what we want to achieve – by working with partners from grassroots community groups to national governments. Our partners drive change where it matters, shaking up the status quo and making a noise about the issues the world often chooses to ignore.

We know we can make the difference. We know that together we are greater than AIDS.

 **JOIN US. END IT.**



Gcebile, Phetsile, Ntsiki and Sipho are Community Adolescent Treatment Supporters (CATS), and Winile is a CATS mentor, in Swaziland.

The history to change the future

From the very beginning of the International HIV/AIDS Alliance 25 years ago, we decided to take a long-term view. We chose to tackle the HIV epidemic by championing community-led programming and south-to-south cooperation. After a quarter of a century of collective action, we have accumulated a wealth of experience and expertise across four continents.

The first decade as the Alliance was about linking up, learning participation and learning to speak out. Our second decade was about learning to work at scale, learning to integrate and learning to be sustainable. Over the past five years, we have learnt to adapt to significant changes in the external environment, especially in terms of political commitment and funding, whilst continuing to deliver high quality programming and advocating for the rights of those who face marginalisation.

The founding vision for the organisation was to use community ideas and knowledge to reach more people with HIV prevention and care, when treatment was still not available. As the epidemic has evolved, so have our programmes. In many countries, our work has expanded to cover emerging rights issues, sexual reproductive and health (SRH), harm reduction and co-infections, such as tuberculosis (TB). We have innovated and evolved our approaches with the strong backbone of southern leadership. We've done this through our network of national partners who are increasingly working across borders at regional and global levels.

Since 1993 we have grown from an organisation that initially helped thousands of people to a partnership that provides programmes and services for millions of people every year.

Our impact is delivered at scale by a solid network of national partners and community-based organisations (CBOs), many of whom are accredited LOs. The accreditation system ensures that all LOs meet high standards of governance and organisational management, and that their HIV programming follows good practice. Through our evolving partnership model, we aim to be more flexible and responsive to changes in the epidemic by working with new partners, and working with existing partners in new ways, to ensure we continue to drive innovation and impact.

We have spent decades on the frontline of global HIV and human rights advocacy. This has not always been easy. Despite pressure from governments, we have continued to advocate for those whose rights are not respected. For example, the US government threatened to stop funding us over accusations of 'pro prostitution' activities in 2005. More recently, we decided to refuse US funding in response to their reinstatement and expansion of the Mexico City Policy. Our advocacy has led to drug policy changes in Ukraine, reform of homophobic laws in Asia, Africa and the Caribbean, and increased support for access to HIV prevention, treatment and care in Kenya.

Our current secretariat-led programmes are a result of working with communities and understanding their vision. The **Resilient and Empowered Adolescents and Young People (READY)** partnership is empowering teens and young people in Africa to talk openly about the challenges they face and how HIV impacts their lives. The **Partnership to Inspire, Transform and Connect the HIV response (PITCH)** is transforming the way organisations advocate on HIV at national level in nine countries. In addition, the **Rapid Response Fund** continues to provide life changing and often life-saving emergency support to LGBT people who are facing danger or barriers simply because of who they are.

We know we cannot stand still. In 2018 we committed to making significant changes across our global partnership. We undertook a major organisational rebrand, resulting in our new identity; we are working on a new global strategy that will direct our partnership's efforts over the next three years; we are reviewing our operating model to ensure we have the flexibility and dynamism so innovation reaches people who need it wherever they are; and we have developed a tool to define where we should work, based on the state of the epidemic and the civil society space in specific countries.

In February 2019 we revealed our new identity. Most visibly, this sees us move from being the International HIV/AIDS Alliance to Frontline AIDS. However, our new brand is about more than our name, it is about what we stand for and what we will do. We know that the HIV epidemic is changing and that the most marginalised people around the world are more likely to be living with or affected by HIV. We are deliberately refocusing to ensure we are working with the most marginalised people, whether they be sex workers, adolescent girls and young women, LGBT people, men who have sex with men or people who use drugs. We will take an intentional approach to new partnerships, working with anyone who can help us to achieve the goals of our new strategy, from CBOs to corporate partners. We will also take a deliberate approach to fundraising, exploring new spaces for the organisation, including individual giving and public fundraising. We strongly believe that our bold new identity will help us to attract new partners. Our credibility from 25 years on the frontline of the HIV epidemic truly means we have the history to change the future.

We are ready for an exciting first year as Frontline AIDS. Alongside our longer-term work on our strategy and partnership model, we will launch a number of new programmes in 2019. First, our Global Fund-supported programme across five countries in the Middle East and North Africa will begin. This programme will strengthen the capacity of civil society to advocate for changes that will break down the barriers facing marginalised people in their countries. We will also work on two UK Aid Connect programmes. The first will support more effective civil society cooperation to hold leaders to account, while the second will focus on sexual and reproductive health and rights for marginalised people living in areas of conflict and fragility.

We will use a range of international platforms to advocate for improved human rights, better programming and an expansion of the space for civil society to operate in-country. We will be present at important global events, such as the Porto Harm Reduction Conference, Women Deliver, the High-Level Meeting on Universal Health Coverage, and the International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA). All of these events will provide opportunities for us to talk about the realities on the ground in various countries, highlight impactful programming and share our vision for how we can secure a future free from AIDS for everyone, everywhere.

Alongside this, the Charity will continue to implement existing programmes such as READY and PITCH. We will also seek to raise additional funding for the Rapid Response Fund to place it on a sustainable footing for years to come.

State of the epidemic¹

At the current pace, the internationally endorsed UNAIDS Fast Track targets for HIV will not be achieved.

People are still dying of AIDS-related illnesses

In 2017 AIDS-related illnesses claimed the lives of 940,000 people. Despite a 34% decline in AIDS-related mortality since 2010, the world remains a long way from the 75% reduction needed to meet the Fast Track target of fewer than 500,000 AIDS-related deaths annually by 2020.

TB remains the leading killer of people living with HIV, leading to 300,000 deaths in 2017. Worryingly, 60% of people who start HIV treatment are not screened, tested or treated for TB.

The decline in AIDS-related deaths between 2010 and 2017 was the greatest in southern and eastern Africa (42%) but has been far less in other regions. In Eastern Europe and Central Asia there was no decline, while AIDS-related deaths increased by 11% in the Middle East and North Africa.

In 2017 AIDS-related illnesses claimed the lives of 940,000 people.



Marginalisation is driving a crisis in HIV prevention

UNAIDS reported that an estimated 1.8 million people acquired HIV in 2017. At the current rate of progress, the Fast Track target of fewer than 500,000 new infections annually by 2020 will be missed.

Just under half of new infections in 2017 were among people from key populations - such as sex workers; men who have sex with men; people who use drugs; and lesbian, gay, bisexual or transsexual people - and their sexual partners. There is little disaggregated data to understand the prevalence of HIV amongst transgender people specifically.

1.8 million people acquired HIV in 2017.



The main reasons for the crisis in HIV prevention among these people are punitive laws (including criminalisation), stigma and discrimination, and low availability and accessibility of services leading to lower testing rates and treatment coverage.

People living with HIV cannot access services for good health and wellbeing

In 2017 almost 37 million people were living with HIV globally although approximately a quarter did not know their status. Of these 21.3 million people had access to treatment, leaving a gap of more than 15 million people whose health was threatened by not knowing their HIV status or not being on treatment.

Progress along the testing and treatment continuum needs to be accelerated in Asia Pacific and Caribbean regions and coverage greatly improved in Eastern Europe and Central Asia, the Middle East and North Africa, West and Central Africa.

More than 15 million people's health was threatened by not knowing their HIV status or not being on treatment.



With more people living with, and ageing with, HIV, there is greater need to focus on quality of life and other health needs, including mental health.

¹ Data in this section from UNAIDS 'Miles to Go' report (2018) unless otherwise stated. https://www.unaids.org/sites/default/files/media_asset/miles-to-go_en.pdf

The barriers to ending AIDS are everywhere

The sense of complacency around ending AIDS remains at dangerous levels. Despite remarkable progress, international funding and political will is gradually ebbing away.

The effects of the US government's Mexico City Policy, also known as the 'global gag rule', have already been seen in parts of Africa and Asia, with a closing of US-funded clinics that offer maternal health services, HIV treatment, and counselling on sexual violence.

Domestic funding for HIV is not rising fast enough and is mostly focused on treatment - often with limited commitment by national governments to support those most marginalised.

Restrictive human rights environments remain an impediment to scaling up HIV services. LGBT people continue to be targeted, with gay men being killed in Chechnya, and imprisonment on grounds of sexual orientation still occurring, including in Cameroon² and Tunisia.³

People who use drugs are frequently subject to custodial sentences, whether in prisons or in 'compulsory rehabilitation centres'. In Ho Chi Minh City, Vietnam, there are more than 11,000 people being held in such centres and being subject to hard labour.⁴ Trends in Latin America and Asia show an increasing proportion of incarcerated women are sentenced for drug-related offences.

Technological innovation in terms of digital and mobile technology provides hope and better access to information, but there is no cure or vaccine yet and few alternatives to condoms.

Restrictive human rights environments remain an impediment to scaling up HIV services.

² Flaminia Delle Cese, 'Cameroonian Man Persecuted for Being Gay Granted Refugee Status in Italy' Liberties <https://www.liberties.eu/en/news/cameroon-man-persecuted-sexual-orientation-refugee-status-italy/15751> accessed 26 March 2019

³ Amnesty International UK, 'Marwan Freed After Being Imprisoned in Tunisia - For Being Gay' (12 Jan 2018) <https://www.amnesty.org.uk/tunisia-gay-rights-marwan-student-freed-imprisoned-lgbti> accessed 26 March 2019

⁴ Penal Reform International, Global Prison Trends 2018 (2018) https://cdn.penalreform.org/wp-content/uploads/2018/04/PRI_Global-Prison-Trends-2018_EN_WEB.pdf accessed 27 March 2019

AIDS HAS NOT GONE AWAY.

THE EPIDEMIC IS EVOLVING.

AND SO MUST WE.



OUR 2018 HIGHLIGHTS



WE PRODUCED EVIDENCE FOR ADVOCACY

We produced evidence such as *Ungagging Abortion: Safe Abortion in the Context of HIV* and a study on the impact of the Mexico City Policy, *Early Warning Signs*, to advocate for the sexual and reproductive rights of women and the most marginalised. We contributed to important policy processes such as the Gutmacher-Lancet Commission.



WE SUPPORTED YOUTH LEADERSHIP

At AIDS 2018 we supported youth leadership and shared research including systematic reviews on HIV stigma and gender-based violence amongst adolescents and young people.



WE FOSTERED CROSS-CONTINENTAL LEARNING

Government officials and Global Fund implementers from Kenya, Tanzania and Uganda travelled to China to learn about local innovations for HIV prevention among people who use drugs, including take-home methadone.



WE HELPED OVERTURN REPRESSIVE LAWS

We worked with our partners to overturn anti-homosexuality laws in Trinidad and Tobago (a case that could have far-reaching implications across the Caribbean), and in India (where section 377 was repealed). In Guyana, the Rapid Response Fund supported Guyana Trans United to overturn the 'cross-dressing' law.



WE REACHED 2,5 MILLION PEOPLE WITH SRH SERVICES

Through our partners, we exceeded our sexual and reproductive health and rights (SRHR) target by 150%, reaching 2.5 million people with integrated HIV and SRH services.



WE SPURRED ACTION ON UNIVERSAL HEALTH COVERAGE

We convened HIV civil society in Hanoi, Vietnam, to define strategies for Universal Health Coverage (UHC). We launched a call to action for HIV and the most marginalised to be included in UHC.

Photos:

- 1 © REUTERS/Andrea de Silva,
- 2 © Gemma Taylor for Frontline AIDS,
- 3 © Corrie Wingate for Frontline AIDS,
- 4 © Frontline AIDS,
- 5 © Baby Rivonia for Frontline AIDS,
- 6 © Charlie Baran for Frontline AIDS

Achievements and performance

The Frontline AIDS strategic results framework indicators and targets underwent minor revisions in 2018. The indicators and annual targets had not been reviewed since 2015 and since then there have been many changes to the HIV response worldwide. Some targets proved to be too conservative, others too ambitious (especially in a context of declining funding). With approval from the Board of Trustees and our strategic donors, minor changes were made to the wording of some indicators (to better represent our changing model) and some targets were revised. The aim was to keep the changes to a minimum to allow for meaningful comparisons of the data over time.

→ RESULT 1

Healthy people: Increase access to HIV and health programmes

Under Strategic Response 1, we are increasing the coverage, scope and quality of HIV programmes, including harm reduction and SRHR initiatives, focusing on the most marginalised. We endeavour to make health services available, accessible, acceptable and of good quality, for everyone, everywhere.

The reality is that many marginalised people struggle to access acceptable and good quality health services because of prohibitive laws and policies (homosexuality, sex work and drug use are criminalised in many countries), stigma and discrimination by health care providers, and lack of information. We work to bridge this gap by reaching marginalised people with information, health education, essential HIV prevention kits (e.g. condoms, lubricants and clean injecting equipment), signposting and referrals to services, psychosocial support, and antiretroviral therapy (ART) adherence support. In parallel, we work with healthcare providers to make their services more accessible and friendly to marginalised people.



DEEP ENGAGEMENT GRANTS IN MOZAMBIQUE AND UGANDA

Nobody should be denied healthcare because of their sexual orientation or gender identity.

In **Uganda** and **Mozambique**, we're running two Elton John AIDS Foundation-funded programmes to improve access to HIV and sexually transmitted infection (STI) prevention, care and treatment services for LGBT people.

Peer educators, essential for reaching people in these programmes, have mobilised people for HIV and STI testing, conducted health education, distributed condoms and lubricants, signposted to services and provided follow-up support. Through these programmes, we have also built the capacity of health facilities to provide effective, stigma-free services.

Since the programmes began, we have reached:

- 13,615 people with HIV testing
- 562 people who now know their HIV-positive status
- 390 people who have now started on antiretroviral treatment

By combining community and peer-led responses with behavioural and biomedical approaches we have been able to reach men who have sex with men and transgender people. These people are often hard to reach in settings where punitive laws and stigmatising public attitudes push them underground. Once reached we have provided HIV testing and access to care and treatment.

A woman with dark hair and glasses, wearing a white scarf and a red patterned top, is smiling warmly while holding a baby in a yellow outfit. They are positioned in front of a red wooden door with a metal latch. A green arrow points from the text box to the woman.

Pintoo, WINGS programme coordinator and outreach worker in Manipur, India during a home visit to a client.

KEEPING WOMEN WHO USE DRUGS SAFE

WINGS, or **Women Initiating New Goals for Safety**, is a novel approach to reducing violence against women. It's used in a programme run by India HIV/AIDS Alliance that works with women who use drugs, who are particularly vulnerable to violence and to HIV.

When people look at violence against women they often only look at physical violence or sometimes psychological violence. However violence can also be social and economic. Some of the women we work with do not even realise they are facing violence. Being called bad names, being harassed, for them, it's a way of life – they cry over it, but they live with it – they see it as normal.

For instance, one woman who participated in the WINGS programme in India was being forced to give all of the money she earned to her partner. He harassed her every day, sometimes physically, sometimes verbally. We asked her what she needed. She told us that by living with the man she was safer than she would have been on the streets, but she

wanted to save her money and have her partner be less physically violent towards her.

We carried out a mapping exercise to look at the nearest people she could turn to for help and support. We learnt she had neighbours who were worried about her. They could hear the chaos but felt unable to support her because she never asked for help. We encouraged her to make an arrangement with them so that if she made a sign, such as knocking on the wall twice, they would know she was in need of help.

We also asked her what the setting of her room was like and whether there was anywhere she could put her money where her partner wouldn't find it. We put these tactics into a plan, which we reviewed together every 30 days, and slowly things began to improve. The beauty of the WINGS model is that it works with people at an individual level.

By Pemu Bhutia, India HIV/AIDS Alliance

Number of...

Frontline AIDS countries contributing 10% or more of the national coverage for HIV prevention, care or treatment, as reported to national HIV coordinating bodies or based on population size estimation

Result 14
Target 12

In more than half ⁵ of the 24 countries where we have a Linking Organisation (LO), those organisations are significant actors in the HIV response ⁶. Prevention with key populations is where the Partnership is making the largest contribution to national targets. Sex workers are the population group most commonly reached in significant numbers. However, this might be because there are far fewer population size estimations for men who have sex with men and transgender people.

Number of...

Adults, adolescents and children accessing HIV treatment, care and support

Result 1,618,680	Target 1,500,000
Women 789,230	
Men 793,836	
Trans ⁷ 5,042	

We have seen a slight increase compared with 2017 in the number of people provided with HIV treatment, care and support. Where disaggregated data is available, the group most commonly reached were sex workers (almost 11,000) followed by men who have sex with men (MSM) (over 5,000). 17% of those reached were under 24 years. As in previous years, the total reach figure was largely driven by the Global Fund *Vihaan* programme in India implemented by India HIV/AIDS Alliance.

Whilst 15 LOs reported increases on this indicator compared with 2017, overall global reach has decreased (outside of the Indian *Vihaan* programme). This is mainly attributed to the ending of a number of programmes (such as those funded by the Global Fund or USAID). For example, in Myanmar funding reductions meant Mahamate this year could only provide care and support services to 20% of the people living with HIV (PLHIV) they reach. This care and support only focused on ART follow-up for adherence rather than the wider services we know are needed for people to be retained in care and achieve a good quality of life.

The reduction in our reach is sometimes as a result of governments taking over service provision. Whilst on the face of it this is a positive development, questions remain about the quality of services. We fear that, in some settings, services are being scaled back to very basic levels, with a possible negative impact on long term retention in care and therefore on people's survival.

In 2018 the Partnership also reached more than 6.9 million people with TB services. Although the majority of these people (just over 5 million) were reached in India through Health Institute for Mother and Child (MAMTA), Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA au Burkina Faso (IPC), NACOSA (Network turning the tide on HIV/AIDS and TB in Southern Africa), India HIV/AIDS Alliance, and Alliance for Public Health in Ukraine (APH) all reached more than 100,000 people with TB services.

⁵ The countries are Bolivia, Botswana, Burkina Faso, Cambodia, Côte d'Ivoire, El Salvador, Ethiopia, India, Morocco, Myanmar, Namibia, Senegal, Uganda and Ukraine.

⁶ This figure is made up of two different types of data: the contribution of each Linking Organisation to national HIV targets and the percentage of key populations they reach (based on population size estimates). They are counted if they report 10% or more to either of these measures.

Number of...

People provided with integrated HIV/sexual and reproductive health services	Result 2,505,621	Target 1,000,000
	Women 1,832,951	
	Men 621,638	
	Trans⁷ 14,395	

This is an increase on our 2017 reach, although MAMTA in India remains by far the largest contributor to this figure, reaching more than 1.2 million people. Sixteen LOs reported increases on this indicator compared with 2017, and six LOs reached more than 100,000 people with integrated HIV/SRHR services. Of those reached globally with integrated HIV/SRHR services, 48% were under the age of 24. More than 200,000 people living with HIV and 143,000 sex workers were reached.

KHANA, the LO in Cambodia, reported that the number of people reached had been impacted by reductions in funding as a result of their non-compliance with the Mexico City Policy. However the decision not to comply has resulted in a slight increase on the reach of their SRH services.

Number of...

People from key population groups reached with a defined package of targeted HIV prevention activities (sex workers, men who have sex with men, transgender people and people who use drugs)	Result 782,312	Target 850,000
	Sex workers 289,661	
	Men who have sex with men 175,717	
	Trans⁷ 27,805	
	People who use drugs 293,326	

In total we reached 5,188,969 people with HIV prevention activities in 2018, one-third of whom were under the age of 24.

- LOs who reached more than 10,000 sex workers: IPC, NACOSA, KHANA, India HIV/AIDS Alliance, APH
- LOs who reached more than 10,000 people who use drugs: APH, Supporting Community Development Initiatives, in Vietnam (SCDI), India HIV/AIDS Alliance and Organisation of Social Services for Health and Development, in Ethiopia (OSSHD)
- LOs who reached more than 10,000 men who have sex with men: India HIV/AIDS Alliance, Mahamate, APH, Kimirina (in Ecuador).

LOs who reached more than 8,000 trans⁷ people: Kimirina and India HIV/AIDS Alliance

We reached 227,126 people who use drugs with needle and syringe programmes.

⁷ The terms Trans⁷ includes all transgender, non-binary, and gender nonconforming identities, including (but not limited to) transgender, transsexual, transvestite, gender queer, gender fluid, non-binary, third gender, hijra, trans man, and trans woman.

Number of...

LOs scaling up the use of prevention, biomedical and information and communications technology (ICT) that increase access to, and use of, HIV services contributing to improved health outcomes

Result 15
Target 18

This indicator is a proxy for innovation within Frontline AIDS, where innovation is defined as the provision of, or referral to, the following services: voluntary medical male circumcision (VMMC); pre-exposure prophylaxis (PrEP); post exposure prophylaxis (PEP); HIV self-testing; direct acting antivirals (DAAs) for Hepatitis C treatment; information and communications technology (ICT); and differentiated ART delivery models. The latter is a new category added in 2017 and measures the number of people living with HIV that have been supported to access ART through a differentiated service delivery model.

Fifteen LOs were counted as contributing to this indicator, ten of whom provided at least one of these services for the first time. For example, in 2018 CANGO (Coordinating Assembly of NGOs, in Swaziland) reached 445 people with a differentiated ART delivery strategy involving support groups and community ART strategies. For example, one member of a group can collect ART from the health facility on behalf of other members. All members get a chance to collect ART on a rotation basis, which gives each member a chance to go through a health practitioner's assessment to promote adherence.

The most common innovations provided by LOs are mobile and/or web-based initiatives, provision of PrEP and PEP. There was no scale up of DAAs for Hepatitis C treatment in 2018, but VMMC services were provided by Community Health Alliance Uganda (CHAU) in 2018 (in 2017 no LOs provided VMMC).

We are conscious that this indicator doesn't capture the broad scope of innovations we are proud to initiate and foster, and we are working on different ways to measure this for 2019 and beyond.

Number of...

LOs who have documented ability to track their contribution along the HIV care cascade

Result 23
Target 20

The HIV continuum of care, also known as the HIV treatment cascade or HIV care cascade, is a framework used to describe and monitor the consecutive steps, from initial diagnosis to sustained viral suppression. In 2018 LOs provided or referred almost 2 million people to HIV testing and counselling, and more than 119,000 people were linked to HIV care.

Twenty-three LOs reported that they are able to track their contribution to at least two steps on the care cascade. Of those, six LOs reported that they can track individuals along the whole care cascade: from the first stage of being tested and diagnosed as HIV positive, to being linked to HIV care for a first assessment, to starting ART, and where possible, to achieving viral suppression.

LOs provided or referred almost 2 million people to HIV testing and counselling, and more than 119,000 people were linked to HIV care.

➔ **RESULT 2**

Stronger health and community systems: Support community-based organisations to be effective and connected elements of health systems

Number of...

LOs making documented improvements to their organisational capacity, governance and programme quality as a result of Frontline AIDS' capacity building and organisational development initiatives (including accreditation and internal audit)

Result 15
Target 22

Fifteen LOs documented improvements in areas of organisational capacity, governance and programming through accreditation and audit in 2018.

Three LOs were accredited in 2018: CANGO, MAMTA and APH. This comes to a total of 29 LOs accredited since the start of Cycle 2, and 315 areas for improvement that have been addressed. During 2018 LOs addressed 37 accreditation standards. In addition, as a result of internal audits, 163 recommendations were made, of which 138 have already been addressed by LOs.



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RESPONDING TO HUMAN RIGHTS VIOLATIONS IN MENA

Khaled* fled Morocco after being stabbed because he was transgender. He had also been rejected by his family after undergoing gender reassignment surgery. In 2018 he travelled to Tunisia where he received medical, psychosocial and housing support from Tunisian Association for Justice and Equality (Damj) and Association Tunisienne de Lutte contre les MST SIDA (ATL), two local CBOs that support migrants and LGBT people.

In the relatively more open context of Tunisia, Khaled has found a new home and network of friends and peers. He has been granted refugee status and is now free to be himself.

Khaled's story was captured by Damj, an implementing partner of our Rights to Equality

programme in the Middle East and North Africa (MENA). Through this programme, which ran from 2017-2018, Frontline AIDS built the capacity of CBOs to document and respond to human rights violations using the **Rights, Evidence, Action (REAct)** system. Through a new **Global Fund regional programme in MENA**, we will continue building community and health systems, supporting the most marginalised people, and advocating to change laws and policies that criminalise people and create barriers to HIV services. This will mean more people can access the HIV services they need, and live free and healthy lives.

**Not his real name*

In addition to accreditation and internal audit, during 2018 the Charity worked directly with 74 implementing partners who are not LOs. They have all gone through detailed capacity assessments and have subsequently all made organisational management improvements.

For 2018 we changed this indicator to focus on annual improvements made, rather than cumulative improvements made since the start of the strategy. Our target of 22 organisations making improvement therefore may have been ambitious given that the majority of LOs have already passed Cycle 2 of accreditation, and thus already demonstrate good practice in governance, management and programming.

Percentage of ...

CBOs receiving grants through Frontline AIDS that achieved planned programme and financial targets.

Result 95%
Target 86%

In 2018 the Partnership supported more than 1,000 community-based organisations with financial and/or technical support.

Seventeen LOs reported that on average 95% of the CBOs they support achieved their programme and financial targets. This indicates how well Frontline AIDS-supported CBOs are performing. It is a proxy indicator based on the assumption that if an LO builds the capacity of a CBO, an outcome will be that the CBO is better able to meet its own targets and be more effective. Six LOs reported that all of the CBOs they support achieved their targets.



**IT'S
STILL
HERE.**

**END
AIDS
NOW.**

**IT STILL
MATTERS.**

Some examples of the kinds of support LOs have provided to CBOs in 2018 include:

- In Indonesia, Rumah Cemara's technical assistance on accessing domestic funding led to one of their partners being successful in getting the commitment from the House of Representative at a city level to increase funding for harm reduction.
- Botswana Network on Ethics, Law and HIV/AIDS (BONELA) developed the capacity of three organisations in human rights, financial management, monitoring & evaluation, report writing and capacity to be meaningfully engaged in Global Fund processes.
- In Ethiopia, Organisation of Social Services for Health and Development (OSSHD) provided training in economic strengthening and the establishment of village savings and loan association groups.
- In Namibia, Positive Vibes supported the legal registration of five LGBT led organisations as trusts, making them eligible for funding from various donors and government entities.
- In Zimbabwe, Family AIDS Caring Trust (FACT) supported the strengthening of CBO M&E systems, documentation and research skills. This has resulted in joint operational research on children without birth certificates.

Number of..

Peer review journal articles that inform programming or analyse Frontline AIDS' contribution to improved health outcomes for key populations, young people (15-24) and women and girls

**Result 52
Target 46**



Winnie Nyawira, 32 (l) and Phoebe Kanana, 35, (r) are sex-workers in Watamu, Kenya. Before they prepare to go work, they have a conversation:

"Remember we have to negotiate for safer sex without provoking violence. In as much as we are sex workers we need to protect ourselves and our clients. It's a good idea to educate them why it's important to have protected sex, don't you think?"

Across the Partnership, 52 peer reviewed journal articles were published in 2018.

Topics include:

- A global research agenda for adolescents living with HIV
- Contraceptive needs among women who inject drugs
- Formative qualitative research supporting the feasibility of peer outreach for drug users in Dakar, Senegal
- Neurocognitive impairment among HIV positive MSM and transgender women in Peru
- Feasibility of oral rapid tests to improve HIV screening of pregnant women in rural India
- Acceptability of future rectal microbicides among MSM in India
- Community preparedness for PrEP among hijra/transwomen in India
- Social support needs among adolescents living with HIV in transition from paediatric to adult care in Cambodia
- Treatment advocate tactics to expand access to antiviral therapy for HIV and viral hepatitis C in low to high income settings in Ukraine.

In 2018 we have also been working on improving access to, and understanding of, existing evidence to help inform programming. For example, the growing availability of ICT in sub-Saharan Africa offers the possibility to complement and enhance HIV prevention, treatment, care and support services and programmes. But there is scant evidence of what works and why in this newly emerging area. Through the ViiV Positive Action funded programme we have completed the first ever **evidence review** on the use of ICT in HIV programming with and for MSM and transgender people in sub-Saharan Africa.

Percentage of ...

CBOs receiving grants through Frontline AIDS to deliver programmes that submitted timely reports according to national guidelines

Result 90%
Target 85%

This indicator measures the extent to which CBOs supported by LOs are able to report directly to their national governments. It is a proxy for capacity: showing that the CBO has strong enough systems to be able to report directly themselves in line with national requirements (rather than via the LO), and that they are also contributing to the national response. Fifteen LOs reported data against this indicator.



ACCREDITATION

In 2018 Frontline AIDS launched updated accreditation standards (Cycle 3) and developed an online accreditation system in Salesforce. Our accreditation system is the backbone of a strong partnership. It's how we guarantee standards and ensure a shared vision and values across the Partnership.

The new accreditation standards were designed to be more rigorous and include a new priority thematic area. A gender and gender-based violence technical area was introduced, along with a new dedicated standard on person-centred programming. Within the Organisational Management Area, a new standard on data protection was added. A new essential criterion on beneficiary accountability mechanisms was also included to respond to a recommendation in the strategy evaluation and from donors that beneficiaries should drive programme design and delivery. In light of recent safeguarding incidents elsewhere in the sector, and as part of a broader exercise conducted by Frontline AIDS, the standards have also been reviewed and strengthened to ensure compliance with all relevant safeguarding guidance.

Salesforce was chosen as the platform to manage the entire accreditation process from end-to-end; from self-assessment to peer review, team visits to the final report. In 2018 Salesforce was introduced organisation-wide to serve as a database of information on LOs, stakeholders and organisational contacts. There is a huge benefit to the accreditation tool being a part of a wider Frontline AIDS' system, as any information about LOs can be easily shared across the organisation and be of use to many other functions and users.

We will be reviewing accreditation in line with the changes we make to our partnership model in 2019. We aim to adapt the accreditation standard so that it is fit-for-purpose for a range of partners, providing due diligence, assurance and capacity building across the partnership model.

Chisomo is a Packachere outreach worker supporting sex workers in Mchinji, Malawi. She refers the women for sex-worker friendly SRHR services.

RESULT 3

→ **Inclusive and engaged societies: Advocate for HIV, health and human rights**

We continue to make an important contribution to international discussions about the right to good health for marginalised people. In 2018 we were particularly focused on the rights of women to make decisions about their bodies. We published a discussion paper **Ungagging Aborting: Safe abortion in the context of HIV**, which detailed the importance of safe abortion and post-abortion care for women living with and most affected by HIV, as well as providing an overview of the global legal and policy framework for safe abortion.

We were particularly focused on the rights of women to make decisions about their bodies.

Our work to demonstrate the impact of the expanded Mexico City Policy saw fieldwork undertaken in Cambodia and Malawi. Through a Sida-funded **study**, researchers interviewed marginalised people, health workers and non-governmental organisation (NGO) representatives. All of those interviewed painted a picture of confusion and interruption in HIV services for marginalised people in both countries.

During AIDS 2018 we focused attention on the often difficult relationship between law enforcement and people who use drugs. We hosted a lively panel discussion in Amsterdam, where community leaders and police from Indonesia, Kenya, Mozambique, Myanmar, Nigeria, Uganda, Vietnam and Zimbabwe shared examples of how relationships could be improved and the importance of greater education and sensitisation for officers. This was followed by a visit to Amsterdam Police Department where senior officers shared their experiences of a public health approach to policing. Their approach sees greater collaboration across all agencies with a view to tracking and supporting those who come into contact most regularly with police.

Ahead of AIDS 2018 we arranged a south-south **learning trip on harm reduction** for partners in China and Africa. Delegates were hosted in Yunnan province by AIDS Care China, where they were shown a take-home methadone programme that enables people to access their treatment via high tech boxes known as 'intelligent medical chests'.

In 2018 the Global Fund invested US\$ 68.4 million to support work across our Partnership.

Our working relationship with the Global Fund continues to flourish. In 2018 the Global Fund invested US\$ 68.4 million to support work across our Partnership. Through our engagement at all levels, from the Board to the Country Coordinating Mechanisms, we are pushing the Global Fund to sustain and increase its investment in communities, ensuring funds reach those who are at risk of being left behind in national plans. We are also providing technical support to Global Fund grantees through Frontline Technical Assistance.

Number of...

Frontline AIDS countries where LOs and implementing partners are making significant, evidence-based contribution to developing or improving policies which impact the lives of people affected by HIV

**Result 23
Target 20**

Examples of some of the advocacy successes Frontline AIDS' partners contributed to in 2018 include:

- Our advocacy and support for LGBT rights around the world brought heartening success in three countries in 2018. The Rapid Response Fund supported campaigners in Guyana to **challenge a cross-dressing law** that had been used to criminalise transgender people. The Fund also helped Jason Jones in his **case against the Government of Trinidad and Tobago**, which led to the country's High Court removing laws prohibiting same-sex relationships. In India, a landmark ruling announced by the country's Supreme Court decriminalised homosexuality between consenting adults. Both Humsafar Trust and India HIV/AIDS Alliance campaigned for this and a writ petition was submitted.
- In Cote d'Ivoire the platform of civil society organisations working on HIV and health, led by Alliance Nationale Contre le SIDA en Côte d'Ivoire (ANS-CI), successfully advocated to prevent the demolition of one of the main treatment centres for TB in Abidjan.
- Through PITCH in Mozambique, LAMBDA (an organisation advocating for the rights of LGBT) has become a member of the Ministry of Health and National AIDS Council technical working group for key populations, where they are now involved in the development of policy and national strategy formation at the national level.
- FACT contributed to the new public health act in Zimbabwe. They successfully lobbied for recognition of the need to decriminalise HIV transmission.
- In Vietnam a decree on voluntary addiction treatment was released as a result of SCDI's advocacy efforts over almost two years. People who are enrolled in voluntary drug treatment will now have 70% of their costs covered, with a simplified enrolment and a minimum treatment period reduced from one year to six months. SCDI worked closely with the Department of Social Vices Prevention to input into the decree.

Number of...

Countries where the Partnership has technically or financially fostered advocacy with organisations and representatives of adolescents, women and girls and key populations

Result 37

Target 40

Number of...

Countries where the Partnership is playing a role in holding governments to account in upholding human rights, enabling universal access to services and increasing domestic financing of the national HIV response

Result 37

Target 39

As part of holding governments to account for providing universal access to services, we engaged in dialogue about Universal Health Coverage (UHC) at the national, regional and global level. Supported by PITCH, we organised a UHC Workshop in Hanoi, Vietnam in November 2018, which was attended by 40 participants from 22 countries. The workshop offered an opportunity for civil society participants to identify the risk and opportunities of UHC and discuss strategies and advocacy actions to ensure that the HIV response and the needs of the most marginalised are addressed in the provision of UHC. The partners developed four recommendations about UHC:

- **Ensure marginalised people are not left behind**
- **Engage civil society in the global debate**
- **Follow a human rights-based approach**
- **Learn lessons from the HIV response**

At the national level, a number of LOs engaged in UHC dialogues and strategies. CHAU participated in the Uganda national debate on UHC hosted by Makerere University. CHAU was also invited by the Ministry of Health budget technical working group for a meeting that discussed the country road map for UHC in February 2019.

In Cambodia, KHANA also joined the Country Dialogue on commitments toward achieving universal health coverage 2030 marking Universal Health Coverage Day. The Dialogue brought together more than 100 health NGOs in Cambodia, the World Health Organization (WHO), Global Fund Country Coordinating Committee, UNAIDS and the Ministry of Health.

In Nigeria, incoming LO, Education as a Vaccine (EVA) joined the Health Sector Reform Coalition to successfully advocate for the government to budget for UHC using a 1% Consolidated Revenue Fund. EVA also supported youth advocates to lobby for the inclusion of adolescent and young people's health concerns, especially SRHR, in the UHC package.

Number of...

Countries where Frontline AIDS has documented and responded to individual cases of violence and discrimination through emergency responses, legal services or other

Result 20
Target 25

In 20 countries, 38 Frontline AIDS partners have documented and responded to individual cases of violence and discrimination through emergency responses, legal services or other responses. REAct and the Rapid Response Fund are examples of systems or processes used by Frontline AIDS' in addition to a range of other approaches by LOs.

The most common type of human rights interventions undertaken by partners in 2018 were stigma and discrimination-related activities and sensitisation of lawmakers and law enforcement officials (provided by 29 partners) followed by legal literacy (26 partners). The least common response is strategic litigation (11 partners).

Number of...

People reached by programmes addressing stigma, discrimination and social exclusion

Result 353,168
Target 500,000

In 2018 the Partnership reached 353,168 people with programmes addressing stigma and discrimination; this includes programmes reaching those coping with stigma and discrimination, and individuals who are key to reducing stigma and discrimination, such as police. More than 96,000 people living with HIV, 43,000 men who have sex with men and 30,000 sex workers were reached globally. Police and health workers were the most commonly reached groups of state actors.

Asociacion Atlacatl Vivo Positivo in El Salvador (Atlacatl), ANS-CI and AIDS Care China all reached more than 40,000 people.



SANCTUARY FOR GAY FATHER AND HIS SON

Matofu and his 10-year-old son Suphi were no strangers to persecution. The pair had fled Uganda because Matofu faced daily threats due to his sexuality and they settled at Dzaleka Refugee Camp in Malawi. There they suffered extraordinary homophobic abuse, including dead dogs piled on their doorstep and faeces thrown through the kitchen window onto their cooking. Matofu was chased, beaten and stabbed by men with machetes. When he reported the incidents to the camp's police, they taunted and humiliated him further.

In early 2017 the attackers switched their focus to Suphi. First, he was beaten with a metal rod and just days later he was drugged and taken to a local cemetery where a grave had been dug for him. The attackers planned to bury Suphi alive. He was saved with minutes to spare when his father, who was looking for him, heard his muffled cries.

In desperation, Matofu contacted Malawi's Centre for Human Rights and Rehabilitation (CHRR), which

received funding through the Rapid Response Fund. CHRR connected with other international partners to arrange for Matofu and Suphi to be taken to a safe house. A year later they were officially recognised as refugees and in April 2018 Matofu and Suphi moved to Canada to begin a new life.

The Rapid Response Fund helps with urgent situations where lesbian, gay, bisexual and transgender people (LGBT) and men who have sex with men (MSM) struggle to access HIV services because of stigma and discrimination – often leading to threats and violence. Grants of up to \$20,000 are available to civil society organisations that are led by, or work with, LGBT people and/or MSM. Organisations can apply to support themselves, or individuals, whose situation meets the criteria for the grants.

Suphi with a toy provided when he moved to the safehouse in Malawi.

PITCH

Through the **Partnership to Inspire, Transform and Connect the HIV response (PITCH)** we have been able to achieve some significant changes in the legal and policy environment affecting the rights of marginalised people in nine countries most affected by HIV.

Our efforts to convince governments to reverse their punitive approaches to drug use and to instead focus on public health and human rights have yielded significant results in several countries. In Mozambique, strategic advocacy by PITCH partners contributed to the government making a landmark statement at the 2019 Ministerial Segment and the 62nd Commission on Narcotic Drugs (CND), declaring their intention to decriminalise drug use. This was an important milestone in a process involving engagement with key government actors at national level, coupled with engagement through international policy forums. In Mozambique, PITCH partners' engagement resulted in the chair of the government's drug control department participating in the first-ever east Africa harm reduction conference in Kenya. Later in the year, the same government dignitary participated in a PITCH event at AIDS 2018 where they learnt from peers about alternative, non-punitive approaches to drug use. With support from International Drug Policy Consortium (IDPC), PITCH's Mozambique and Indonesian partners gave oral evidence at the ministerial civil society hearings, organised by the Civil Society Task Force of the ministerial segment. We have also seen positive results from our advocacy around drug policy in other PITCH countries. In Myanmar, the parliament passed a new drug policy that takes a public health and a more rights-based approach to drug use. Furthermore the government have asked PITCH partner Mahamate to help disseminate the new approach. In Nigeria and Uganda, the respective governments have responded to evidence put forward by civil society and approved the countries' first ever harm reduction programmes. This progress will potentially have an enormous impact on the lives of people who inject drugs in the two countries (in Nigeria, an estimated 80,000 people inject drugs; in Uganda there is no national population size estimate yet), where to date no needle and syringe programmes nor opioid substitution therapy have been available.

We have seen significant achievements upholding the human rights of LGBT people. In Kenya in March 2018, PITCH partner the National Gay and Lesbian Human Rights Commission (NGLHRC), played an important role in a landmark hearing at the Court of Appeal in Mombasa. The hearing ruled that forced anal testing on men suspected of engaging in consensual anal sex is illegal. In a country where gay sex is illegal and punishable by 14 years in jail, this is a fantastic achievement.

In Indonesia, PITCH partners representing LGBT and sex workers succeeded in removing articles criminalising extramarital sex (which would criminalise same-sex sex and sex workers) from a proposed revised penal code promoted by the government. They also achieved an agreement to suspend discussions about the penal code reform during the 2019 national elections, to avoid escalating scapegoating of LGBT and sex workers.

In a joint effort by PITCH and Bridging the Gaps, we undertook an important piece of research into the level of attention paid to HIV in the Universal Period Review (UPR). The UPR is a human rights monitoring mechanism whereby UN Member States review each others' human rights situation. This research has been a key tool to increase knowledge and capacity among civil society to use the UPR mechanism in their advocacy work.

The research will play a critical role in mobilising states and UN agencies to help profile HIV and marginalised people related issues into the Human Rights Council. Following the publication of the research, Kenya PITCH partners organised training for groups of marginalised people, and a community committee was set up to advocate for the implementation of the UPR recommendations.

During the time of Nigeria's third UPR cycle, PITCH partners mobilised civil society around focused advocacy asks and advocated with like-minded government diplomatic missions in Geneva. This resulted in strong recommendations about ending discrimination based on sexual orientation and gender identity. Although unlikely to be accepted by the government, the recommendations can be used by country partners for advocacy purposes later in the process.





PITCH policy summit, 2018. © Nine Hoeve

AIDS 2018 was a significant moment for PITCH. We brought public health and law enforcement government officials from PITCH countries together with PITCH partners. This provided an opportunity for officials to learn from each other and to engage with marginalised people from their respective countries, as well as learning about different policies and approaches to, for example, people who use drugs, sex workers and LGBT people. This event resulted in continuing positive engagement between PITCH partners and government officials in several instances. We're continuing these dialogues through events such as the International Conference on Law Enforcement and Public Health, the Commission on Narcotic Drugs, the International Harm Reduction Conference, and the regional AIDS conferences in 2019.

We continuously strive to develop PITCH partners' capacity to deliver effective advocacy. In 2018 PITCH began an exciting collaborative photography and advocacy training initiative with PhotoVoice, a UK-based charity, in Myanmar, Nigeria and Uganda. The training provided by PhotoVoice has helped PITCH partners in all three countries to produce creative and compelling images that communicate the impact of the HIV epidemic on marginalised people, and the importance of guaranteeing equality of access to HIV related services.

PITCH is a strategic partnership between Aidsfonds, Frontline AIDS and the Dutch Ministry of Foreign Affairs, and is funded by the Dutch Ministry of Foreign Affairs as part of their Dialogue and Dissent programme. It runs between 2016 and 2020.



➔ **RESULT 4**

Foundations for impact

Southern leadership

In 2018 we continued to strengthen southern leadership across the partnership. Southern leadership is core to how we work, and partners from all over the world led a range of policy and programme work.

Two LOs took the lead on the partnership's HIV/TB work and formed a Frontline AIDS TB Working Group. In September 2018 Andriy Klepikov, the executive director of APH, and Choub Sok Chamreun, the executive director of KHANA, represented Frontline AIDS at the UN High-Level Meeting on TB. They launched a joint statement that was endorsed by 32 LOs and the secretariat. The statement called for: TB to be integrated with HIV services and within Universal Health Coverage; for effective and affordable TB treatment; and for accountability mechanisms to ensure that governments are reaching the most marginalised people affected by HIV and TB. In 2018 Frontline AIDS' partners provided almost 7 million people with TB services.

In 2018 we embedded structures to ensure that southern partners played a key role in decision-making at Frontline AIDS. The Leadership Advisory Group (LAG), which is comprised of eight LO Directors representing different geographical regions, were central to leading the partnership and providing guidance and direction to the secretariat's investment in Southern leadership development. In 2018 this included feeding into the rebrand and changes to the partnership model, and presenting these views at the Charity's Board of Trustees meeting.

The LAG also served as the oversight body for the leadership bursary Scheme. Based on the recommendations of the 2017 review of leadership development Initiatives, in 2018 we launched the Leadership Bursary Scheme. Five individuals who play a leadership role in their respective LOs received a bursary. Three leaders from Myanmar, Vietnam and Cambodia attended the Leadership and Management in International Development offered by IMA International. One leader from India used the bursary to facilitate an annual team building and organisational development session in Delhi. The event was attended by 73 staff members. One leader from Ethiopia completed the Harm Reduction Academy, a six-month global learning, dialogue and skills building course established with the vision to end AIDS and Hepatitis C among people who inject drugs (organised by APH, LO in Ukraine).

In 2018 we embedded structures to ensure that southern partners played a key role in decision-making at Frontline AIDS.

Five individuals who play a leadership role in their respective LOs received a leadership bursary.

Global Technical Assistance

Frontline Technical Assistance provides rapid, responsive and high-quality support to organisations who need advice and guidance to improve the way they work. Much of this technical assistance involves sharing information, expertise and skills transfer with organisations implementing Global Fund programmes. It helps them to improve the delivery of HIV, TB and malaria programmes, and to improve the inclusivity, performance and oversight of Country Coordinating Mechanisms. Frontline Technical Assistance provides a foundation for organisations within and beyond the partnership to provide high-quality HIV and health services to people who need them most.

In 2018 we delivered 34 assignments, which included 47 individual missions in 25 countries. We organised and facilitated three workshops. This included diversifying beyond Global Fund-related assignments to provide support to CBOs funded by ViiV Healthcare on organisational capacity building, prevention of mother to child transmission programmes, and partnering skills.



© Arkar Kyaw

MYANMAR: LAST COUNTRY OFFICE TRANSITIONS TO AN INDEPENDENT LINKING ORGANISATION

The International HIV/AIDS Alliance in Myanmar (Alliance Myanmar) started its operations in 2004 as a country office of the Charity.

In 2018 Alliance Myanmar successfully managed a transition period with the support from the secretariat and is now a national organisation with strong and effective governance and management systems. The secretariat provided support in the transition of employee contracts and HR processes, the development of updated policies for new organisational risk management, time sheet management, grant management, and overhead cost recovery. This makes it the final country office to become an independent national LO. It is now called Mahamate, which means 'Alliance' in local Myanmar language. The staff and board are comprised entirely of local experts.

Since 2004 its focus on working with and building the capacity of organisations led by marginalised people and in innovating service delivery models has enabled it to do pioneering work on HIV prevention, testing, care and treatment, and addressing structural barriers to accessing HIV services. From its early days, it has nurtured and supported the development of marginalised people and PLHIV networks in Myanmar.

Mahamate has also been a trusted partner and sub recipient of the Global Fund for many years and is currently providing onward granting, continuous monitoring and technical support

to 36 CBOs and networks. Mahamate currently reaches approximately:

- **12,500 men who have sex with men, 8,700 sex workers, 900 transgender people and 5,300 people who use drugs with targeted HIV prevention activities**
- **21,400 mostly young people with sexual and reproductive health services**
- **Nearly 4,000 people offering access to treatment, care and support**

The Charity was the Global Fund grant sub recipient and held legal and fiscal responsibility for this grant with the country office managing implementation. As part of the transition process the grant was fully transitioned to Mahamate. Mahamate has subsequently been awarded further grants from their Global Fund Principal Recipient and from other donors.

In a challenging context, it is impressive that PITCH partners and Mahamate are managing to operate, influencing different policies, and working well with government. For example, Mahamate actively engaged in the development of the new, less punitive drug policy that was launched in Myanmar, in February 2018.

Mahamate was accredited as an LO in January 2019. This involved going through a rigorous assurance process and meeting a range of technical and governance standards.

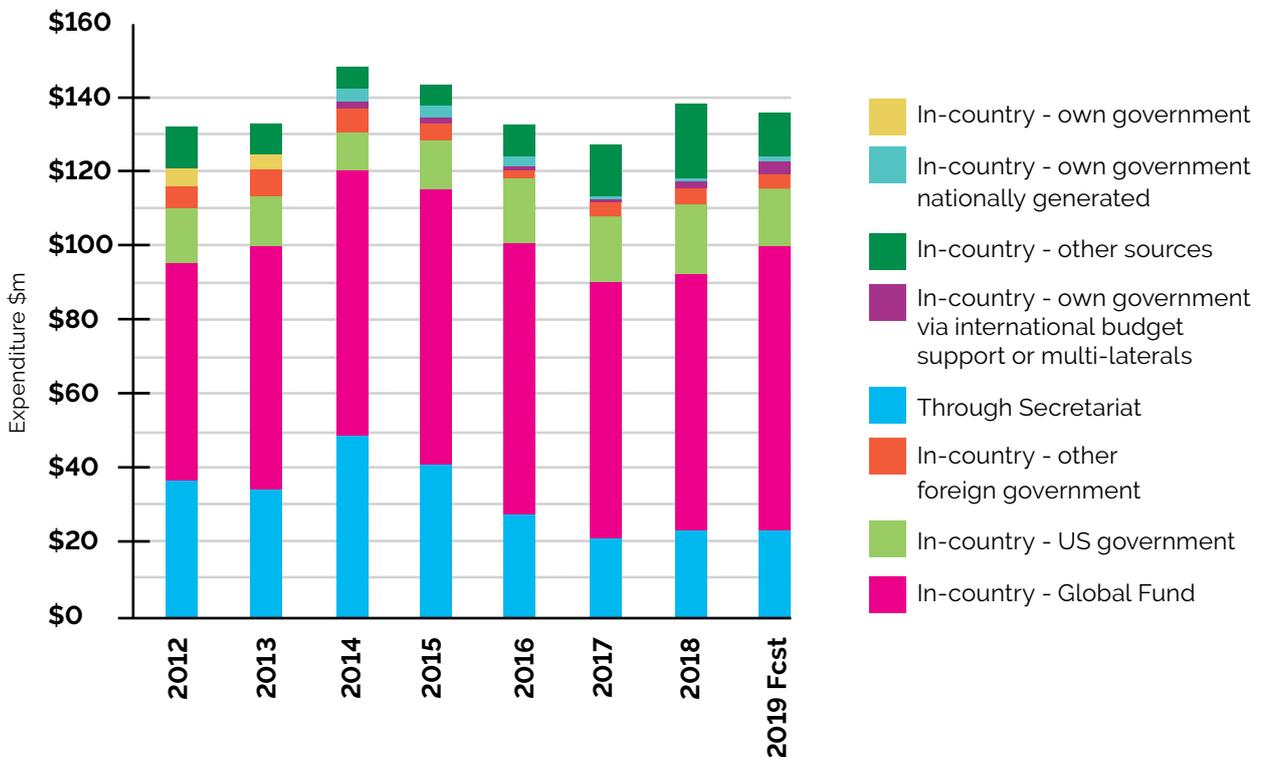
Financial review

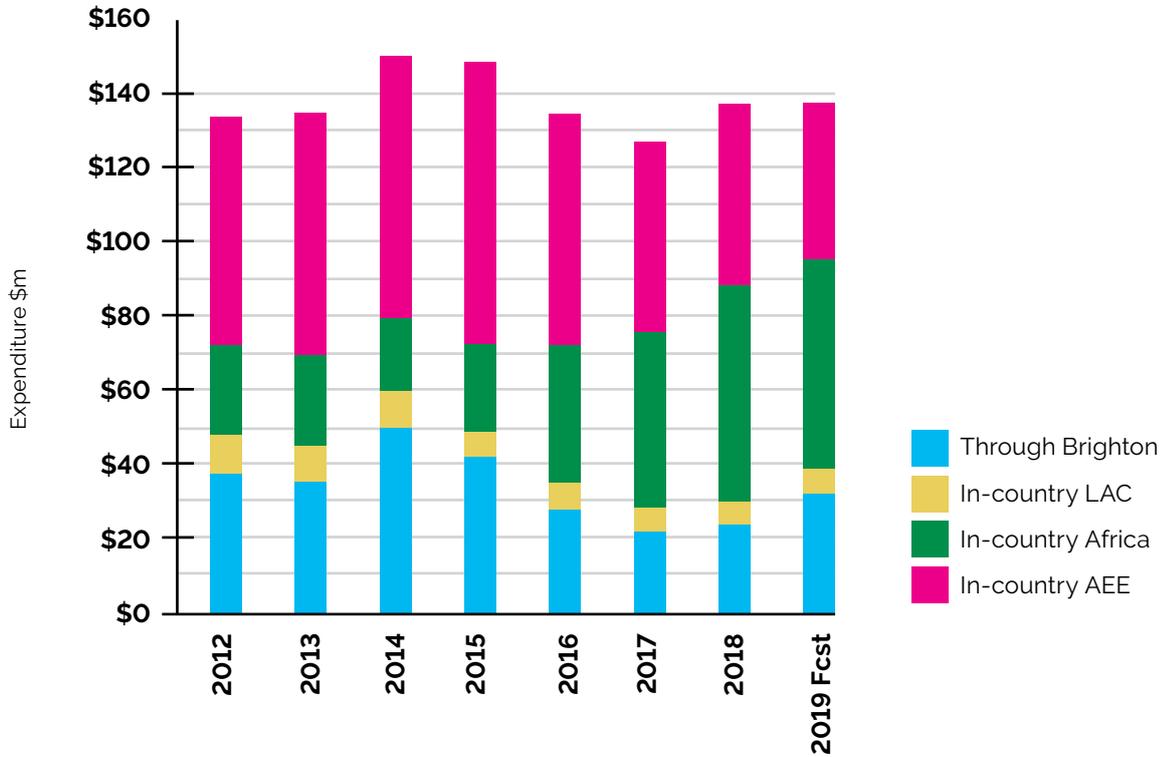
→ Frontline AIDS partnership accounts

The financial statements of the Charity and its group on pages 49 to 70 have been prepared in accordance with company law, as described above.

Frontline AIDS is a global partnership comprising the Charity and independent LOs. These LOs are legally independent entities not controlled by the Charity and therefore their accounts are not consolidated within the Charity group accounts. However, the Frontline AIDS partnership accounts (the collective finances of the Charity and the LOs) are an important indicator of success in the Charity's work to end AIDS. The LOs receive some of their funding from the Charity and are able to increase funding received directly from donors by virtue of their Frontline AIDS membership. This section, and the following charts, therefore report on the finances of the global partnership, which includes both the Charity group accounts and the LO members' accounts.

The charts below summarise the total expenditure for the Frontline AIDS global partnership for the years 2013 to 2018, with a forecast for 2019. The blue segment of each bar represents the total expenditure recorded in the Charity's group accounts, including LOs to the extent that they are funded through the Charity. The other segments show the additional expenditure of LOs on HIV that has been funded directly (rather than through the Charity) by donors. The second chart shows the additional in-country expenditure broken down by region.





In 2018 the Frontline AIDS partnership mobilised \$137 million, an increase of \$10 million from 2017. This result reversed a four-year decline from 2014 to 2017. Over this period, an increasingly challenging external environment and a reduction in donor funding for HIV/AIDS-related causes had reduced Frontline AIDS partnership income and expenditure. The decline in global funding was particularly focussed on middle-income countries - a geographical area where the Frontline AIDS global partnership has a sizeable presence.

In 2018 however, the size of Frontline AIDS partnership grew. A new linking organisation in Zimbabwe joined the partnership and submitted its first financial report for 2018, contributing \$9.4 million of expenditure to the partnership accounts. A slight decline in total income is forecasted for 2019, to \$135 million. This again reflects the general trend of tightening overseas development funding for HIV, particularly in middle-income countries.

→ Commentary on the Charity's financial results for the year

This section is a commentary on the financial statements on pages 49 to 70, which report the financial results and position of the Charity. The expenditure of Frontline AIDS LOs is only included in those financial statements to the extent that the funding was channelled through the Charity.

The Charity undertook a year of investment in 2018, delivering organisational critical projects including a re-branding, enhanced systems to improve automation, efficiency and controls and high-quality programming throughout its partner network.

The Charity generated a deficit of \$3.2 million, which was planned, budgeted and agreed with senior management and the Board of Trustees. The deficit reflects the investment the Charity has made in the above critical strategic projects, using advanced funding that had been provided by its strategic donors in preceding financial years. The Charity performed ahead of budget, with an improvement of \$445,000 versus the original plan.

The Charity's financial position continues to remain healthy, although a fall in unrestricted funding has occurred compared with the previous financial year. The Charity is focussed on diversifying its funding base to strengthen its financial sustainability and mitigate against future declines in strategic funding. The Charity's unrestricted reserves remain healthy, with \$8.7 million available at 31 December 2018. These reserves will be used to ensure the future financial sustainability of the Charity and support further targeted strategic work as required.

→ Performance of the Charity's fundraising activities

In terms of reaching financial targets, the financial year 2018 was another strong period with a number of significant new funding agreements secured. Success has been achieved against the background of a challenging external donor environment where the shape and focus of official development assistance funding continues to evolve. The funding secured will help us meet our financial objectives for the coming years and enable important charitable and programmatic work to continue.

A summary of the most significant new agreements awarded:

- In October 2018 Frontline AIDS was awarded \$7.5 million from the Global Fund to manage a multi country project in the Middle East and North Africa (MENA) region. The programme, called Sustainability of Services for Key Populations in the MENA Region, involves the establishment of a project management unit in Lebanon, to guide the development of sustainable HIV services for marginalised people in Lebanon, Egypt, Tunisia and Morocco over a three-year period.
- We were awarded a new \$1 million grant from the German BACKUP Health initiative (BACKUP Health), a department of the German Ministry of Foreign Affairs. This new programme, called Breaking Down Barriers, will enhance the Global Fund's catalytic initiatives around the removal of human rights-related barriers to services in Cote D'Ivoire, South Africa, Uganda and Ukraine.
- Under DFID's new, and highly competitive, mechanism for supporting NGO-led consortia around a set of priority themes, Frontline AIDS is part of two successful consortia delivering four-year programmes; ACCESS – Approaches in Complex and Challenging Environments for Sustainable SRHR, led by International Planned Parenthood Federation, and Evidence and Collaboration for Inclusive Development (ECID), led by Christian Aid.
- Frontline Technical Assistance had another successful year and continued to grow the volume of technical assistance work delivered, being awarded several contracts by the Global Fund. Most notable among these, Frontline Technical Assistance is playing a leading role in supporting the Global Fund's Country Coordinating Mechanism (CCM) Evolution, with funding from the Global Fund and BACKUP Health.

In the financial year 2018 the Charity did not undertake any material fundraising activities with members of the public. All material funding secured was received from institutional donors, trusts and foundations. The Charity did not pay any third party or agency to undertake material fundraising activities on its behalf and received no complaints during the course of the year regarding any fundraising activities. The Charity and its Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016 with respect to fundraising activities and are focused on ensuring any future fundraising activities are fully compliant.

→ Balance sheet and cash flow

The balance sheet and the cash flow statement show cash and cash equivalents lowering by \$3.4 million from 2017 to 2018. This decline reflects the planned delivery in donor funded and strategic programmes by the Charity in 2018, drawing upon advanced funds received from donors. The Charity's cash position continues to remain healthy at the end of 2018, with total cash and cash equivalents held of \$16.3 million. Of this total cash balance, \$8 million was held in short term treasury deposits with a maturity date of 12 months or less. The remainder of cash was held as operating cash.

Income of \$7.8 million was deferred at year end including \$2.5 million for the READY+ programme and \$1 million for the PITCH programme, both of which are funded by the Ministry of Foreign Affairs for the Netherlands. In addition, \$1 million was deferred on the SRHR Umbrella programme, which is funded by the Government of Sweden (Sida).

→ Group structure

The Myanmar country office, a branch of the Charity at the beginning of the financial year, officially became an independent LO in January 2018. At the end of the financial year, the Charity had no country offices.

A subsidiary undertaking (Frontline AIDS South Africa) was incorporated in South Africa on 2 August 2018, although no activity occurred within the entity during 2018. The Charity's representational office in the United States closed at the end of 2018.

Principal risks and uncertainties

The Trustees have ultimate responsibility for identification of the risks to which the Charity is exposed. The risk management framework approved by the Trustees includes the following measures:

- The Finance and Audit Committee (FAC) reviews the organisational risk register at its bi-annual meetings, assesses the risks facing the Charity and the measures put in place to mitigate them, and reports its findings to the Board of Trustees.
- Critical risks are monitored on an ongoing basis by the Senior Management Team, a process which includes a monthly review of the organisational risk register. The Executive Director regularly updates the Chair of the FAC on any significant new risks or other changes to the register.
- Risk management is embedded across the organisation through use of an online integrated system (Salesforce) to which all staff have access. Risks raised on the online system are monitored in 'real time', reviewed by senior staff, and inform the organisation's risk register.
- The internal audit function carries out a programme of audits across all operations and activities based on an annual internal audit plan approved by the FAC.

The following principal strategic risks and uncertainties have been identified and the management actions relating to them are subject to regular review by the FAC.

RISK	MANAGEMENT ACTIONS
<p>Funding The contraction in institutional funding available for HIV and AIDS results in the Charity being unable to sustain its current level of programming, creating heightened going concern risk.</p>	<ul style="list-style-type: none"> ● Implement the new income strategy to stabilise the existing funding base, attract new income and diversify funding sources ● Develop a new communications strategy to accompany the new brand in order to attract new and diverse donors and investors ● Ensure a more proactive approach to fundraising to realise the full potential of different approaches to generating institutional and private funding ● Undertake a feasibility study for developing Frontline Technical Assistance as a profit-making social franchise, generating income for Frontline AIDS
<p>Relevance An inability to articulate its own relevance to donors, strategic partners and policymakers results in the Charity suffering reputational damage and becoming less effective.</p>	<ul style="list-style-type: none"> ● Launch the Charity's new brand and identity as Frontline AIDS, an organisation with a specific focus on AIDS (February 2019) ● Finalise the Charity's new Global Plan of Action in consultation with our main partners ● Development of compelling evidence and investment propositions around the urgent need for, and effectiveness of, community-based HIV programming ● Increased focus on evidence in the design and delivery of programmes
<p>Programmes/Strategic Poor donor compliance and financial management of programmes, and/or fraud, result in failure of restricted programmes, failure to reach strategic targets and reputational damage.</p>	<ul style="list-style-type: none"> ● Strong oversight of programmes by the Programme Management Board, with robust operational plans and regular monitoring ● All partners have recently undergone programmatic assessments, with financial capacity assessments for partners deemed to be high risk ● Strong application of anti-fraud policy with partners coupled with robust investigation procedures ● Flexibility to adjust to a changing environment and to respond to new evidence
<p>Strategic Poorly governed and managed Frontline AIDS' partners are unable to raise adequate resources, fail to deliver required programmatic results and are badly positioned strategically, leading to reputational damage for the Charity.</p>	<ul style="list-style-type: none"> ● Finalisation of the new Frontline AIDS' partnership model ● Robust scoping, selection and due diligence procedures for potential new partners ● Cycle 3 of the Accreditation Cycle identifies potentially at-risk partners ● Continue partner strengthening in organisational development by Frontline AIDS' staff

RISK	MANAGEMENT ACTIONS
<p>Strategic</p> <p>Partners in the new Frontline AIDS' partnership are not well-placed strategically, leading to sub-optimal impact and positioning of the rebranded Charity.</p>	<ul style="list-style-type: none"> ● Use of the Presence and Engagement Framework to inform the new partnership Global Plan of Action ● Open and transparent communication and feedback on the Framework from current and potential Frontline AIDS' partners
<p>People</p> <p>Uncertainty and people-management issues related to a new matrixed organisational structure affect the Charity's ability to meet its strategic and operational goals.</p>	<ul style="list-style-type: none"> ● The People Strategy to focus in 2019 on implementing the recommendations of the independent 2018 report for the Charity by Roffey Park, 'Evaluating the Matrix Structure' ● New HR system to be embedded in 2019, enabling more sophisticated monitoring of people-related key performance indicators ● Salary benchmarking against external data to be completed annually, rather than every two years, as previously
<p>People</p> <p>Injury or abduction of staff member or consultant whilst working, leads to reputational damage, corporate liability, and reduced staff morale.</p>	<ul style="list-style-type: none"> ● Maintain security management systems including partner security oversight, travel management and staff personal safety training ● All staff must attend one-day travel safety course; staff travelling to high-risk countries must attend three-day hostile environment training course
<p>Data protection and cyber security</p> <p>Sensitive personal data (e.g. HIV status) of programme beneficiaries is breached in country, leading to potential danger to beneficiaries and reputational damage to the Charity.</p>	<ul style="list-style-type: none"> ● Ensure personal data collected by partner organisations is anonymised ● Consultants contracted by the Charity on programme-related work to be monitoring and evaluation experts with high awareness of data protection issues ● Data protection officer meets regularly with relevant function heads to discuss current data protection issues
<p>Safeguarding</p> <p>The Charity is unable to provide absolute assurance that the necessary leadership, systems, culture and transparency are in place to fully protect vulnerable people. This could impact on people's lives and lead to significant reputational damage.</p>	<ul style="list-style-type: none"> ● Specialist consultant firm has reviewed the Charity's safeguarding arrangements; its recommendations for further improvement have been agreed and are being implemented ● Senior staff from the programmes pillar act as the Charity's safeguarding leads ● Safeguarding training for all staff to take place in 2019 ● Strong controls around the management of consultants who work with children or vulnerable adults

→ Financial instruments and foreign exchange risk

The Charity's operations and working capital requirements are financed principally by a mixture of reserves and funds received in advance from donors. In addition, trade debtors (funds due from donors) and trade creditors arise directly from the company's operations.

The Charity's income is received mainly in US dollars, Swedish krona, euros and British pounds. The costs of the Charity are primarily incurred in pounds sterling, while the costs of in-country operations and support for partner organisations are incurred in around 30 different currencies.

In summary, the Charity's policy on foreign exchange is:

- to regularly review its net exposure to foreign exchange risk
- to pass on foreign exchange risk to suppliers and partners where appropriate; when it is necessary for the Charity to bear the risk, to manage significant exposure by the use of forward contracts and options
- to continue to hold liquid reserves mainly centrally, in US dollars, sterling and euros, subject to ensuring that partner organisations have sufficient cash locally to prevent disruption to services

The Charity undertakes comprehensive foreign exchange management, under the terms of its policies, to mitigate against the risk of adverse movements in foreign exchange.

→ Reserves policy

The Charity's reserves policy was agreed at the April 2010 Board meeting and reviewed at subsequent meetings in November 2015 and October 2018. It was agreed that the policy continued to meet the organisation's financial objectives and sufficiently safeguarded the Charity's financial position. The Trustees' review confirmed that the reserves policy remained appropriate and decided to retain the policy as detailed below.

The Charity has no long-term borrowings, so all of its financing needs must be met from either reserves or current income. The Charity needs to hold reserves for the following primary purposes:

- **to provide working capital for overseas operations:** the Charity normally pays grants to its partners in advance for three months of planned activity. Some smaller grants are paid annually in advance. However, the Charity's own restricted funding from its donors can be paid in arrears. Therefore, the working capital needs of its overseas operations may need to be met from the Charity's unrestricted reserves.
- **to cover for a shortfall in funding for core costs:** the salaries and running costs of the Charity are mainly covered by unrestricted funding which comes from the Dutch and Swedish governments. If that funding were delayed, the Charity would need a buffer of unrestricted reserves to pay core costs in the meantime. If unrestricted funding were discontinued or significantly reduced the Charity would need unrestricted reserves to fund restructuring and redundancy costs. The target level of this element of unrestricted reserves is three months of the Charity's core costs.
- **to cover unbudgeted costs incurred by partner organisations:** the Charity is a partnership of more than 30 organisations worldwide, so it is normal that from time to time there will be emergencies or unanticipated costs that the Charity will want to support. There may not be sufficient contingency within a single year's budget, so to be able to respond to emergencies the Charity needs a contingency fund within unrestricted reserves.

The three requirements above are met by the General Fund. The target level for the first two is variable according to the values and the cash flow patterns of the budgets for the year, so the overall target level for the General Fund is reassessed annually. Based on budgets for 2019, the target minimum level for the General Fund is \$4.6 million. At the 31 December 2018 the Charity held reserves of \$4.8 million in its General Fund, slightly above the agreed minimum target. The Board are comfortable to hold a level of \$4.8 million, given the current external environment and the risks that the Charity are subjected to.

In addition to the General Fund, the Trustees maintain a Programme Designated Reserve. This reserve account is maintained to fund important strategic interventions that the Charity is delivering as part of its strategy to 2020. The balance of this account on 31 December 2018 was \$3.3 million and these reserve funds will be utilised to support the Charity's strategy through to 2020. Together, the General Fund and the Programme Designated Reserve make up the Charity's free reserves.

Separate unrestricted reserves are needed for the following purposes:

- **to cover the balance of funds invested in fixed assets:** the Charity's fixed assets have been acquired using unrestricted funds. The net book value of fixed assets is held in a separate reserve to reflect the fact that this part of the Charity's reserves is not readily realisable to finance any other activity or obligation. On 31 December 2018 the balance of this reserve fund was \$64,000. During the course of 2018 the Charity capitalised IT equipment purchased in the year. These fixed assets will be depreciated over their remaining useful life, with the depreciation allocated against this fund.
- **to cover for foreign exchange losses:** Currency markets continue to be volatile and, with major income and expenditure streams in over ten different currencies, the Charity is exposed to significant foreign exchange risk. Steps are taken to hedge against that risk in line with the foreign exchange risk policy set out above, but it is still prudent to retain a minimum balance in the Exchange Rate Revaluation Reserve to cover unhedged foreign exchange losses. The target minimum value of the reserve is \$0.5 million. On 31 December 2018 the balance on this reserve fund was \$0.5 million.



**BECAUSE
WE ARE
HUMAN**

→ Liquidity and interest rate risk

The Trustees monitor the liquidity and cash flow risk of the Charity carefully. Cash flow is examined by the Trustees on a regular basis and action is taken as appropriate. The Charity did not need an overdraft in 2018 and will not need one in 2019. There are no long-term borrowings so the Charity is not exposed to interest rate risk.

→ Going concern

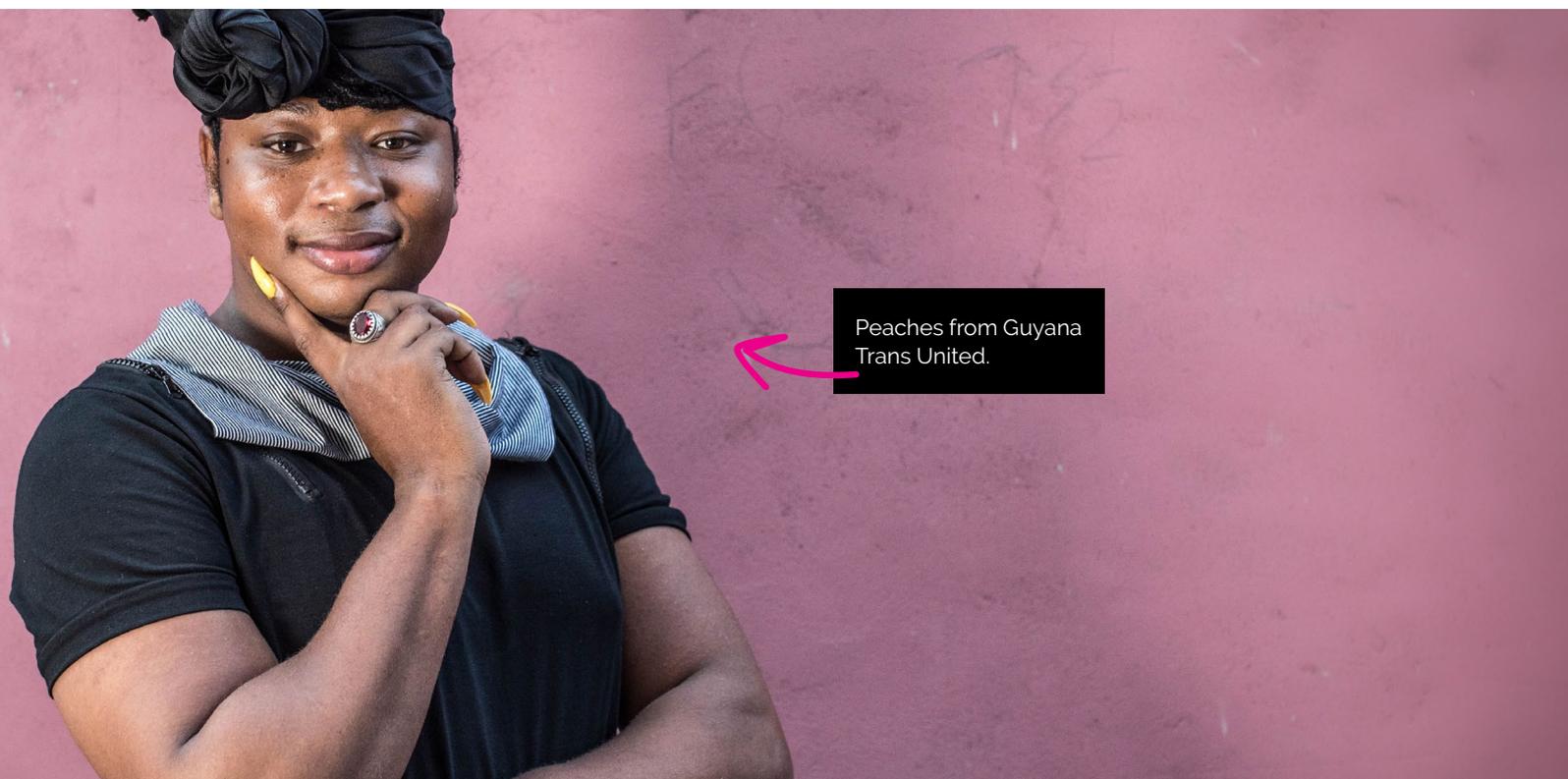
There is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on the basis that the Charity is a going concern, as described within note 1 to the financial statements.

→ Investment policy and objectives

The Charity's investment policy was approved at the Trustees meeting in April 2013 and reviewed in May 2017. The objectives of the policy in order of priority are; to ensure the Charity's funds are held safely; to ensure the Charity has sufficient liquidity to implement its programmes; and to achieve a return on surplus funds. These surplus funds may be invested in:

- fixed-interest government or government-backed investments with less than five years to maturity which are rated AAA by either Standard & Poor's or Moody's
- bank treasury deposits and/or notice accounts with terms of up to 12 months in banks that are rated at least A by both Standard & Poor's and Moody's, and have been approved by the Trustees
- in a sterling common deposit fund managed by a corporate trustee, as approved by the Charity Commission

During the course of 2018 interest earned on investments totalled \$126,000. The objectives of the policy are to generate interest on the Charity's GBP, USD and EUR bank balances equal to the Bank of England, Federal Reserve and European Central bank base rates. The Charity met this target in 2018.



Peaches from Guyana
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Structure, governance and management

→ Introduction

Frontline AIDS was incorporated as a company limited by guarantee in England and Wales on 24 December 1993 (registration number 2883774) and is a registered charity (registration number 1038860).

The Charity's governing document is its memorandum and articles of association.

The Charity's legal objects, as set out in its memorandum of association, are:

- the advancement of health throughout the world, particularly in relation to HIV and to sexual and reproductive health
- the promotion of the effective use of charitable resources by civil society organisations advancing health, particularly in relation to HIV and to sexual and reproductive health;
- the promotion of human rights
- the relief of poverty or other charitable need among people affected by HIV, and
- the promotion of equality and diversity by the elimination of stigma and discrimination in relation to people affected by HIV

→ Linking Organisations (LOs)

The support of community responses to the HIV epidemic has always been central to the Charity's strategy. In the countries in which it operates, the Charity aims to identify independent, national NGOs that can act as LOs to support other NGOs and CBOs within those countries. We believe a global partnership of national LOs with strong international connections and shared values is the best way to support community action on HIV. The accreditation process (see below) is used to assess organisations wishing to join the global partnership. If accredited, organisations sign the Charter and Linking Agreement, the document that formally links Frontline AIDS' partners. The Charter and Linking Agreement sets out the principles behind the partnership and explains how the partners work together to put these principles into practice.

→ Frontline AIDS offices

The Charity registered a subsidiary in South Africa during 2018. Frontline AIDS South Africa is registered as a non-profit company with the Companies and Intellectual Property Commission. The transition of the Charity's last country office, in Myanmar, to independent status was completed in January 2018. The Charity closed its representational office in the United States at the end of 2018.

→ Trustees

The Charity is governed by its Board of Trustees, the organisation's foremost policy-making body. The Trustees of the Charity are directors for the purposes of the Companies Act 2006. The Trustees who served during the year are listed on the inside back page of the Report and Accounts under reference and administrative details.

The Board of Trustees approves the Charity's strategic framework and is responsible for ensuring that the organisation's broad policies and strategies are in keeping with its mission. At their twice-yearly meetings (which take place over two days) the Trustees authorise annual operational plans, funding requests and programme priorities, decide annual budgets, review the progress the Charity is making against its strategy, approve accounts and review organisational risks. The Trustees also select and appoint the Charity's Executive Director.

When new appointments to the Board are sought, preferred skills and experience are identified through an audit and the positions and desired profiles are advertised. Applications are discussed and appointments confirmed by the full Board. In accordance with the memorandum and articles of association of the Charity, Trustees are appointed for an initial three-year term, and may not serve more than three consecutive terms of office. Appointment of Trustees is by resolution of the Board.

→ Trustee induction and training

New Trustees receive an induction pack in advance of their first Board meeting, containing significant organisational documents such as the memorandum and articles, the most recent strategy and annual report and accounts, essential policies (e.g. anti-fraud, conflict of interest, serious incident reporting), Committee terms of reference, and trustee duties and responsibilities. The pack also includes external guidance such as the charity governance code and the Charity Commission guidance, The Essential Trustee. New Trustees attend the Charity a day before their first Board meeting for a one-day induction during which they learn about the Frontline AIDS partnership model, practices and programmes. The day includes meetings with key staff from across the organisation. Training for existing Trustees is arranged on an ad hoc basis according to their requirements.

→ Charity Governance Code

An updated version of the charity governance code was published in July 2017. The Charity's Legal, Risk and Compliance team used the previous version of the code to review organisational governance in 2012, and also as the basis of the partnership Governance Handbook published in early 2014 in English, French and Spanish, and circulated to all LOs. The updated code has been reviewed by the Legal, Risk and Compliance team to ensure that the organisation continues to maintain high standards of governance. The Board of Trustees received training on the updated code from the Charity's auditors at its meeting in November 2017.

→ Finance and Audit Committee

The Finance and Audit Committee reports to the Board of Trustees and comprises up to nine members: up to five Trustees and up to four external members. The current trustee members are Maya Mungra (Chair of the Committee), Warren Buckingham III (Chair of the Board of Trustees), Andrea Marmolejo and Christoph Benn. The current external members are Peter Freeman, former Chair of the Committee and a Trustee until his retirement from the Board in 2011, and Ian Goodacre and Robert Hardy who were appointed to the Committee in April 2015.

The Finance and Audit Committee meets at least twice a year. Its responsibilities include: a review of the Charity's annual budget in advance of discussion by the Board; review and oversight of the Charity's financial position, and performance against budgets; review of the statutory accounts of the Charity; the approval of changes in accounting policies; the assessment of risks facing the Charity and the systems put in place to mitigate them; the approval of internal audit plans and review of the effectiveness of the internal audit function; and the consideration of findings and recommendations of both the internal and external auditors.

→ Accreditation Committee

Frontline AIDS introduced an accreditation system in 2008 to assess partners against institutional and programmatic standards, in order to ensure that the global partnership comprises well-performing, sustainable and credible civil society organisations. The system promotes good governance, organisational management and good practice HIV programming, and guides the admission of new organisations to the global partnership. The accreditation certification is valid for four years.

The Accreditation Committee oversees the accreditation system. The Committee comprises up to three trustees, four partner representatives at either Board or senior management level, and a senior staff member of the Charity. The current trustee members of the Committee are Kevin Moody (Chair of the Committee), Zhen Li and Marika Fahlen. The partner members are Rokhaya Nguer (Chair of the Board of Alliance Nationale des Communautés pour la Santé in Senegal), Soe Naing (Executive Director of Mahamate in Myanmar) and Anuar Luna (Executive Director of Colectivo Sol in Mexico).

→ Membership Committee

At its meeting in May 2017 the Board of Trustees approved the creation of a Membership Committee. The purpose of the Committee is to deal with matters of suspension and termination of LO membership for reasons other than those linked to accreditation. The Committee has seven members: the Chair of the Charity's Board (who is Chair of the Committee); Chair of the Finance and Audit Committee; Chair of the Accreditation Committee; the Executive Director of the Charity; and three LO representatives (one from each of Frontline AIDS' geographic regions) who are either senior staff or board members of their LO.

LOs agree on a proposed candidate for their respective regions to be endorsed by the Charity's Executive Director prior to consideration for appointment by the Board. The first three LO representatives appointed by the Board at its meeting in November 2017 are: Geoffroy Sawadogo (Board Member of Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA in Burkina Faso); Andriy Klepikov (Executive Director of Alliance for Public Health in Ukraine); and Paola Sánchez (Coordinator of Coalition Plus at Kimirina in Ecuador).

The Membership Committee reports to the Charity's Board of Trustees and has the following powers:

- to suspend the membership of Frontline AIDS' members on such terms and for such periods as the Committee deems appropriate, taking into account any recommendations received from the Accreditation Committee, provided that the suspension is consistent with the provisions of the Charter and Linking Agreement
- to terminate the membership of Frontline AIDS' members on a permanent basis, taking into account any recommendations received from the accreditation Committee, provided that the termination is consistent with the provisions of the Charter and Linking Agreement

→ People and Reward Committee

The role of the People and Reward Committee, on behalf of the Board, is to:

- provide guidance to management on an overall budget and policy framework for the Charity's annual staff pay and award settlement, to inform management's negotiations with staff trade union representatives

- set the pay of the Executive Director, based on his or her performance and input from the Chair of the Board
- discuss and advise management on human resources issues proposed by the Executive Director including: director-level structure and appointments, staff recruitment and retention, organisational culture, and the management of change

The Committee meets as required and reports to the Board of Trustees at least once a year. Its membership comprises Chair of the Board, Warren Buckingham III; Chair of the FAC, Maya Mungra; and either another member of the Board of Trustees or an external member of the FAC (currently Peter Freeman in the latter capacity).

→ Nominations Committee

A Nominations Committee is convened on an ad hoc basis to identify potential Trustees as and when the need arises. The Committee comprises the Chair of the Board, the Executive Director, and such other members as the Chair determines.

→ Management structure

The Charity's organisational structure comprises four pillars: Programmes, Evidence & Influence, Operations, and Fundraising & Engagement. These functional pillars are aligned with the four strategic results areas of the global Frontline AIDS' strategy, to enable the organisation to be effective and efficient in meeting its strategic aims for the period 2016 to 2020.

The Executive Director manages the Charity on a day-to-day basis, coordinates and directs the four functional pillars and reports to the Board of Trustees at its biannual meetings. She leads the Charity's Senior Management Team (SMT) which comprises the Executive Director and the directors of the pillars. These SMT members are the key management personnel within the Charity.

The SMT usually meets on a weekly basis to take decisions about (among other things) the review, development and implementation of operational plans; financial, planning and other management systems; changes in organisational policies; and the creation of new staff positions. The heads of Finance & Administration; Legal, Risk and Compliance; and Organisational Change & People regularly attend SMT meetings to ensure that decision-making is informed by detailed input from across the organisation. The SMT is mandated to operationalise the strategy of the Charity and closely monitor the Charity's performance against the strategic responses. Significant decisions – such as the approval of organisation-wide strategy, annual work plans and budgets – are subject to approval by the Board of Trustees.

→ Safeguarding

Early in 2018 the media highlighted issues around safeguarding in the charity sector. In response, the Charity undertook a thorough review of its safeguarding arrangements to ensure that appropriate policies and procedures were in place to fully protect vulnerable people. Controls were strengthened and procedures updated, and two senior programme staff were identified to act as safeguarding leads. A safeguarding consultant supported these staff members during 2018 and provided a further, external review of the Charity's safeguarding arrangements. The Board is satisfied that the Charity has adequate safeguarding procedures in place and that there are no historical safeguarding issues which should have been reported to the Charity Commission.

→ General Data Protection Regulation

Significant work was undertaken in preparation for the EU General Data Protection Regulation (GDPR) which became law on 25 May 2018. The Charity's data protection officer undertook an information audit of the organisation to identify areas where personal data was processed. Staff from all clusters and subject areas were involved in the review of existing practice around data protection, and the update of procedures, to ensure compliance. A GDPR-compliant data protection policy and associated staff training programme was launched ahead of the GDPR becoming law.

→ Remuneration policy

The Charity adopted a new set of Global Remuneration Principles in 2017 which were updated during 2018. The aim is to ensure equity across its global recruitment and remuneration practices and to contribute to the development and sustainability of the local economy in countries where its staff are based. All roles are benchmarked annually against data from comparable organisations in the charity sector. The Charity aims to remunerate staff around the mid-point of the median-upper quartile range produced by the benchmarking exercise.

→ Grant-making policy

The Charity grants funds to LOs and implementing partners, some of which then support other NGOs and CBOs within their countries by sub-granting the funds received.

The Charity has a comprehensive onward granting policy and procedures manual that provides clear guidelines on the criteria for awarding grants to LOs and implementing partners, thus ensuring that accountability and transparency are maintained. The manual includes: detailed tendering processes; guidelines on matters such as how to establish selection criteria; how to engage external stakeholders in the selection process; how to carry out programmatic and financial assessments; how to support and monitor grantees; and what to do when there is a need to close out the grant. Renewal of a grant is subject to performance, review and re-planning.

→ Public benefit reporting

The trustees have paid due regard to the Charity Commission's general guidance on public benefit in setting the Charity's objectives and planning its activities. This annual report of the Trustees explains the Charity's activities and demonstrates how they contribute to its purposes and provide public benefit.

→ Trustees' responsibilities in respect of the Charity's accounts

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the strategic report, the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company (i.e. the Charity) and its group, and of the incoming resources, including income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charity's Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities.

The Trustees are responsible for keeping proper accounting records that: are sufficient to show and explain the Charity's transactions; disclose with reasonable accuracy at any time the financial position of the Charity and its group; and comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, the trustee directors certify that:

- so far as they know, there is no relevant audit information of which the Charity's auditors are unaware
- they have taken all necessary steps to make themselves aware of any relevant audit information and have ensured that the Charity's auditors are aware of that information.

Approval

This annual report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board on 15 May 2019. This included the Trustees' approval, in their capacity as company directors, of the Strategic Report contained herein.

Signed on behalf of the Board of Trustees



Warren Buckingham III

20 June 2019

Chair

03



ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2018

Independent auditor's report

Independent Auditor's Report to the Members of Frontline AIDS
(formerly International HIV/AIDS Alliance)

→ Opinion

We have audited the financial statements of Frontline AIDS (formerly International HIV/AIDS Alliance) for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

→ Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

→ Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

→ Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

→ Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

→ Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

→ Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities statement set out on page 44, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

→ Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our Auditor's Report.

→ Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May

24 June 2019

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

→ Frontline AIDS (formerly International HIV/AIDS Alliance) Consolidated Statement of Financial Activities

for the year ended 31 December 2018

	Notes	2018 Restricted \$000	2018 Unrestricted \$000	2018 Total \$000	2017 Restricted \$000	2017 Unrestricted \$000	2017 Total \$000
<u>Income from:</u>							
Donations and legacies		-	8	8	-	5	5
Investments	2	-	126	126	-	61	61
Charitable activities							
Grant income	3	13,309	6,325	19,634	13,243	10,504	23,747
Contract income	3	-	609	609	-	784	784
Total		13,309	7,068	20,377	13,243	11,354	24,597
<u>Expenditure on:</u>							
Charitable activities	4	13,309	10,234	23,543	13,243	8,751	21,994
Total		13,309	10,234	23,543	13,243	8,751	21,994
Net income/(expenditure)		-	(3,166)	(3,166)		2,603	2,603
<u>Net movement in funds</u>							
Funds brought forward	3	-	11,856	11,856	-	9,253	9,253
Total funds carried forward	3	-	8,690	8,690		11,856	11,856

The notes on pages 52 to 70 form part of these financial statements.

There are no recognised gains and losses other than those shown within the Consolidated Statement of Financial Activities.

→ Frontline AIDS (formerly International HIV/AIDS Alliance) Balance Sheets

as at 31 December 2018

	Notes	2018 Group \$000	2018 Charity \$000	2017 Group \$000	2017 Charity \$000
Fixed assets					
Tangible assets	8	64	64	78	78
Current assets					
Debtors	11	2,433	2,440	1,622	1,687
Short term deposits		8,000	8,000	9,000	9,000
Cash at bank and in hand	12	8,333	8,326	10,770	10,704
		18,766	18,766	21,392	21,391
Liabilities:					
Creditors: Amounts falling due within one year	13, 14	(9,644)	(9,644)	(9,454)	(9,453)
		9,122	9,122	11,938	11,938
Net current assets					
Provision for liabilities and charges	15	(496)	(496)	(160)	(160)
		8,690	8,690	11,856	11,856
Total Net assets					
The funds of the charity 3					
Unrestricted					
General fund		4,800	4,800	4,800	4,800
Fixed asset fund		64	64	78	78
Exchange rate revaluation reserve		500	500	500	500
Programme designated reserve		3,326	3,326	6,478	6,478
		8,690	8,690	11,856	11,856
Total unrestricted funds					
Restricted					
		-	-	-	-
		8,690	8,690	11,856	11,856
Total charity funds					

The net result for the financial year for Frontline AIDS, the Charity, is a deficit of \$(3,166,000)

The financial statements were approved by the Board of Trustees and authorised for issue on 20 June 2019



Warren Buckingham III
Chairman

The notes on pages 52 to 70 form part of these financial statements.
Frontline AIDS. Company Number 2883774

→ Frontline AIDS (formerly International HIV/AIDS Alliance) Consolidated Cash Flow Statement

for the year ended 31 December 2018

	Notes	2018 \$000	2017 \$000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	(3,538)	6,068
Cash flows from investing activities			
Dividends, interest and rents from investments	2	126	61
Purchase of property, plant and equipment	8	(25)	(44)
Subtotal: Net cash used in investing activities		101	17
Change in cash and cash equivalents for the year		(3,437)	6,085
Cash and cash equivalents at the beginning of the year		19,770	13,685
Cash and cash equivalents at the end of the year		16,333	19,770

The notes on pages 52 to 70 form part of these financial statements.

Frontline AIDS (formerly International HIV/AIDS Alliance) Notes to the consolidated financial statements

for the year ended 31 December 2018

→ 1. Accounting policies

Legal form of Charity

Frontline AIDS (formerly the International HIV/AIDS Alliance) is registered as a limited liability company in England and Wales under number 2883774 and its registered office is Preece House, 91 - 101 Davigdor Road, Hove, BN3 1RE. Frontline AIDS is a Public Benefit Entity registered with the Charity Commission under number 1038860.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

Before approving the financial statements, the Trustees review and re-approve the detailed budget for the year following the balance sheet date (2019: the Trustees having originally approved the 2019 budget in November 2018), outline information for the following year (2020), and the major risks to which the Charity is exposed. The review by the Trustees considers the current and future funding of the Charity, the cost base of the Charity and the ability to reduce planned expenditure if changes in funding arise. This review includes analysing the performance of the income strategy for the Charity, which is focussed on strengthening the Charity's relationship with its strategic donors, diversifying its funding base through new opportunities and growing funding through high quality and innovative programming. Following these reviews, the Trustees are satisfied that the Charity has a reasonable expectation of securing adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties casting doubt on going concern. The financial statements are therefore prepared on the basis that the Charity is a going concern.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings in the USA and South Africa. The consolidation has been carried out on a line by line basis.

The subsidiary undertaking in South Africa, a non-profit company, was registered on the 02 August 2018 under the name International HIV/AIDS Alliance South Africa.

The Charity has a branch office in Myanmar, the results of which are included in the financial statements. On the 22 January 2018, the assets and liabilities of the Myanmar branch were transferred to a newly registered local civil society organisation in Myanmar, called 'Mahamate'. The new local organisation has undergone accreditation to become a linking organisation of the Charity. Therefore, the Charity's operations in Myanmar have transitioned from a branch to an independent linking organisation. This transition is reflected in the financial statements of the Charity.

No separate SOFA has been presented for the parent charity alone. The subsidiary undertakings in the USA and South Africa have incurred no income or expenditure outside of that provided by and reported to the Charity. Therefore, the SOFA of the parent charity is the same as the consolidated SOFA.

Funds structure

The Charity maintains two types of fund:

Unrestricted Funds

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and which are not subject to donors' restrictions. The Charity further divides unrestricted funds as follows:

- The Fixed Asset Fund, which represents the funds tied up in tangible fixed assets and therefore not immediately realisable.
- The Programme Designated Reserve, which are funds the Trustees have set aside for particular purposes.
- The General Fund, which represents the working capital for the Charity and also provides a buffer, should there be a shortfall in income or unbudgeted costs. The Trustees review the level of the General Fund annually and have agreed in the Reserves Policy (see page 37) a target minimum level for the General Fund of \$4.6 million.
- The Exchange Rate Revaluation Reserve, which holds a minimum balance of \$0.5 million to cover unhedged foreign exchange losses.

Restricted funds

Restricted funds are funds that must be used in accordance with specific instructions imposed by donors.

Transfers between funds

Transfers to or from the General Fund from other funds are made in accordance with the Charity's reserves policy.

Incoming resources

Incoming resources are included in the SOFA when the Charity is legally entitled to them, the receipt is probable, and the amount can be reliably measured. Incoming resources from charitable activities includes income from performance related grants; income and fees for contracts and services; and income from unrestricted grants. Voluntary income comprises public donations and is included when it is received.

The Charity receives funding from performance-related grants and contracts for direct and indirect programme costs and to provide sub-grants to other agencies. This funding is subject to contractual restrictions which must be met through incurring qualifying expenses for particular programmes.

Income arising from performance related grants is treated as restricted income. Income arising from contracts for services is recognised as unrestricted income, as any surplus or deficit remaining after the contract terms have been fulfilled is for the Charity to keep.

Revenue from performance grants and contracts is recognised only when funds have been utilised to carry out the activity stipulated in the agreement. This is generally equivalent to the sum of relevant expenditure incurred during the year and any related contributions towards overhead costs. Deferred income amounts received under these grants and contracts represents the amount of cash received in advance of earning revenue through the delivery of programme activities.

The Charity also receives some grants from governments and foundations that are not subject to contractual restrictions. Revenue from these grants is included at the time the contract is signed by the donor.

Resources expended

Charitable activities

Expenditure is recognised on an accruals basis. All costs are allocated to direct charitable activities. Support costs are allocated on a total cost basis. All salaries are allocated to either support costs or direct activities according to timesheets.

Contributions are paid to the Charity's Country Offices and Linking Organisations overseas, and are given for two purposes, either to support the operating costs of the Country Office or Linking Organisation, or to provide funds for 'onward granting' to implementing partners.

Operations expenditure is recognised when expenses have been incurred by the Country Office or Linking Organisation and have been approved by the budget holder at the Charity.

Onward grants by Country Offices to implementing partners are recognised in line with the expenditure of the grant reported back to the Country Office by the implementing partner. Onward grants by Linking Organisations are recognised as expenditure in full on signing of the onward granting agreement with the implementing partner.

Governance costs

These are the costs associated with the governance arrangements of the Charity as opposed to those costs associated with fundraising or charitable activities. Governance costs include internal and external audit costs, and costs associated with constitutional or statutory requirements, for example the costs of Trustees' meetings or of preparing statutory accounts.

Functional and presentation currency

The functional and presentation currency of the Charity is US Dollars. A significant proportion of the Charity's funding and programme expenditure is denominated in US Dollars, therefore the Charity has elected to use US Dollars as its functional currency and the currency that the consolidated Financial Statements are prepared in.

Foreign exchange gains and losses

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of the transaction or at an average monthly rate. Exchange differences are taken into account in arriving at the net movement in resources for the year.

Fixed assets and depreciation

Expenditure on tangible fixed assets is capitalised at original cost. The capitalisation limit is \$5,000. Assets held by Country Offices are fully depreciated in the year of acquisition. Assets held by the Charity in the UK are depreciated on the straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements: 7 years, or the term of the lease, whichever is shorter

Furniture and fixtures: 7 years

Computer equipment and software: 3 years

Office equipment: 3 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

Cash and cash equivalents and current asset investments

Cash and cash equivalents are measured through the US dollar equivalent cash value held by the group at the balance sheet date. Current asset investments are measured as the US dollar equivalent value of short term treasury deposits structured for a period of up to 12 months at the balance sheet date. The balances held in these short term treasury deposits are not intended to be used to fund working capital requirements in the immediate future.

Debtors

Debtor balances are made up of balances due from donors, amounts due from subsidiary companies, amounts advanced to partners, prepayments and other debtors.

Debtor balances due from donors are measured as the US dollar equivalent value of invoices submitted to donors for reimbursement of funds. Amounts due from subsidiary companies and amounts advanced to partners are both measured as the US dollar equivalent value of unspent funds at the balance sheet date. Prepayments are measured as the US dollar equivalent value of net amounts prepaid at the balance sheet date.

Provisions for liabilities and charges

Provisions for liabilities and charges are provided for where these arise from a legal or constructive obligation, as a best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Pensions

The Charity offers staff a range of benefits including membership of a defined contribution pension scheme. Where staff opt to join the scheme, the Charity makes employer's pension contributions to personal pension schemes. The assets of these schemes are held separately from those of the Charity in independently administered funds. In accordance with SORP 2015 'Retirement and post-employment benefits', contributions are charged to unrestricted and restricted funds on the same basis as other employee related costs.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Financial instruments

Where the Charity has obligations denominated in one currency that are funded by grants or contracts denominated in another currency, it is exposed to the risk of movements in the exchange rate between those two currencies. In accordance with its foreign exchange policy (see page 37), the Charity may use forward contracts or options to reduce the risk arising from its significant foreign exchange exposures. Those contracts may commit the Charity to exchange a given amount of one currency for another at a future date, at a set rate. These contracts are classed as derivative financial instruments, because their value changes in response to changes in market foreign exchange rates. Accounting standards require derivatives to be held at fair value, with the change in value from one period to another taken through the Statement of Financial Activities. At the balance sheet date, any outstanding forward foreign exchange contracts or options would be revalued at the applicable forward rate for each contract at the year end. The unrealised gain or loss arising on revaluation is taken through the Statement of Financial Activities. The Charity does not hold or trade in any other type of derivative financial instrument.

Estimation of uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in this accounting policies note and specifically relate to incoming resources and resources expended.

→ 2. Investment income and interest

	2018 \$000	2017 \$000
Interest on treasury deposits and bank balances	126	61

→ 3. Movement in resources

	Balance at 1/1/18 \$000	Incoming 2018 \$000	Transfers 2018 \$000	Outgoing 2018 \$000	Balance at 31/12/18 \$000
Restricted funds					
Comic Relief	-	562	-	562	-
Dutch Government (BuZa)	-	7,762	-	7,762	-
Elton John AIDS Foundation	-	2,306	-	2,306	-
German Government (GIZ)	-	917	-	917	-
Global Fund to Fight AIDS, Tuberculosis & Malaria	-	16	-	16	-
New Venture Fund	-	16	-	16	-
SPIDER/DSV Stockholm University	-	36	-	36	-
Swedish Government (Sida)	-	661	-	661	-
Children's Investment Fund Foundation	-	219	-	219	-
UK Government (DFID)	-	30	-	30	-
US Government (USAID)	-	673	-	673	-
ViiV Healthcare	-	111	-	111	-
Total restricted funds		13,309		13,309	
Unrestricted funds Contracts					
US Government (USAID)	-	-	-	-	-
Other contract income	-	609	-	609	-
Subtotal contracts		609		609	
<i>Unrestricted grants</i>					
<i>(details below)</i>					
		6,254			
Other unrestricted grant income		71			
Total grant income		6,325			
Other unrestricted income		134			
Total incoming resources on general fund		6,459			
General fund	4,800	6,459	240	6,699	4,800
Fixed asset fund	78	-	(14)	-	64
Exchange rate reevaluation reserve	500	-	185	185	500
Programme Designated Reserve	6,478	-	(411)	2,741	3,326
Total unrestricted funds	11,856	7,068		10,234	8,690
Total funds	11,856	20,377	-	23,543	8,690

Restricted funds relate to donor-funded programmes, with expenditure incurred in the delivery of those programmes through Linking Organisations and onward granting to implementing partners. Incoming resources on restricted funds are only recognised to the extent that these funds have been utilised to carry out programme activities as stipulated in the relevant agreements. Any funds received in excess of activity delivered are treated as deferred income. Note 14 summarises the amount of incoming resources deferred in the financial year ending 31st December 2018.

The programme designated reserve is approved by the Trustees for the delivery of the strategy, supported by detailed budgets and project plans. These are resources to explore and invest strategically in the pursuit of sustaining the Charity's linking organisations' delivery on the Charity's strategy to 2020. The programme designated reserve was utilised to support \$2,741,000 of strategic activities during the course of 2018. At 31 December 2018, the Trustees approved a transfer of \$240,000 into the general fund, to meet core operational expenditure in 2018. This transfer ensures that the General Fund is maintained at a level of \$4,800,000, in line with the reserves target level described within note 1 to the accounts.

The exchange rate revaluation reserve is maintained to cover unhedged foreign exchange losses that arise in a particular year. During 2018, \$185,000 of foreign exchange losses were incurred. The exchange rate revaluation reserve was used to fund this loss. At the 31 December 2018, the Trustees approved a transfer of \$185,000 from the programme designated reserve to increase the level of the exchange rate revaluation reserve back to \$500,000.

Unrestricted grants include the following:

	2018 \$000	2017 \$000
Swedish Government (Sida)	2,341	6,445
Dutch Government (BuZa)	3,913	3,913
	6,254	10,358

→ 4. Charitable activities

	Support to Country Operations	Onward Granting	International Technical Assistance	Salaries	Support Costs	2018 Total	2017 Total (as restated)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Healthy People	11	5,703	1,811	1,454	2,443	11,422	12,882
Stronger Health & Community Systems	14	775	148	447	377	1,761	1,654
Inclusive Societies	71	2,445	2,191	1,481	1,684	7,872	5,709
Knowledge	-	154	116	194	126	590	739
Technical Assistance	-	-	1,325	167	406	1,898	1,010
Total	96	9,077	5,591	3,743	5,036	23,543	21,994

→ 5. Support costs

	Healthy People	Stronger Health & Community Systems	Inclusive Societies	Knowledge	Technical Assistance	2018 Total	2017 Total (as restated)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Income	867	134	598	45	144	1,788	1,648
Operations	927	143	639	48	154	1,911	1,749
Governance Costs	198	30	136	10	33	407	321
Central Costs	451	70	311	23	75	930	(163)
Total	2,443	377	1,684	126	406	5,036	3,555

The Charity delivers a comprehensive set of person centred, community focussed programming through five portfolios of work: Healthy People, Stronger Health and Community Systems, Inclusive Societies, Knowledge and Technical Assistance. Each portfolio is aligned to a strategic response area of the Charity's strategy '*HIV, health and rights: sustaining community action*'. The activities within this programming are achieved through a combination of direct expenditure and onward granting. Direct costs are used as the basis to apportion support costs across charitable activities. Support costs for the Charity have been restated for 2017, following the inclusion of Technical Assistance as its own portfolio of work. The support costs associated with onward granting were \$2,470,000 (2017 as restated: \$1,945,000).

→ 6. Onward granting

The Charity grants funds to linking organisations (LOs) and other national and regional partners. These LOs and partners then support other non-governmental and community-based organisations working to further the Charity's charitable objectives within those countries by sub-granting the funds received. On rare occasions the Charity in the UK also grants funds directly to programme-implementing organisations ('implementing partners').

The Charity has a comprehensive onward granting policy and procedures manual that provides clear guidelines on the criteria for awarding grants to non-governmental and community-based organisations, to ensure that accountability and transparency is maintained. Grant renewal is subject to performance, review and re-planning. The Charity's standard sub-grant agreement provides for grant recipients over a value threshold of \$300,000 per annum to be audited. No grants are made to individuals.

Onward grants made during 2018 totalled \$9,076,000. Of this amount, the 20 most material grants totalled \$5,959,000. The 20 recipient organisations receiving these grants are listed as follows:

Organisation name	Country	2018 Group \$000	2017 Group \$000
Regional Psychosocial Support Initiative (REPSSI)	South Africa (READYPLUS partner)	806	758
India HIV/AIDS Alliance	India (LO)	425	434
LAMBDA	Mozambique (PITCH partner)	400	154
Paediatric AIDS Treatment for Africa (PATA)	South Africa (READYPLUS partner)	397	244
Mahamate	Myanmar (LO)	392	-
Positive Vibes	Namibia (LO)	369	1,262
Center for Supporting Community Development Initiatives (SCDI)	Vietnam (LO)	363	140
Rumah Cemara	Indonesia (LO)	283	309
Alliance for Public Health	Ukraine (LO)	282	309
LVCT Health	Kenya (PITCH partner)	261	83
AIDS Legal Network (ALN)	South Africa (LO)	253	340
Global Network of People Living with HIV (GNP+)	Netherlands (READYPLUS partner)	252	224
Soins Infirmiers et Developpment Communautaire (SIDC)	Lebanon (JSI AFG partner)	212	116
Kenya AIDS NGO Consortium (KANCO)	Kenya (LO)	205	597
Africaid Zvandiri	Zimbabwe (READYPLUS partner)	190	127
Education as a Vaccine Against AIDS (EVA)	Nigeria (PITCH partner)	187	69
Co-ordinating Assembly of NGOs (CANGO Swaziland)	Swaziland (READYPLUS partner)	179	222
AIDS Care China	China (LO)	175	159
Associação Moçambicana Para o Desenvolvimento da Família (AMODEFA)	Mozambique (EJAF partner)	168	22
Youth Alive Uganda	Uganda (SRHR Umbrella partner)	159	41

→ 7. Staff numbers and costs

The average number of employees of the group for the year was 93 (2017: 128).
The aggregate costs of these staff were as follows:

	2018 Group \$000	2017 Group \$000
Salaries	5,666	5,519
Social security costs	522	440
Pension costs	436	340
Severance costs	98	40
Total	6,722	6,339

In January 2018, the Charity transitioned its subsidiary, Alliance Myanmar, to an independent linking organisation. This transition is the driver for the reduction in staff numbers between 2017 and 2018. All staff employed by the newly independent Myanmar organisation, Mahamate, were not counted in the Charity's employees for 2018.

During the financial year, the following key management personnel received total emoluments of \$572,000 for services to the Charity.

- Executive Director
- Director: Knowledge and Influence
- Director: Programmes
- Director: Income

The Executive Director is the highest paid employee within the Charity.

During the course of 2018, severance payments were paid to 5 staff members, who departed the organisation. The total cost of these severance payments was \$98,000. All liabilities associated with these severance payments were settled by the end of 2018 and none remain outstanding.

The numbers of employees whose emoluments for the year fell within the following bands were:

	2018 Group number	2018 Charity number	2017 Group number	2017 Charity number
\$145,000 - \$154,999	1	1	1	1
\$135,000 - \$144,999	1	1	-	-
\$125,000 - \$134,999	-	-	-	-
\$115,000 - \$124,999	2	2	1	1
\$105,000 - \$114,999	2	2	3	2
\$95,000 - \$104,999	3	3	2	2
\$85,000 - \$94,999	3	3	2	2
\$75,000 - \$84,999	6	6	3	3

The salary costs included within the above bands have in the majority been incurred in GBP and converted into the Charity's home currency of USD for reporting purposes. Whilst the charity is not obliged to report the gender pay gap under the UK government regulations (due to size), it does utilise market data (Croner & Birches) to benchmark salaries of all staff in the UK and overseas, so gender does not impact upon salaries. 3 out of the 4 key management personnel reported above are female.

→ 8. Tangible fixed assets

Group and Charity	Furniture and fixtures \$000	Computer equipment and software \$000	Office equipment \$000	Motor vehicles \$000	Total \$000
Cost at 1 January 2018	417	187	68	39	711
Additions for the year	10	15	-	-	25
Disposals for the year	-	-	(14)	(39)	(53)
Cost at 31 December 2018	427	202	54	-	683
Accumulated depreciation at 1 January 2018	370	156	68	39	633
Depreciation for the year	18	21	-	-	39
Depreciation on disposals	-	-	(14)	(39)	(53)
Accumulated depreciation at 31 December 2018	388	177	54	-	619
Net book value at 31 December 2018	39	25	-	-	64
Net book value at 31 December 2017	47	31	-	-	78

→ 9. Investments - Charity

	2018 \$	2017 \$
Fixed asset investments		
Investment in non-UK subsidiary undertakings		
International HIV/AIDS Alliance, Inc. - one share of common stock of one dollar	1	1

→ 10. Subsidiary undertakings

The following companies are subsidiary undertakings of Frontline AIDS. Both are incorporated outside the UK. Only International HIV/AIDS Alliance, Inc has a share capital (see note 9).

The income, expenditure and aggregate amount of the assets, liabilities and funds of the USA subsidiary for the year ended 31 December 2018 are as below and solely represent trading between this subsidiary undertaking and the International HIV/AIDS Alliance.

Country	Name of subsidiary	Date of incorporation	Year end	Income \$000	Expenditure \$000
USA	International HIV/AIDS Alliance, Inc	02 May 2003	31 December	141	143
South Africa	International HIV/AIDS Alliance South Africa	02 August 2018	31 December	-	-

			Assets \$000	Liabilities \$000	Funds \$000
USA	International HIV/AIDS Alliance, Inc	02 May 2003	9	12	(3)
South Africa	International HIV/AIDS Alliance South Africa	02 August 2018	-	-	-

The employer identification number for the International HIV/AIDS Alliance, Inc is 57-1177110.

The registration number for the International HIV/AIDS Alliance South Africa is 2018 / 424466 / 08

The net reserves of these subsidiaries was nil as at 31st December 2018. The incoming resources of the parent Charity were \$20,377,000 with resources expended of \$23,543,000.

One related party transaction occurred during the financial year 2018. The regional partner Aids Rights Alliance for Southern Africa (ARASA) received funding of \$25,000 from the Charity under the Ministry of Foreign Affairs for the Netherlands funded programme; PITCH. The Charity's Executive Director is a board member of ARASA.

The Executive Director of the Charity had no involvement in the Charity's decision making around the awarding of this funding nor the management of the funds in question. No further related party transactions occurred during the course of 2018.

→ 11. Debtors

	2018 Group \$000	2018 Charity \$000	2017 Group \$000	2017 Charity \$000
Due from donors, including accrued income	703	703	607	607
Amount due from subsidiary companies	-	8	-	68
Advances to partner organisations	1,534	1,534	708	708
Other debtors	15	15	112	111
Prepayments	181	180	195	193
	2,433	2,440	1,622	1,687

Advances to partners made by the Charity take the form of concessionary loans. These loans are non-interest bearing and are repaid to the Charity in the form of services delivered by partners. The carrying amount of these concessionary loans in the Charity and Group are equivalent to the balance of advances to partners at the 2018 financial year end.

→ 12. Cash and cash equivalents

	2018 Group \$000	2018 Charity \$000	2017 Group \$000	2017 Charity \$000
Balances held by subsidiaries	7	-	66	-
Balances held by Country Office branches	-	-	364	364
Balances held by the Secretariat	8,326	8,326	10,340	10,340
	8,333	8,326	10,770	10,704

"Cash and cash equivalents" refers to funds held by the Charity for the delivery of donor-funded programmes. Cash and cash equivalents have declined in 2018, as the Charity has delivered its donor funded and strategic programmes, utilising advanced funds received from donors.

→ 13. Creditors falling due within one year

	2018 Group \$000	2018 Charity \$000	2017 Group \$000	2017 Charity \$000
Trade creditors	615	615	533	533
Due to partner organisations	423	423	498	498
Other creditors	210	210	246	245
Tax & social security	147	147	149	149
Accruals	418	418	374	374
Deferred income (note 14)	7,831	7,831	7,654	7,654
	9,644	9,644	9,454	9,453

→ 14. Deferred income

	Group \$000	Charity \$000
Balance at 1 January 2018	7,654	7,654
Amount released to incoming resources	(6,409)	(6,409)
Amount deferred in the year	6,586	6,586
Balance at 31 December 2018	7,831	7,831

Deferred income includes cash amounts received under performance related grants and contracts for which qualifying expenses have not yet been incurred.

→ 15. Provisions

New provisions of \$336,000 have been made by the Charity in 2018. These provisions represent potential bad debts, which the Charity is actively in the process of recovering.

Provisions	2018 \$000
Balance at 1 January 2018	160
Release of provision Charged to SOFA during year	336
Balance at 31 December 2018	496

→ 16. Trustees' emoluments and reimbursed expenses

No Trustees were remunerated for their role during the year.

Travelling and accommodation expenses for 13 Trustees for attendance at meetings amounted to \$56,000 (2017: \$46,000).

No other transactions were entered into with the Trustees.

→ 17. Indemnity insurance

The Charity maintains a directors and officers insurance policy both to protect itself and indemnify the Trustees from the consequences of any neglect or default on the part of the Trustees, employees or agents of the Charity. This insurance is included in a Commercial Combined Package with an overall cost of \$40,000 for the period 1 January-31 December 2018.

→ 18. Auditor's remuneration

	2018 \$	2017 \$
Fee for the statutory audit	45,147	46,553
Fees for other services:		
Fee for the RCA (USAID compliance) audit	11,815	14,169
Other grant audits	49,244	40,669
Total fees, excluding VAT	106,206	101,391

→ 19. Analysis of net assets between funds

Fund balances at 31 December 2018 are represented by:

	Restricted 2018 \$000	Unrestricted 2018 \$000	Total 2018 \$000	Restricted 2017 \$000	Unrestricted 2017 \$000	Total 2017 \$000
Group						
Tangible fixed assets	-	64	64	-	78	78
Investments	-	-	-	-	-	-
Net current assets	-	8,626	8,626	-	11,778	11,778
Total net assets	-	8,690	8,690	-	11,856	11,856
Charity						
Tangible fixed assets	-	64	64	-	78	78
Investments	-	-	-	-	-	-
Net current assets	-	8,626	8,626	-	11,778	11,778
Total net assets	-	8,690	8,690	-	11,856	11,856

→ 20. Limited liability

The Charity is limited by guarantee, the liability of each member being limited to £1.

→ 21. Taxation

The Charity is not liable to pay UK taxation on its charitable income or capital gains.

→ 22. Obligations under operating leases

At 31 December 2018 the group had non-cancellable lease commitments as shown below:

	2018 \$000 Land and buildings	2017 \$000 Land and buildings
Due within one year	217	286
Due within one and five years	422	673
Due after five years	-	-

Non-cancellable lease commitments due within one year and between one and five years reflect the value of the rental due during this lease period for the Charity's offices in Preece House, Davigdor Road. The balance of non-cancellable lease commitments due within one year relate to the Charity's subsidiary in the US.

During 2018, lease payments of \$247,000 were expensed in the group (2017: \$281,000).

→ 23. Note to the cash flow statement

Reconciliation of cash flows from operating activities

	2018 \$000	2017 \$000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(3,166)	2,603
Adjustments for:		
Depreciation charges	39	28
Dividends, interest and rents from investments	(126)	(61)
Provision for liabilities and charges (non-cash)	336	20
Decrease in debtors	(811)	2,276
Increase in creditors	190	1,202
Net cash provided by (used in) operating activities	(3,538)	6,068

→ 24. Specific donor disclosures

Netherlands Ministry of Foreign Affairs:

READY+

In October 2016 the Charity was awarded USD 10,367,889 over the period 1st October 2016 to 31st December 2020 by the Embassy of the Kingdom of the Netherlands in Mozambique for the *Resilient and Empowered Adolescents and Young People* (READY+) project. The key financial totals for the project are as follows.

	2016 USD	2017 USD	2018 USD	Total USD
Cash received during the year	1,558,000	2,814,305	4,137,842	8,510,147
Interest allocated	-	10,040	20,125	30,165
Expenditure incurred and income recognised in the accounts (note 3)	(212,563)	(2,693,805)	(3,085,195)	(5,991,563)
Balance carried forward (within deferred income, note 14)	1,345,437	130,540	1,072,772	2,548,749

Funds are subgranted to project partners in various currencies, relevant to their operations. The approximate USD equivalents of funds obligated and disbursed are as follows.

	2016 USD	2017 USD	2018 USD	Total USD
Funds obligated to partners through subgrants	577,567	2,052,905	2,379,041	5,009,513
Funds disbursed to partners	(373,936)	(1,669,883)	(2,215,440)	(4,259,259)
Balance of obligated funds yet to be disbursed	203,631	383,022	163,601	750,254

→ 25. Financial instruments

Sections 11 and 12 of FRS 102 require the disclosure of the role that financial instruments have had during the year in creating or changing the risks that the Charity faces in undertaking its activities. The main financial risk the Charity is exposed to is foreign exchange risk, which applies because there is a mismatch between the currencies in which the Charity is funded and the currencies in which the Charity incurs expenditure and obligations.

The Charity manages foreign exchange risk in accordance with its foreign exchange policy, set out on page 37, which includes the use of forward contracts or options to reduce risk on significant foreign exchange exposures.

At 31st December 2018, the Charity is committed to purchasing a total of GBP £4,677,000 under forward contracts, which mature on 15 April 2019, 15 October 2019 and 29 November 2019. Included within other creditors, these contracts have a total net liability of \$147,000, as the spot rates are expected to be lower than the contracted forward rates when the contracts mature in 2019. The fair value of this net liability has been reached by revaluing the contract at the applicable forward rate at the year end, with the resultant loss being taken through the Statement of Financial Activities.

Below is a table summarising the carrying amount of all financial assets and liabilities at the year-end date.

	2018 \$000	2017 \$000
Financial assets measured at amortised cost	18,766	21,392
Financial liabilities measured at amortised cost	(1,519)	(1,651)
Financial liabilities measured at fair value through the statement of financial activities	(147)	
Carrying amount of financial assets/liabilities	17,100	19,741

→ 26. Comparative movement in funds

	Balance at 1/1/17 \$000	Incoming 2017 \$000	Transfers 2017 \$000	Outgoing 2017 \$000	Balance at 31/12/17 \$000
Restricted funds					
amfAR, The Foundation for AIDS Research	-	98	-	98	-
Big Lottery Fund	-	246	-	246	-
Comic Relief	-	439	-	439	-
Conrad N. Hilton Foundation	-	167	-	167	-
Danish Government (Danida)	-	14	-	14	-
Dutch Government (BuZa)	-	6,264	-	6,264	-
Elton John AIDS Foundation	-	1,627	-	1,627	-
German Government (GIZ)	-	347	-	347	-
Global Fund to Fight AIDS, Tuberculosis & Malaria	-	1,659	-	1,659	-
New Venture Fund	-	51	-	51	-
Open Society Foundations	-	3	-	3	-
Pepal Foundation	-	10	-	10	-
Swedish Government (Sida)	-	1,468	-	1,468	-
Children's Investment Fund Foundation	-	163	-	163	-
United Nations	-	54	-	54	-
US Government (USAID)	-	616	-	616	-
ViiV Healthcare	-	17	-	17	-
Total restricted funds		13,243		13,243	
Unrestricted funds					
Contracts					
US Government (USAID)	-	167	-	167	-
Other contract income	-	617	-	617	-
Subtotal contracts		784		784	
<i>Unrestricted grants (details below)</i>		10,358			
<i>Other unrestricted grant income</i>		145			
<i>Total grant income</i>		10,503			
<i>Other unrestricted income</i>		67			
Total incoming resources on general fund		10,570			
General fund	5,826	10,570	(5,870)	5,726	4,800
Fixed asset fund	62	-	16	-	78
Exchange rate revaluation reserve	500	-	(415)	(415)	500
Programme Designated Reserve	2,865	-	6,269	2,656	6,478
Total unrestricted funds	9,253	11,354	-	8,751	11,856
Total funds	9,253	24,597	-	21,994	11,856

Unrestricted grants include the following:

	2017 \$000	2016 \$000
UK Government (DFID)	-	5,459
Swedish Government (Sida)	6,445	2,005
Dutch Government (BuZa)	3,913	3,913
	10,358	11,377



Winnie Nyawira is a young sex worker who uses drugs who is now enrolled on the methadone programme at Malindi general hospital. Here she poses in the doorway of a bedsit in Watamu, Kenya that she shares with her boyfriend and where she and many other sex workers live. Winnie has been on the methadone programme for over a year and continues to go strong.

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Reference and administrative details

Trustees

Christoph Benn
Janet Bhila (from 4 May 2018)
Warren Buckingham III (Chair)
Kieran Daly (until 9 November 2018)
Martin Dinham (until 15 May 2019)
Marika Fahlen (Vice Chair)
Angela Gomez
Pauline Hayes (from 13 May 2019)
Zhen Li
Andrea Marmolejo
Kevin Moody
Thoko Moyo
Maya Mungra
Prasada Rao (until 15 May 2019)
Jens van Roey (until 25 February 2018)

Executive Director

Christine Stegling

Auditors

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Bankers

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Solicitors

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Registered office

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91-101 Davigdor Road
Hove
BN3 1RE

Company registration number

2883774

Charity registration number

1038860

Website

www.frontlineaids.org

Frontline AIDS accredited partners 2018

Organisation

Aids Care China [China](#)
Alliance Burundaise Contre le SIDA [Burundi](#)
Alliance for Public Health [Ukraine](#)
Alliance Nationale Contre le SIDA [Cote d'Ivoire](#)
Alliance Nationale des Communautés pour la santé [Senegal](#)
Anti-AIDS Association [Kyrgyzstan](#)
Asociacion Atlacatl Vivo Positivo [El Salvador](#)
Association Marocaine de Solidarité et Développement [Morocco](#)
Botswana Network on Ethics, Law and HIV/AIDS [Botswana](#)
Colectivo Sol [Mexico](#)
Community Health Alliance Uganda [Uganda](#)
Co-ordinating Assembly of Non-Governmental Organisations [Swaziland](#)
Corporacion Kimirina [Ecuador](#)
Humsafar Trust [India](#)
India HIV/AIDS Alliance [India](#)
Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA [Burkina Faso](#)
Instituto para el Desarrollo Humano [Bolivia](#)
KHANA [Cambodia](#)
LEPRA Society [India](#)
MAMTA Health Institute for Mother and Child [India](#)
NACOSA [South Africa](#)
Organization for Social Services, Health and Development [Ethiopia](#)
Positive Vibes [Namibia](#)
Promoteurs de l'Objectif Zerosida [Haiti](#)
Rumah Cemara [Indonesia](#)
Tanzania Council for Social Development [Tanzania](#)
The AIDS Legal Network [South Africa](#)
The Center for Supporting Community Development Initiatives [Vietnam](#)
Vasavya Mahila Mandali [India](#)
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