

Report and Accounts 2014

International HIV/AIDS Alliance



Table of contents

Report of the Trustees	3
Strategic report	9
Report of the independent auditors	32
Consolidated statement of financial activities	34
Balance sheets	35
Consolidated cash flow statement	36
Notes to the consolidated financial statements	36

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Nahimana, a young mother of two who visits a youth centre RNJ+ for support and sexual health information in Burundi © International HIV/AIDS Alliance

The Trustees of the Alliance are the charity's trustees under charity law and the directors of the charitable company.

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Report of the trustees

for the year ended 31 December 2014

The trustees of the International HIV/AIDS Alliance present their Annual Report for the year ended 31 December 2014 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

The International HIV/AIDS Alliance ('the Charity') is registered with the Charity Commission for England and Wales under number 1038860. The Charity functions as the secretariat for a global alliance of nationally-based Linking Organisations and Country Offices committed to joint action, working with communities through local, national and global action on HIV, health and human rights ('the Alliance'). (The terms 'Linking Organisation' and 'Country Office' are explained in the 'Organisational structure' section of the Trustees' report on page five.) The names of the Charity's Trustees and Executive Director are shown opposite, on the inside cover, as are details of its registered office (where the Secretariat is based) and the names and addresses of its bankers, solicitors and auditors.

Objectives and activities

Objectives

The Alliance's vision is a world without AIDS. The objects of the Charity, as stated in its memorandum of association, are the specific pursuits through which the Alliance aims to make that vision a reality. These objects 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 (as set out in United Nations conventions and declarations) particularly by the following means: relieving need among the victims of human rights abuses; research into human rights issues; educating the public about human rights; providing technical advice to government and others on human rights matters; raising awareness of human rights issues; international advocacy on human rights; and eliminating infringements of human rights
- the relief of poverty or other charitable need among people affected by HIV, including their families and dependants, in addition to ensuring that they are healthy
- the promotion of equality and diversity by the elimination of stigma and discrimination in relation to people affected by HIV.

The Charity's mission, in furtherance of its objects, is to work with communities through local, national and global action on HIV, health and human rights. The Charity aims to help communities in developing countries play a full and effective role in the global response to AIDS, and in particular is committed to:

- meaningfully involving people living with HIV in all aspects of its response to the epidemic
- reducing vulnerability, stigma, violence and discrimination
- strengthening the capacity of communities to respond to HIV and other health, development and human rights priorities
- working in both high- and low-prevalence countries with key populations – groups that are likely to affect, or be affected by, the spread of HIV.

During 2014, the work of Linking Organisations, Country Offices and the Secretariat all supported the achievement of the Charity's objectives for the year, and the overall objectives set out in 'HIV, health and rights: sustaining community action', its strategic framework for the period 2013-20.

Structure, governance and management

Organisational structure

The Charity was incorporated as a company limited by guarantee on 24 December 1993, and is registered with Companies House under number 2883774. The Charity's governing document is its memorandum and articles of association.

Country Offices and Linking Organisations

The support of community responses to the HIV epidemic has always been central to the Alliance's strategy. In the countries in which it operates, the Charity aims to identify independent, national non-governmental organisations (NGOs) that can act as 'Linking Organisations' to support other NGOs and community-based organisations within those countries. We see an alliance of national Linking Organisations with strong international connections and shared values as the best way to support community action on HIV. The accreditation process (see below) is used to assess organisations wishing to join the Alliance; if accredited, organisations sign the Alliance Charter and Linking Agreement, the document that formally links Alliance members. The Charter and Linking Agreement sets out the principles behind the Alliance and explains how its members work together to put these principles into practice.

In some countries, the need for urgent action and quick results meant that there was no time to select, support and build the type of relationship that would enable a Linking Organisation to be established from the very beginning. In those situations the Charity set up Country Offices, with the intention that they should evolve into independent Linking Organisations. The legal status of the Country Offices (the term includes subsidiaries and branches) varied depending upon the requirements of the relevant national government and the needs of the Charity's programmes in that country. As at 31 December 2014, the Charity had two Country Offices, in Uganda and Myanmar. The Charity aims to transition Myanmar from a Country Office to an independent Linking Organisation by the end of 2015. Alliance Uganda will close in the summer of 2015, when the USAID-funded SUNRISE programme comes to a close.

The Charity has a fundraising and policy office in the United States and is registered as a Foundation in Thailand, where it has a regional representative office, for administrative purposes. The US office, which serves a policy and representative purpose rather than a programmatic function, will remain a subsidiary of the Charity. Due to new regulations introduced by the Thai government, the Foundation will be closed by the end of 2015 and the regional representative will be hosted by a local organisation.

Technical Support Hubs

The Alliance has a network of six Regional Technical Support Hubs in Africa, Asia, and Latin America and the Caribbean. The hubs offer technical support to Linking Organisations and other civil society organisations to strengthen their leadership and capacity, and to governments and other institutions to enable them to work effectively with civil society. All six hubs are hosted by Alliance Linking Organisations.

Governance

Trustees

The Charity is governed by its Board of Trustees, the highest policymaking body within the organisation. The Board 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, approve accounts and review organisational risk. The Trustees also select and appoint the Charity's Executive Director.

The Trustees are Directors for the purposes of the Companies Act 2006. When new appointments to the Board are sought, preferred skills and experience are identified through an audit and the positions and desired profile(s) 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. Training is arranged for all Trustees, while induction procedures inform new Trustees about the Charity's operations.

Finance and Audit Committee

The Finance and Audit Committee reports to the Board of Trustees and comprises up to eight members: up to five Trustees and up to three external members. The current external member is Peter Freeman, former Chair of the Committee and an Alliance Trustee until his retirement from the Board in 2011. Jon Barton stepped down from his role as an external member during 2014 and the Alliance would like to extend their gratitude for the service Jon has given to the Committee over the course of his tenure. The Alliance is currently in the advanced stages of recruiting a second external FAC member and an appointment will be made during the course of 2015.

The Committee meets twice a year, and its responsibilities include the review of the Charity's annual budget in advance of discussion by the Board of Trustees; 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 Alliance internal audit function; and the consideration of findings and recommendations of both the internal and external auditors.

Policy and Advocacy Committee

The Alliance's policy work continues to be an important component of the civil society response to HIV, especially in a changing environment, both at policy-making and funding levels. The Policy and Advocacy Committee is a formal mechanism through which Linking Organisations can participate both in the setting of an international policy agenda and in the adoption of advocacy positions that represent the Alliance and are linked to local programme work.

The Policy and Advocacy Committee is responsible for developing and maintaining a global policy agenda for presentation to the Board of Trustees for approval on an annual basis. The Committee comprises up to ten members, including Trustees, senior staff from Linking Organisations and expert, external members. The current external member is Mat Southwell, a drug specialist and drug-user activist who has worked in the HIV and drugs fields for over 20 years. He brings a breadth of experience and insights from his work as a drugs practitioner, senior manager, professional head of service, advocate and activist.

Accreditation Committee

The Alliance introduced an accreditation system in 2008 to assess Alliance members against institutional and programmatic standards in order to ensure that the Alliance's membership comprises well-performing, sustainable and credible civil society organisations. The system promotes good governance, organisational management and good practice HIV programming across Linking Organisations and guides the admission of new organisations to the Alliance. The accreditation certification is valid for four years; cycle II of accreditation, during which the Secretariat and all Linking Organisations will be assessed, began in 2013.

The Accreditation Committee oversees the accreditation system. The Committee comprises up to three Trustees, four Linking Organisation representatives at either board or senior management level, and a senior staff member of the Secretariat.

Management structure

The Executive Director manages the Charity on a day-to-day basis, coordinates and directs the three secretariat departments (Field Programmes, Corporate Services and External Relations) and the Legal, Risk and Compliance Team, and reports to the Board of Trustees at its biannual meetings. He leads the Charity's Senior Management Team (SMT), which comprises the Executive Director, the Director: Corporate Services, the Director: External Relations, the Operations Director and five Associate Directors.

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. Significant decisions – such as the approval of organisation-wide strategy, annual workplans and budgets – are subject to approval by the Board of Trustees.

Annual meetings of SMT members with the Directors of Country Offices and Linking Organisations facilitate direct discussions on Alliance-wide issues. Regional 'blue sky weeks', held in-country with senior programme personnel and local office and Linking Organisation staff, also help to maintain close links with operations worldwide.

Grant-making policy

The Charity grants funds to Linking Organisations. Linking Organisations then support other non-governmental organisations (NGOs) and community-based organisations (CBOs) within their countries by sub-granting the funds received. On rare occasions the Charity 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 NGOs and CBOs, to ensure that accountability and transparency is maintained. The manual includes detailed tendering processes, as well as 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. Grant renewal is subject to performance, review and re-planning.

Risk management

The Charity has systems and procedures in place that enable the identification, assessment, management and mitigation of the risks to which it is exposed. The Trustees review the organisational risk register and the proposed risk management plans at their biannual meetings.

The main components of the risk management system are as follows:

- **Risk identification and assessment.** The strategic responses outlined in the Alliance's strategy are translated into focused strategic objectives and significant risks are mapped to the objectives. The SMT is responsible for risk assessment being embedded in the Charity's planning, operational and decision-making processes.
- **Risk registers.** Secretariat teams maintain team risk registers, which are reviewed regularly by departmental directors. Team risk registers inform the organisational risk register, which is the responsibility of the SMT. Critical risks are monitored on an ongoing basis by the SMT, a process which includes monthly review of the organisational risk register.
- **Risk mitigation strategies.** Systems and controls to be put in place to mitigate risks are identified by the SMT, working with the Legal, Risk and Compliance Team and the heads of other teams. These strategies are implemented by the relevant teams.
- **Internal audit.** Monitoring and review of the risk mitigation strategies is carried out by the internal audit function, which sits within the Legal, Risk and Compliance team. The internal audit function focuses primarily on the monitoring of risks in Country Offices and Linking Organisations.
- **Reporting.** The Board of Trustees is presented with the organisational risk register and proposed action plan at each Board meeting. Review of the risk register is a formal item on the agenda at the Finance and Audit Committee's biannual meetings, and the chair of the committee is updated regularly on any significant new risks or changes to the register by the Executive Director or the Director of Corporate Services. The Finance and Audit Committee reviews the risk register, assesses the adequacy of existing controls, and reports its findings to the Trustees.

The Trustees have identified the following major risks to which the Charity is exposed:

- funding issues due to changes in donor priorities
- failure of strategic initiatives
- governance and programmatic shortcomings at Linking Organisations
- safety of staff and consultants travelling overseas.

These risks have been reviewed and a risk management strategy is in place.

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 report explains the Charity's activities and demonstrates how they contribute to the Charity's purposes and provide public benefit.

Strategic report

Achievements and performance in 2014

Significant achievements in 2014

All 15 of our strategic goals were met or exceeded, including:

- In 33% of Alliance countries, our Linking Organisations contributed 10% or more of the national coverage for HIV prevention, care or treatment (target 25% of Alliance countries).
- Over one million defined packages of HIV prevention services were provided to key populations; a one third increase on last year.
- 919,000 people were enrolled in HIV care services; a figure that has doubled since 2012.
- 483,000 people were supported with community-based access and adherence to antiretroviral treatment, more than double the number in 2013.
- 1,472,000 people were reached with integrated HIV and sexual and reproductive health (SRH) activities, an increase of 300,000 since 2013.
- 2,316 community-based organisations (CBOs) received grants through the Alliance (target 2000).
- 775 CBOs and networks were supported by the Alliance to monitor and report on human rights-related barriers to access services (initial target 15).
- 37% of Alliance Linking Organisations receive more than 5% or more of their total funding from non-official development assistance (ODA) sources (target 36%).
- Global Fund Country Coordinating Mechanisms (CCMs) in 28 countries received technical support via Alliance Regional Technical Support Hubs.
- We organised a number of high-level events to influence decision makers including at the African Union in Addis Ababa, at the International AIDS Conference in Melbourne, and at the UN General Assembly on the Post-2015 Framework in New York.
- Total Alliance global income was \$147.2 million in 2014.

HIV, health and rights strategy: the second year

2014 was the second year of implementing our 2013-20 strategy, *HIV, health and rights: sustaining community action*. This strategy sets out measurable goals to be achieved by 2015, and unites the efforts of the global Alliance to bring about a world without AIDS.

At the heart of the strategy is the ambition to bring about healthy people, stronger health and community systems, and inclusive and engaged societies. To achieve this we are focusing on three key responses: increasing access to HIV and health programmes, supporting CBOs to be connected and effective elements of health

systems, and advocating for HIV, health and human rights. Key populations, such as sex workers, men who have sex with men, transgender people, and people who use drugs are still stigmatised, discriminated against and criminalised, so the strategy aims particularly to target and support these groups.

Last year saw good progress, with all our milestones met. However, political support for official development assistance (ODA) is diminishing, particularly for middle-income countries. This is creating an even greater sense of urgency around our efforts to diversify financial support. The environment for key populations remains challenging. The pace and delivery of law reform is mixed. For example, last year Nigeria passed a bill making it illegal to discriminate against people based on their HIV status, yet at the same time, signed into law a new anti-homosexuality bill. These developments, along with our commitment to focus our efforts in countries where we can have the most impact, increasingly challenge us in the delivery of our new strategy.

This report sets out our key results during 2014 under each of our Strategic Responses.

Similar to last year, we exceeded targets on some indicators and will adjust our annual milestones and baselines to maintain the ambition of our strategy. Work continues to show the global outcomes resulting from our strategic responses. Measuring outcomes is complex, so an evaluation project is in progress that will provide data from 2015 for next year's reporting for most of the proposed outcome indicators.

Last year, an error was identified in the reporting of 2013 global Alliance data. Following an extensive review, global aggregate reach was found to be 30% less than officially reported. Despite this decrease, we still met our 2013 targets. We have decided to discontinue the use of the global aggregate reach figure for now and use instead four disaggregated reach indicators to track our progress against the strategy. In addition, we have initiated a new data quality project including the use of unique identifier codes to better track *who* we are reaching with *what* services.

To help measure progress at this early stage of the strategy implementation, in 2014 the Alliance commissioned an independent interim review by evaluation consultants Social Development Direct. The review found there was '*Good progress towards improved health outcomes for people living with or those most affected by HIV in terms of numbers of total people reached by HIV prevention, care or treatment programmes.*'

You can find more information about the independent review and our work, achievements and impact during 2014 on our website.

Strategic Response 1: Increase access to HIV and health programmes resulting in healthy people and leading to improved health outcomes

Under Strategic Response 1 we have committed ourselves to integrated health programmes. Our results demonstrate how we have prioritised programmes that prevent HIV infection, increase access to HIV testing and counselling, provide care and support, and improve access and adherence to antiretroviral treatment. The results also show how we have promoted integration of HIV prevention and care into sexual and reproductive health (SRH) and tuberculosis (TB) services, a growing focus on HIV and hepatitis C co-infection and worked to create an enabling social and legal environment for HIV services, especially for key populations. It also shows our commitment to piloting and scaling up innovative community-based solutions.

Outcome indicators

**33% of Alliance countries contributed 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.
2014 milestone exceeded (25%)**

In Burkina Faso, Burundi, Cambodia, China, Cote d'Ivoire, India (India HIV/AIDS Alliance), Myanmar, Namibia, Senegal, and Ukraine our Linking Organisations contributed 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. This included Burkina Faso and Cote d'Ivoire, where Alliance Nationale Contre le SIDA (ANS-CI) and Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA (IPC) are important national providers of community-based HIV testing and counselling services, and in Cambodia, China, India and Senegal where our Linking Organisations offer community-based approaches to access HIV treatment.

Many Linking Organisations are exceeding our 10% coverage target. For example, in Cote d'Ivoire Alliance Nationale Contre le SIDA contributed 11% of the national target for HIV counselling and testing; AIDS Care China provided treatment to 15% of the total number of people living with HIV who are on treatment within their state; and the International HIV/AIDS Alliance in Ukraine provided substitution maintenance therapy to 66% of the people who inject drugs who are currently receiving this form of harm reduction service.

The Global Fund to Fight AIDS, TB and Malaria (the Global Fund) provided close to 50% of the Alliance's family income in 2014, supporting 22 Linking Organisations. Many of these Linking Organisations contribute substantially to both national and global Alliance targets including India HIV/AIDS Alliance, International HIV/AIDS Alliance in Ukraine, Alliance Nationale Contre le SIDA (ANCS) in Senegal, Alliance Nationale Contre le SIDA (ANS CI) in Cote d'Ivoire and Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA (IPC) in Burkina Faso.

Results:

919,000 adults and children enrolled in HIV care services 2014 milestone exceeded (700,000)

- Community-led support to people enrolled in care and treatment programmes was largely driven by the Global Fund Vihaan programme, being implemented by India HIV/AIDS Alliance.
- Globally, we also supported 483,000 people to begin to access and/or consistently use anti-retroviral treatment through a range of community-based interventions.

782,000 people received HIV testing and counselling services and received their results 2014 milestone exceeded (650,000)

- 28 Linking Organisations provided HIV testing and counselling through a wide variety of community, mobile and facility-based models.
- AIDS Care China tested 12,500 people in its Red Ribbon Centres, which are based in hospitals and provide support services for people living with HIV, an increase of 40% from 2013.
- In keeping up with advances in HIV testing technology, MAMTA piloted HIV self-testing with a sample of pregnant women India.

1,472,000 million people reached with integrated HIV and SRH services 2014 milestone exceeded (900,000)

- The reach of our integrated HIV and SRH services increased by over 20%.
- Work continued on delivering the ambitious, five-country sexual and reproductive health and rights (SRHR) and HIV integration programme, *Link Up*, which aims to reach close to one million young people in Bangladesh, Burundi, Ethiopia, Myanmar and Uganda. In 2014 433,603 young people from key populations were reached in community-based settings and a further 118,204 in facility-based settings¹.
- Additionally, growth was driven by existing programmes supported by the Global Fund in Senegal where Alliance Linking Organisation ANCS reached 494,000 people with integrated HIV and SRH services.
- In addition to integrated HIV and SRHR services, we provided 243,000 people with integrated HIV and TB services.

One million people from key populations reached with a defined package of HIV prevention services 2014 milestone exceeded (750,000)

- Men who have sex with men were the largest group (485,000) closely followed by people who use drugs (286,000), sex workers (192,000) and transgender people (55,000).

¹ Draft Link Up data, to be verified and finalised in June 2015.

- Alliance India reached 334,868 men who have sex with men with prevention. This was mostly through the Global Fund supported *Pehchan* programme.
- The International HIV/AIDS Alliance in Ukraine reached 210,000 people who inject drugs, and is the primary provider of harm reduction in Ukraine. Using this expertise gained in Ukraine, the International HIV/AIDS Alliance in Ukraine has provided technical support to other Alliance Linking Organisations through the *Community Action on Harm Reduction* programme. As a result KANCO has reached 9,093 people who inject drugs in Kenya.
- Through our wider prevention activities we distributed over 37 million condoms and over six million sachets of lubricant.

Piloting innovative community-based interventions for key populations

- In 2014, ten new projects were started to encourage innovative models and generate evidence around community action on HIV. They were supported by strategic funding, allocated the previous year to strengthen the capacity of Linking Organisations to innovate, strengthen community systems and measure results.
- The projects include a focus on community-initiated testing for people who inject drugs in Ukraine and a mobile Information Communication Technology (ICT) platform called M-Klinik to enhance service access for marginalised communities in Kenya and the integration of cervical cancer screening into the package of care and support in Peru.

Principal risks and uncertainties:

- We remain committed to focusing our efforts in countries which have the highest burden of the HIV epidemic and where we could have the greatest impact. Work to ensure that the countries where we work matches this aspiration continues, particularly to increase our impact in Southern Africa where there are nearly 12 million people living with HIV. Following an open call for applications, two organisations have been selected as incoming Linking Organisations in the region. They have strong capacity and experience of working with key populations and those most affected by gender-based violence. These organisations are currently going through the self-assessment element of the Alliance accreditation system (see Strategic Response 4) and we hope to formally welcome them into the global Alliance in 2015.
- Evidence around the preventative benefits of ART continues to compel us to re-focus how our HIV programmes are framed. We recognise that we need to prioritise these efforts and in 2014 we established the TREAT programme, which aims to strengthen the engagement of selected Linking Organisations in HIV treatment across the HIV care continuum.
- In 2014 we started to develop a more coordinated response in fragile states where a significant proportion of people living with HIV live, building on the experience of Linking Organisations in Haiti, Ukraine, South Sudan and Côte d'Ivoire. This work will remain a priority for us in 2015.

- Last year services delivered by our Linking Organisations in South Sudan and Ukraine were affected by the ongoing political instability in these countries and this had an impact on beneficiaries and on the Alliance's global results. The ability of Alliance for Community health Initiatives (ACHI) in South Sudan to continue to respond to the needs of people living with HIV, especially young people, in the camps for internally displaced people in and around the capital Juba is affected by the scarcity of skilled staff and limitations on movement. In Ukraine, closure of harm reduction operations run by International HIV/AIDS Alliance in Ukraine in the Autonomous Republic of Crimea affected 14,000 drug users last year.
- More flexible funding is needed to finance the innovation set out in this strategy.

Strategic Response 2: Support community-based organisations to be effective and connected elements of health systems resulting in stronger health and community systems and leading to an outcome of high performing and sustainable civil society

Strategic Response 2 focuses on ensuring that CBOs remain connected and effective, high performing and ultimately sustainable as they create demand, deliver services and provide a bridge to government and other services for key populations. Health systems also need to be strengthened so they can address the needs of people most affected by HIV.

Outcome indicators:

**37% of Alliance Linking Organisations received 5% or more of their total funding from non-ODA sources
2014 milestone exceeded (36%)**

In line with the strategy, we invested significantly in supporting Linking Organisations to diversify their funding from non-ODA sources. The urgent impact of the withdrawal of ODA funding from middle-income countries was felt most dramatically last year in the Caribbean and Cambodia where Alliance programmes closed and downsized respectively. The highest percentage of funding from non-ODA sources was 70% for Via Libre (Peru), 67% for AIDS Care China and 49% for Malaysian AIDS Council.

Results:

**2,316 CBOs received grants through the Alliance
2014 milestone exceeded (2,000)**

The number of CBOs supported financially by the Alliance continued to grow in 2014.

- Alliance India's CBO-support system is ensuring the organisations they work with remain relevant and essential in the India HIV response. Last year they onward granted to 694 CBOs, up from 536 CBOs in 2013.
- The seven countries where the Alliance is a Global Fund principal recipient accounted for 68% (1,579) of the total number of CBOs reached.

77% of Alliance-supported CBOs achieved their programmatic and financial targets

2014 milestone exceeded (65%)

This indicator continues to be a barometer of how well Alliance-supported CBOs are performing, and is a proxy measure for whether these organisations have the appropriate capacity.

- 3,083 CBOs received technical support from Linking Organisations in 2014.
- Twenty-seven Linking Organisations have systems and tools in place to assess the progress of their CBOs and monitor delivery of capacity building efforts.
- ANCS in Senegal onward granted 85% of their 2014 income to their CBOs.

77% of Linking Organisations have CBOs that report to national HIV and/or health ministries in accordance with national guidelines

2014 milestone exceeded (72%)

This indicator measures the extent to which Linking Organisations, and by extension CBOs, are connected with the government through sharing of data or receiving funding. As we near the end of the reporting period for the Millennium Development Goals, it is vital that community efforts are reflected in these global results.

- In 2014, 77% of Linking Organisations reported that they and the CBOs they supported were regularly reporting their programmatic results to a national HIV and/or health ministry.

Ten peer reviewed journal articles analysed the Alliance's contribution to improved health outcomes for key populations

2014 milestone exceeded (8)

The Alliance continued to share its experience at the community level in order to inform practice and improve technical capacity. Ten articles were published in peer-reviewed journals that incorporated work done in 2014.

- Experience was shared from Cambodia, eastern Uganda, Zambia and China in journals including the *American Journal of Public Health Research*, *International Journal of Tropical Diseases and Health*, *Global Journal of Medicine and Public Health*, *Journal of International AIDS Society*, and *PLOS One*.

Southern leadership to end AIDS

- The Regional Technical Support Hubs provided 4,800 days of technical assistance in 2014; a 50% decrease on 2013. This was due to the closure of large-scale projects in which the South Asia Hub and the West, North and Central Africa Hub were involved.
- The Secretariat's role in brokering technical support requests became increasingly important. 70% of the Hub assignments came from Secretariat managed multi-country projects such as *Link Up* and *Community Action on Harm Reduction*, as well as a Global Fund contract to undertake eligibility and performance assessments (EPA) of Country Coordinating Mechanisms in 28 countries. The Alliance provided one third of this technical assistance globally.
- The strategy drives us to share our knowledge and sustain community action on HIV. To this end, in 2014 we conceptualised four new programmatic Centres of Practice to be hosted by selected Linking Organisations. Centres aim to bridge the gap between evidence and practice in order to end AIDS. To be launched in 2015, they will deliver a model of distributed technical leadership across the global partnership.

Addressing sustainability of the HIV response in middle-income countries

- In 2014, we continued to address the political and financial sustainability of the HIV response in middle-income countries. Four Linking Organisations in Namibia, India, Mexico and Ukraine were involved in monitoring national budget allocation and expenditure on HIV and advocating for improvements where necessary. They created or joined civil society coalitions beyond HIV, expanding the range of stakeholders with whom they network. New research to map the decision making process, which determines national budgets, expanded their understanding of how the national finances work.

Principal risks and uncertainties:

- Two thirds of Alliance Linking Organisations are working in middle-income countries where ODA is decreasing rapidly. Our future sustainability relies on accessing new, non-ODA sources of funding. While progress against this indicator is good, it remains unclear whether the Alliance is yet doing enough to steer a different course around financial sustainability. The individual giving programme called End AIDS India - which launched successfully in 2013 - experienced difficulties at the end of last year with project and supplier management. Renewed efforts are underway to get the project back on track during 2015.
- A number of Linking Organisations experienced significant challenges in 2014 and this is having an impact on the number of countries where we work, particularly in middle-income countries.

- o Caribbean HIV/AIDS Alliance (Caribbean): following the rapid withdrawal of USAID funding, the organisation has closed. This includes specific programming for men who have sex with men in seven Caribbean islands.
- o AIDS Care China and KHANA (Cambodia): both have shifted their focus and downsized operations due to changes in ODA at country level.
- o ACHI (South Sudan) and International HIV/AIDS Alliance in Ukraine programmes continue to be affected as these countries continue to experience political instability.
- o We suspended Philippine NGO Support Forum (PHANSUP) in the Philippines and National AIDS Foundation in Mongolia as Alliance Linking Organisations as they had not managed to demonstrate viability, nor impact in their national HIV response over recent years.
- The Regional Technical Support Hubs form an important component of our 2020 strategy and as more and more of their work is generated at the global level, we will look at how best to respond to the demand. Also, we will continue to support the Hubs to respond to the needs of Linking Organisations identified in annual Strategic Development Plans, and to engage in the development of the new Centres of Practice for key programmatic areas.

Strategic Response 3: Advocate for HIV, health and human rights resulting in inclusive and engaged societies and leading to an outcome of empowered communities

Strategic Response 3 aims to bring about structural and policy change (informed by evidence) to improve access to health services and promote human rights. Alliance Linking Organisations and their community partners seek to hold authorities to account for HIV spending, and the work of the whole Alliance will continue to ensure that key populations play a part in decision-making at local and international level. Here we also track efforts to position the Alliance and CBOs as influential leaders in the HIV response, in partnership with other stakeholders.

Work is well underway to establish two new outcome indicators for this strategic response to show progress towards protecting and addressing violence and discrimination against key populations and to evaluate to what extent the Alliance is influencing national and global policy and legal frameworks and processes. By 2015 we will have collected data to report on these indicators.

Results:

**The Alliance supported key populations advocacy in 23 countries
2014 milestone exceeded (20)**

- India HIV/AIDS Alliance, through its '207 against 377' campaign, successfully contributed to the judgment which officially acknowledged transgender people and hijras as a 'third gender' in 2014.

- Positive Vibes in Namibia worked with UNAIDS to integrate strategic investment thinking in the national strategic framework. This resulted in increased national support for key populations.
- In Ecuador, Kimirina – in partnership with other civil society organisations – launched a new forum which released the first ever national manifesto for Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) health.

775 CBOs and networks were supported by the Alliance to monitor and report on human rights-related barriers to access HIV and health services
2014 milestone exceeded (15)

- This result is mainly due to the Global Fund supported Pehchan and Vihaan programmes in India. Alliance India worked with 694 CBOs/networks in monitoring human rights-related barriers to HIV services. As result 1,267 cases of violence and discrimination were reported in 2014 and 89% of these cases were responded to within 24 hours.
- In 2014, the Alliance launched Rights-Evidence-ACTION (REAct), a community-based system for monitoring and responding to human rights-related barriers in accessing HIV and health services. At the end of 2014, trained REAct implementing partners were gathering individual case information in Uganda and Zimbabwe.

Existing research and programmatic experience was used in 14 high-level events to influence decision makers
2014 milestone exceeded (6)

- To mark the Alliance's 20th anniversary, we hosted a reception at the UK House of Lords with UK and Dutch parliamentarians and a convention in Brighton, which was attended by all Linking Organisations, strategic donors and key partners. Speakers included Dr Mark Dybul from the Global Fund, Dr Seth Berkley from the International AIDS Vaccine Initiative (IAVI) and Professor Awa Marie Coll-Seck, Senegal's Minister of Health.
- At the International AIDS Conference in Melbourne we co-authored and launched a report, which highlighted the global funding crisis for harm reduction, and organised a round-table event with the Dutch Ministry of Foreign Affairs and UK parliamentarians. We also supported two advocates from the youth network Myanmar Youth Stars to attend the conference and exhibit the photographs they had taken to confront stigma and discrimination.
- At the UN General Assembly on the Post-2015 Framework, we organised a well-attended panel event hosted by the Brazilian government and UNAIDS, and featuring two youth advocates who spoke about SRHR and HIV integration and the barriers they face to accessing services.
- In Bangladesh, we helped organise a national HIV consultation meeting on the post-2015 framework. At this event, government officials committed to include marginalised groups in their post-2015 position.

- We organised a high-level event at the African Union in Addis Ababa, Ethiopia to facilitate open debate and discussion between representatives from Alliance Linking Organisations based in Africa and Union officials. The meeting focused on the post-2015 agenda and the African Union Roadmap on AIDS, TB and malaria.

The Alliance continued in its role as a respected thought-leader in the global HIV response. 2014 marked the publication of the first edition of a new biennial publication, *AIDS Today: Tell no lies and claim no easy victories*. This powerful collection of essays written by leading HIV civil society activists aimed to spark a timely debate about the global AIDS response. The report was formally launched at an event in the UK at the London School of Economics attended by two report contributors, Sisonke Msimang and Mark Heywood.

The Alliance continued to consolidate the Key Correspondents team, an independent network of community-based citizen journalists. Based in over 40 countries, they wrote 360 articles on HIV, health and human rights, many of which were published in mainstream media.

Principal risks and uncertainties:

In 17 of the countries in which the Alliance operates, there are laws which criminalise same-sex sexual activity. In 14 of those countries, there are also laws which criminalise sex work. While the Alliance is implementing programmes like the Men's Sexual Health and Rights Programme (SHARP) in the midst of hostile environments in countries such as Uganda, Tanzania, Kenya and Zimbabwe, the risks remain high. In Zimbabwe, for example, implementing partner Gay and Lesbians in Zimbabwe (GALZ) had their offices raided and staff arrested in 2014.

Strategic Response 4: Building a stronger Alliance

so we can make our strategy happen

Our strategy is clear. To achieve our ambitious targets and contribute to a world without AIDS, we need to do things differently and better. This response tracks our ability to ensure the Alliance remains relevant and valued by its members, and to maintain and expand our accreditation system.

RESULTS

Accreditation – the backbone of a strong Alliance

The accreditation system is how we guarantee standards and a shared sense of vision and values across the global Alliance. Using assessment teams from peer Linking Organisations, we rigorously assess good governance, organisational management and good practice HIV programming.

- In 2014, 14 Linking Organisations initiated the enhanced accreditation process. Following 15 peer review team visits, the number of capacity issues identified was 199. By the end of 2014, and with significant support from the Secretariat, 85 of those issues had been addressed. At the end of 2014, four Linking Organisations had met all 38 standards and were awarded accreditation: KHANA, Positive Vibes, Alliance Burundaise Sida (ABS) and Via Libre in Peru. The Secretariat also met the required standards.

A valued Alliance

- On average, Linking Organisations rated the Alliance 4.1 out of 5 in our Alliance value index; maintaining the grade from last year which was the highest ever received. The most important value remained ‘credibility and prestige’ which scored 4.4 in 2014.
- The majority of Linking Organisations believe they ‘often have the opportunity to learn from others in the Alliance’. Horizontal learning exchanges, regional Blue Sky weeks, as well as an increasing amount of interaction through multi-country projects continue to provide opportunities for South-to-South learning.
- Over the course of the previous strategy, the Alliance developed a strong track record in thought-leadership around value for money, piloting approaches such as Social Return on Investment (SROI). A new value-for-money plan has been developed and progress made on achieving regular cost-savings in procurement, staffing and travel within the Secretariat. However, greater effort is required to develop a common approach to value for money across the global Alliance.

Principal risks and uncertainties:

- This strategy has drawn attention to the diverse capacities, expertise, scale and contexts of Linking Organisations. A new ‘segmentation approach’ has been adopted, allowing the Alliance to provide more tailored packages of support based on an analysis of the assets and needs of individual Linking Organisations, as well as an assessment of their ability to contribute to national coverage for HIV prevention, care and treatment. This approach offers good value for money but has generated tensions between the need to ensure meaningful participation of all parts of the Alliance, and the drive to be more efficient, effective and innovative.

Looking forward

In November 2012 the Alliance approved its current strategy *HIV, Health and rights: Sustaining Community Action 2013-2020*. A strategy results framework followed, establishing the targets against which we present our results in this report. We agreed at the time of defining our strategy we would review progress in 2015. The review considers a dynamic external environment, as well as results and challenges we have experienced since initiating the strategy. The consensus is that the current strategy is serving us well but some updates are needed.

As we look ahead, by the end of 2015 the new Sustainable Development Goals will be finalised and will set the agendas and political policies of UN Member States for the next 15 years. Unlike the Millennium Development Goals, there will be no high-level goal dedicated to AIDS. Instead, efforts to bring an end to the epidemic will be monitored under the wider health goal and the targets around Universal Health Coverage (UHC). There is still much to play for as the UHC target is falling short of prioritising the key populations who are at the heart of our 2020 strategy. We are working to influence this, await the final outcome of the deliberations, and will adjust our national and global advocacy targets accordingly.

Around the Alliance's programming we recognise a strong need to follow the HIV epidemic. At the end of 2014 there are still an estimated 35 million people living with HIV, with 13.9 million of these people on antiretroviral treatment (ARVs). In 2014 UNAIDS released the GAP report that showed 'HIV prevalence is estimated to be 28 times higher among people who inject drugs, 12 times higher among sex workers, 19 times higher among gay men and other men who have sex with men and up to 49 times higher among transgender women than among the rest of the adult population.'

UNAIDS 2014 reports also showed that 15 countries contributed to more than 75% of new infections in the previous 12 months. This requires decisions about which countries does the Alliance want to be working in in 2020. The starting point in our current strategy has been that 'our investment will be concentrated in the countries where we can have the greatest impact. This may require expansion into new low-income countries, predominantly in sub-Saharan Africa.' However, recent reporting of where new HIV infections occur does not fit this description. As such we are determining the priority and pace for how the Alliance will engage among the locations and populations most affected by the HIV epidemic.

Evidence around the use of ARVs for both treating and preventing HIV infection is also informing how we conceptualise HIV programmes. We are looking at new strategies to ensure that the Alliance does its part, both in filling an important HIV treatment gap – especially for key populations - and ensuring the benefits of ARVs for preventing further transmission of HIV.

We also recognise that intellectual property and the law will become more critical as we move to 2020 and this is an area that the Alliance needs to move into.

We must continue to play a strong role in building national capacity for strong community and health systems, while also advocating for inclusive and engaged societies. It is also important to ensure the Alliance's practice, evidence and lived experience is close to the technical debates happening in these agendas. Partly by choice and partly by default the Alliance is now playing a much greater role in being a critical 'thought leader' for the HIV response. More analysis and a clearer roadmap are needed to consolidate the Alliance's position as a recognised authoritative voice whose expertise is sought.

Financial review

Trustees' responsibilities in respect of the Charity's financial statements

The Trustees (who are also directors of International HIV/AIDS Alliance 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 its net resources for that period. In preparing those accounts the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities 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 accounts on the going concern basis unless it is inappropriate to presume that the group will continue its activities.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and which disclose with reasonable accuracy at any time the financial position of the Charity and its group, and enable them to ensure that the accounts comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the charitable company 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 are aware, there is no relevant audit information of which the Charity's auditors are unaware
- they have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Linking Organisations and Alliance global partnership accounts

The financial statements of the Charity and its group on pages 34-51 have been prepared in accordance with company law, as described above.

The Alliance is a global partnership comprising the Charity and 33 independent Linking Organisations. These Linking Organisations are legally independent entities not controlled by the Charity and therefore their accounts are not consolidated within the Charity group accounts. However, the Alliance global partnership accounts (the collective finances of the Charity and the Linking Organisations) are an important indicator of success in the Charity's work to end AIDS. The Linking Organisations receive some of their funding from the Charity and are able to increase funding received directly from donors by virtue of their Alliance 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 Linking Organisation members' accounts.

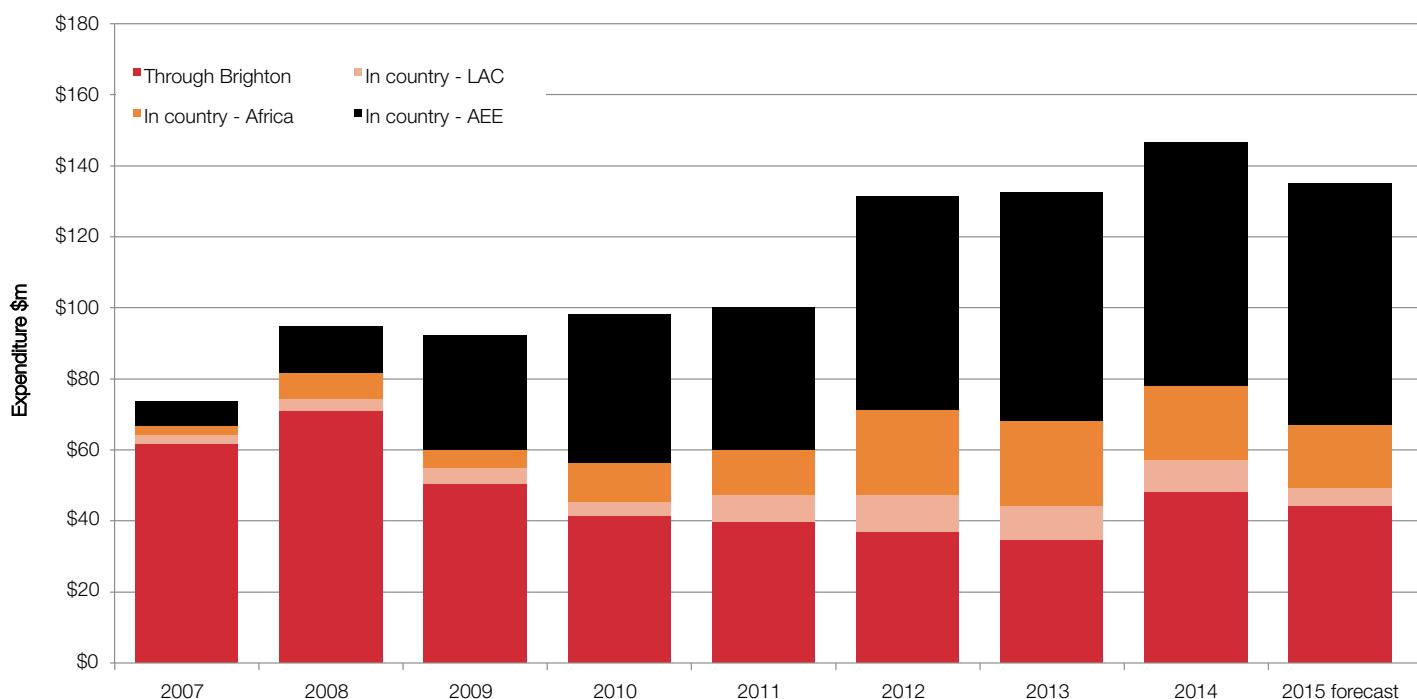
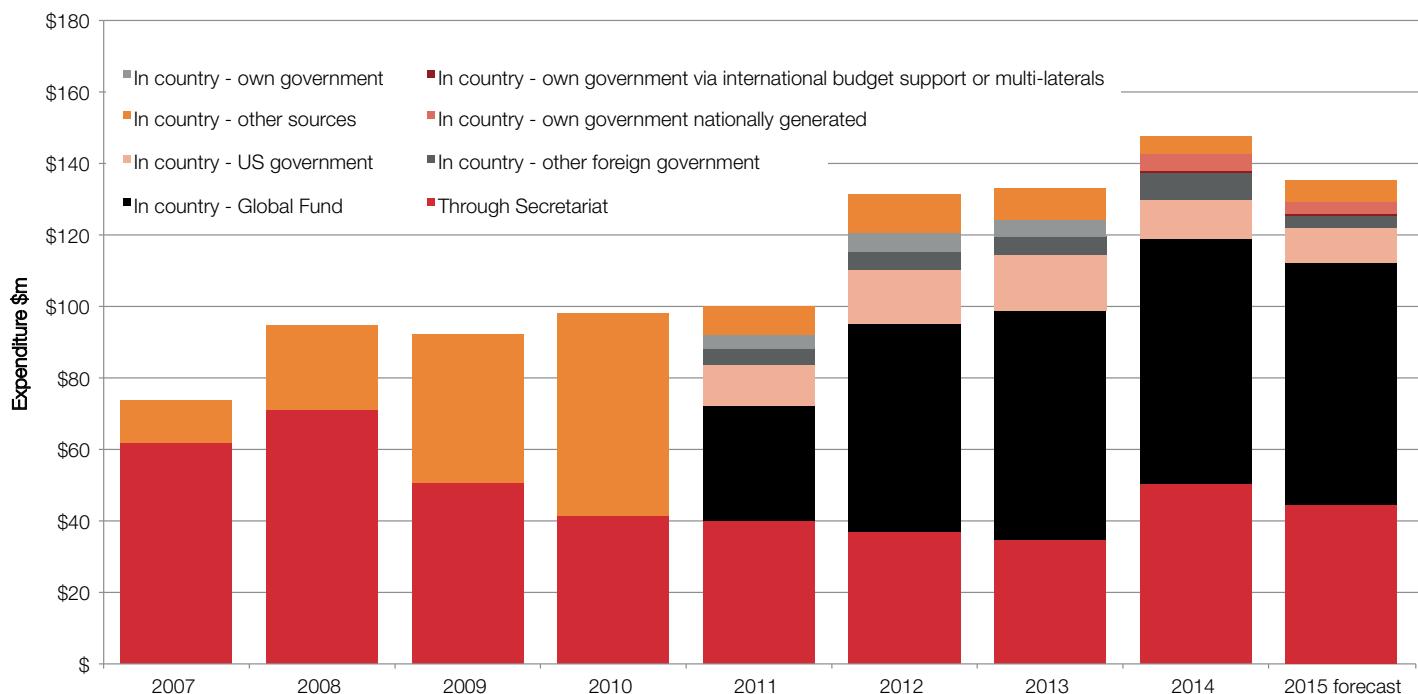
The planned process of transitioning Country Offices to Linking Organisations and helping Linking Organisations to secure funding directly in-country, rather than via the Charity's UK Secretariat, has led since 2009 to year-on-year reductions in the total income and expenditure reported in the Charity's accounts, although that trend has been broken in 2014 because of the effect of the Link Up programme. However, total funding and expenditure of the Alliance partnership continues to grow.

The first chart below shows the total expenditure of Alliance organisations in the years 2007 to 2014, and the forecast for 2015. The red segment of each bar represents the total expenditure recorded in the Charity's group accounts, including Linking Organisations to the extent that they are funded through the Charity. The other segments show the additional expenditure of Linking Organisations on HIV that has been funded directly (rather than through the Charity) by donors. For 2011 onwards, this additional expenditure is broken down into the major donor types. The second chart shows the additional in-country expenditure broken down by region.

Despite the continuing difficult global funding environment, overall Alliance partnership expenditure reached a new high of \$147 million in 2014. Overall expenditure is forecast to decline in 2015 to \$134 million, due to decreases in the Global Fund grant that International HIV/AIDS Alliance in Ukraine receives. It should be noted that this forecasted decline has been based upon the same linking organisations reporting their actual spend for 2014 and forecasted spend for 2015. No prospective or new linking organisations have been factored into the 2015 budget calculation.

The proportion of total expenditure that is funded directly in country by Linking Organisations continues to remain high, although it has dropped slightly from 74% in 2013 to 67% in 2014. This is primarily due to the significant amount of expenditure arising through the Link Up programme during 2014.

As noted in previous years, the increase in Alliance partnership expenditure represents progress in increasing the capacity of Linking Organisations to become strong, effective, financially independent organisations. Our strategy for 2013-20 recognises that more needs to be done to diversify the funding base of Linking Organisations, particularly as development funding is withdrawn from middle-income countries.



Commentary on the Charity's financial results for the year

This section is a commentary on the financial statements on pages 34-51, which report the financial results and position of the Charity; that is, the secretariat in the UK plus the Country Offices. The expenditure of Alliance Linking Organisations is only included in those financial statements to the extent that the funding was channelled through the secretariat in the UK.

The financial results in 2014 and the ongoing Link Up programme have been strong and leave the charity in a good financial position for 2015, enabling us to continue to invest in developing diversified sources of funding to sustain our contribution to the AIDS response over the longer term.

Total charitable expenditure has risen, from \$35 million in 2013 to \$49m in 2014. The increase was expected and is due in the majority to increases in budget in a number of key programmes, primarily the Link Up programme. In Africa, overall spending through the Charity's books rose to \$25.6m (2013: \$17.7m). Our major programmes in the region are the Dutch government-funded Link Up programme in Burundi, Ethiopia and Uganda (Link Up also operates in Bangladesh and Myanmar); the Community Action on Harm Reduction (CAHR) programme in Kenya, also funded by the Dutch government (CAHR also operates in Ukraine, India, China and Malaysia); the USAID-funded SUNRISE programme for orphans and vulnerable children in Uganda; the child and youth programme in South Sudan and the Africa Regional Programme, both funded by the Swedish government; and the Sexual Health and Rights Programme (SHARP) funded by the Danish Government, which operates in Kenya, South Africa, Tanzania, Uganda and Zimbabwe.

Spending through the Charity's books in the combined region of Asia and Eastern Europe and Latin America and the Caribbean has risen in 2014, from \$13.4m in 2013 to \$17.5m in 2014. In Asia and Eastern Europe the CAHR programme continued in Ukraine, India, China and Malaysia, along with the EC-funded Harm Reduction programme in six Asian countries and the Link Up programme in Bangladesh and Myanmar. In Latin America and the Caribbean, both Kimirina in Ecuador and Via Libre in Peru continued to implement their Global Fund-supported programmes.

Support costs (shown in note five on page 42) have risen to \$6.7 million in 2014, versus \$5.7 million in 2013. A key factor driving the increase in support costs in 2014 has been an uplift in accreditation activity over the course of the year, due to a higher number of linking organisations undergoing the assessment process to join the Alliance family. These accreditation costs have trebled in 2014 compared with 2013.

The Charity's largest donors by value during the year were the governments of the Netherlands, the United States, the United Kingdom, Sweden, Denmark and Norway (through their respective international development agencies), together with the Global Fund to Fight AIDS, Tuberculosis and Malaria and the European Commission. The Charity has a partnership programme arrangement with the UK government's Department for International Development for unrestricted funding. An extension of this current arrangement has been signed and will run through to 31 March 2016.

In 2015 the Netherlands government will again be the Charity's largest donor. 2015 is the third year of the three and a half year, \$43.8 million Link Up programme. This donor will also be supporting a one-year extension to a harm reduction programme.

Balance sheet and cash flow

The balance sheet and the cash flow statement show a decline in cash balances at 31 December 2014, compared to the previous year-end, with \$21.5m held in cash and cash equivalents. Income of \$11.5m was deferred at year end, including \$4.0m received for the Link Up programme and \$1.4m received shortly before year end from DANIDA for the next phase of the SHARP programme. Cash levels have remained healthy throughout 2014, enabling us to provide sufficient cash flow to all partners.

Group structure

Branches and subsidiaries

The Charity's Country Offices are treated as branches of the Charity where they are not incorporated locally. The Charity now has just two (branch) Country Offices, in Myanmar and Uganda. The Charity's fundraising and policy office in the United States and its regional representative office in Thailand are incorporated locally as separate legal entities and are treated as subsidiaries. (For further details, see 'Organisational structure' on page 5.)

In practice there is little operational distinction between branches and subsidiaries, but in the financial statements, the assets and liabilities of the branches are included within the parent Charity balance sheet as well as within the group balance sheet, whereas the assets and liabilities of the subsidiaries are included only within the group balance sheet.

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 (59% in 2014), sterling (15%), Swedish Krona (9%) and euros (9%) with the balance in a range of others including other Nordic currencies. The costs of the Secretariat are primarily incurred in sterling, while the costs of in-country operations and support for partner organisations are incurred in around 20 different currencies including, for example, Indian Rupees and Zambian Kwacha.

The Charity's policy on foreign exchange, in summary, is that:

- the Charity will regularly review its net exposure to foreign exchange risk
- the Charity will pass on foreign exchange risk to suppliers and partners where appropriate, and where it is appropriate that the Charity bears the risk, it will manage significant exposure by the use of forward contracts and options
- the Charity will 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.

Reserves policy

The Charity's reserves policy, which was agreed at the April 2010 Trustees' meeting, is as follows. 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 main purposes:

- *to provide working capital for country operations.* The Charity normally pays grants to its partners for three months of planned activity, in advance. Some smaller grants are paid annually in advance. The Charity's own restricted funding from its donors, on the other hand, can be paid in arrears. Therefore the working capital needs of its country 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 secretariat are mainly covered by unrestricted funding, which comes largely from the UK and Nordic governments. If that funding were delayed, the Charity would need a buffer of unrestricted reserves to pay core costs in the meantime; and 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 Secretariat core costs.
- *to cover unbudgeted costs incurred by partner organisations.* The Alliance is a partnership of over 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 target level of this element of unrestricted reserves is \$0.2 million.

The three requirements above are met from 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 2015, the target minimum level for the General Fund is \$5.3 million. We are currently above that short-term minimum level, mainly because the Link Up programme is financed by the Netherlands government in advance, and so reduces the working capital requirement. After the Link Up programme ends, we are likely to again need to provide working capital from reserves, so we do not plan to reduce reserves from their current levels.

In addition to the General Fund, the Trustees maintain a Programme Designated Reserve to supplement unrestricted field programmes budgets. 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 finance the cost of 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 that part of the Charity's reserves is not readily realisable to finance any other activity or obligation.
- *to cover for foreign exchange losses.* Currency markets continue to be very 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 for unhedged foreign exchange losses. The target minimum value of the reserve is \$0.5 million.

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 2014, and will not need an overdraft in 2015. There are no long-term borrowings, so the Charity is not exposed to interest rate risk.

Investment policy and objectives

The Charity's investment policy was approved at the April 2013 Trustees' meeting. The objectives of the policy, in order of priority, are to ensure that our funds are held safely; to ensure that we have sufficient liquidity to implement our programmes; and to achieve a return on surplus funds. Surplus funds may be invested in either:

- 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 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; or
- in a sterling common deposit fund managed by a corporate trustee, as approved by the Charity Commission.

In 2014, a review was undertaken of the above policy to confirm if it still aligned with strategic and financial objectives of the charity. It was concluded that the policy was strong and fit for purpose and no material changes were proposed. The current policy will be applied for financial years 2015 and beyond.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 23 April 2015 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Steven Sinding
Chair
23rd April 2015

Independent auditors' report to the members of International HIV/AIDS Alliance

We have audited the financial statements of International HIV/AIDS Alliance for the year ended 31 December 2014, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable group'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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2014 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
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 by 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.

Pesh Framjee

Pesh Framjee
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

Consolidated statement of financial activities

for the year ended 31 December 2014

	Notes	2014		2014		2014		2013		
		Restricted	Unrestricted	Total	Total	\$000	\$000	\$000	\$000	
Incoming resources										
Incoming resources from generated funds										
Voluntary income		-		17		17		17		
Investment income	2	-		101		101		77		
Incoming resources from charitable activities										
Grant income	3	34,869		11,783		46,652		34,218		
Contract income	3	-		2,054		2,054		2,997		
<i>Incoming resources on continuing activities</i>		<u>34,869</u>		<u>13,955</u>		<u>48,824</u>		<u>37,309</u>		
Grant income - India - discontinued activity	3	-		-		-		548		
Contract income - India - discontinued activity	3	-		-		-		175		
<i>Incoming resources on discontinued activities</i>		<u>-</u>		<u>-</u>		<u>-</u>		<u>723</u>		
Total incoming resources		<u>34,869</u>		<u>13,955</u>		<u>48,824</u>		<u>38,032</u>		
Resources expended										
Charitable activities	4, 5	34,869		13,751		48,620		33,817		
Governance costs	6	-		285		285		247		
Resources expended on continuing activities		<u>34,869</u>		<u>14,036</u>		<u>48,905</u>		<u>34,064</u>		
Discontinued activities and exceptional items										
Charitable activities - India - discontinued activity	4, 5	-		-		-		727		
Exceptional item	16	-		-		-		15		
<i>Resources expended on discontinued activities and exceptional items</i>		<u>-</u>		<u>-</u>		<u>-</u>		<u>742</u>		
Total resources expended		<u>34,869</u>		<u>14,036</u>		<u>48,905</u>		<u>34,806</u>		
Net incoming/(outgoing) resources for the year		<u>-</u>		<u>(81)</u>		<u>(81)</u>		<u>3,226</u>		
Reconciliation of funds										
Funds brought forward		<u>-</u>		<u>9,822</u>		<u>9,822</u>		<u>6,596</u>		
Total funds carried forward		<u>-</u>		<u>9,741</u>		<u>9,741</u>		<u>9,822</u>		

The notes on pages 36 to 51 form part of these financial statements.

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

Balance sheet

as at 31 December 2014

	Notes	2014		2013	
		Group	Charity	Group	Charity
		\$000	\$000	\$000	\$000
Fixed assets					
Tangible assets	9	5	5	100	100
Current assets					
Debtors	12	4,257	4,419	4,306	4,374
Short term deposits		4,053	4,053	18,819	18,819
Cash at bank and in hand	13	17,476	17,311	6,866	6,797
		25,786	25,783	29,991	29,990
Creditors					
Amounts falling due within one year	14, 15	(16,050)	(16,047)	(20,269)	(20,268)
Net current assets					
		9,736	9,736	9,722	9,722
Provision for liabilities and charges					
	16	-	-	-	-
Net assets					
		9,741	9,741	9,822	9,822
represented by:					
Funds					
Unrestricted					
General Fund		5,823	5,823	5,822	5,822
Fixed Asset Fund		5	5	100	100
Exchange Rate Revaluation Reserve		500	500	500	500
Programme Designated Reserve		3,413	3,413	3,400	3,400
		9,741	9,741	9,822	9,822
Restricted					
		9,741	9,741	9,822	9,822

The financial statements were approved by the Board of Trustees and authorised for issue on 23 April 2015

Steven Sinding
Chair

International HIV/AIDS Alliance

Charity Registration Number 1038860

Company Registration Number 2883774 (England and Wales)

The notes on pages 36 to 51 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 December 2014

	Notes	2014 \$000	2013 \$000
Net cash inflow/(outflow) from operating activities	24	(4,197)	644
Returns on investment		101	77
Capital expenditure and financial investments			
Payments to acquire fixed assets		(60)	(66)
Net cash inflow/(outflow)		(4,156)	655
Cash and cash equivalents at 1 January		25,685	25,030
Cash and cash equivalents at 31 December		21,529	25,685

The notes on pages 36 to 51 form part of these financial statements.

Notes to the consolidated financial statements

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in compliance with the Charities Act 2006, the Statement of Recommended Practice 'Accounting and reporting by charities' (SORP 2005), and United Kingdom accounting standards and applicable law.

Before approving the financial statements, the Trustees review and re-approve the detailed budget for the year following the balance sheet date (2014: the Trustees having originally approved the 2014 budget in January 2014), outline information for the following two years (2015 and 2016), and the major risks to which the Charity is exposed. 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. 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 Thailand. The consolidation has been carried out on a line by line basis.

The subsidiary Foundation in Thailand will be closed by the end of 2015 and the regional representative will be hosted by a local organisation.

The Charity has branch offices in Myanmar and Uganda, and the results from these offices are included in the financial statements. Alliance Uganda will close in the summer of 2015, when the USAID-funded SUNRISE programme comes to a close.

No separate SOFA has been presented for the parent charity alone, as permitted by paragraph 397 of SORP 2005 and section 408 of the Companies Act 2006. The gross income of the parent charity was \$48,824,000 (2013: \$37,309,000) and the result for the year was a loss of \$81,000 (2013: surplus of \$3,230,000).

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 28) a target minimum level for the General Fund of \$5.3 million
- The Exchange Rate Revaluation Reserve, which holds a minimum balance of \$0.5 million to cover unhedged foreign exchange losses
- The Hubs Reserve, which holds gains made by Hubs hosted by branch offices and retained to finance Hub activities.

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, is reasonably certain of receipt, 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 is recognised as unrestricted income. This is because grants are governed by trust law, where the obligation on the Charity is to spend the entire grant on the specified purposes. Contracts are treated as unrestricted in the accounts because the obligation under contract law is to provide the specified services and/or goods; 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 the relevant expenditure incurred during the year and any related contributions towards overhead costs. Deferred income amounts received under these grants and contracts represents the amounts of cash received in advance of earning revenue.

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 Alliance 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 Secretariat.

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.

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 Secretariat 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.

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 FRS 17 – Retirement benefits, contributions are charged to the Statement of Financial Activities as they are incurred.

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 27), 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 closing exchange rate to the US dollar, and the unrealised gain or loss on revaluation would be taken through the Statement of Financial Activities. The Charity does not hold or trade in any other type of derivative financial instrument.

2. Investment income & interest

Interest on treasury deposits and bank balances

	2014	2013
	\$000	\$000
Interest on treasury deposits and bank balances	101	77

3. Movement in resources

	Balance at 1/1/14 \$000	Incoming 2014 \$000	Transfers 2014 \$000	Outgoing 2014 \$000	Balance at 31/12/14 \$000
Restricted Funds					
amfAR, The Foundation for AIDS Research	-	23	-	23	-
Big Lottery Fund	-	306	-	306	-
Conrad N. Hilton Foundation	-	367	-	367	-
Danish Government (DANIDA)	-	1,512	-	1,512	-
Dutch Government (BUZA)	-	19,602	-	19,602	-
European Commission	-	907	-	907	-
German Government (GIZ)	-	225	-	225	-
Global Fund to Fight Aids, Tuberculosis & Malaria	-	1,672	-	1,672	-
Interact Worldwide	-	110	-	110	-
Open Society Foundations	-	44	-	44	-
Population Council	-	3	-	3	-
Swedish Government (Sida)	-	2,149	-	2,149	-
Swiss Government	-	271	-	271	-
United Nations	-	6	-	6	-
US Government (USAID)	-	7,432	-	7,432	-
Viiv Healthcare	-	240	-	240	-
Other restricted funds	-	-	-	-	-
Total restricted funds	-	34,869	-	34,869	-
Unrestricted Funds					
Contracts					
US Government (USAID)	-	897	-	897	-
Other contract income	-	1,157	-	1,157	-
Subtotal contracts	-	2,054	-	2,054	-
<i>Unrestricted grants (details below)</i>	-	11,783	-	-	-
<i>Other unrestricted income</i>	-	118	-	-	-
<i>Total incoming resources on general fund</i>	-	11,901	-	-	-
General fund	5,822	11,901	(23)	11,877	5,823
Fixed asset fund	100	-	(95)	-	5
Exchange rate revaluation reserve	500	-	105	105	500
Programme designated reserve	3,400	-	13	-	3,413
Total unrestricted funds	9,822	13,955	-	14,036	9,741
Total funds	9,822	48,824	-	48,905	9,741

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.

3. Movement in resources (continued)

The Programme Designated Reserve is approved by the Trustees for the delivery of the strategy, supported by detailed budgets and project plans. These are significant resources to explore and invest strategically in the pursuit of sustaining our linking organisations, and community responses more generally, in middle income countries and fragile states.

Unrestricted grants include the following:

	2014 \$000	2013 \$000
UK Government (DFID)	6,425	6,070
Swedish Government (Sida)	2,800	2,282
Danish Government (DANIDA)	1,677	1,753
Norwegian Government (NORAD)	<u>595</u>	<u>623</u>

4. Charitable activities

	Support to Country Operations	Onward Granting	International Technical Assistance	Salaries	Support Costs	2014 Total	2013 Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Asia & Eastern Europe and Latin America & the Caribbean	2,573	8,849	2,120	1,511	2,412	17,465
Africa	1,885	15,008	2,573	2,613	3,537	25,616	17,699
Policy	-	-	500	740	198	1,438	1,276
Technical Cooperation Unit	-	-	1,771	561	373	2,705	1,042
Programme Impact	-	-	393	810	193	1,396	1,145
Total	4,458	23,857	7,357	6,235	6,713	48,620	34,544

5. Support costs

	Asia & Eastern Europe and Latin America & the Caribbean	Africa	Policy	Technical Support	Programme Impact	2014 Total	2013 Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Executive Director's Department	267	391	22	41	21	742
External Relations	623	914	51	97	50	1,735	1,341
Field Programmes Co-ordination	74	109	6	11	6	206	217
Corporate Services	1,201	1,761	99	186	96	3,343	2,837
Central costs	247	362	20	38	20	687	548
Total	2,412	3,537	198	373	193	6,713	5,651

In each geographical area a comprehensive portfolio of prevention, care and mitigation programmes is implemented. These activities are achieved through a combination of direct expenditure and onward granting. The policy, technical support and planning, analysis and learning activities of the UK Secretariat support the work of field programmes at a local, national and international level. Direct costs are used as the basis to apportion support costs across charitable activities. The support costs associated with onward granting were \$3,822,000. A key factor driving the increase in support costs in 2014 versus 2013 is an uplift in the accreditation activity that has occurred within the Alliance over the course of 2014, due to more linking organisations undergoing the assessment process in order to join the Alliance family. These accreditation costs have trebled in 2014 versus 2013 and are borne centrally by the Charity.

6. Governance costs

Governance costs consist of:

	2014 \$000	2013 \$000
Trustees' meetings	148	58
Internal and donor audits	46	50
External audit	86	139
Alliance management	5	-
	285	247

7. Onward granting

The Charity grants funds to linking organisations (LOs). Linking organisations 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. In countries where the Charity has a Country Office (CO) rather than an LO, the CO may make grants directly to local community based organisations. On rare occasions the secretariat 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.

The 20 largest grant recipient organisations in 2014 were as follows:

	2014 Group \$000	2013 Group \$000
Marie Stopes International	UK (Link Up partner)	3,423
Community Health Alliance Uganda (CHAU)	Uganda (LO)	2,691
The Organisation for Support Services for AIDS (OSSA)	Ethiopia (LO)	2,372
Population Council	USA (Link Up partner)	1,561
Alliance for Community Health Initiatives (ACHI)	South Sudan (LO)	1,185
Kenya AIDS NGO Consortium (KANCO)	Kenya (LO)	1,101
HIV/AIDS and STD Alliance Bangladesh (HASAB)	Bangladesh (LO)	1,082
India HIV/AIDS Alliance	India (LO)	838
International HIV/AIDS Alliance in Ukraine	Ukraine (LO)	658
Alliance Burundaise Contre le SIDA (ABS)	Burundi (LO)	620
AVIS Foundation	Uganda	505
AIDS Care China	China (LO)	469
MAMTA	India (LO)	406
Save the Children in Uganda	Uganda	386
FoC-Rev / War Child UK	Uganda	377
Positive Vibes	Namibia (LO)	358
AFRICARE	Uganda	352
ChildFund	Uganda	346
Rumah Cemara	Indonesia (LO)	315
Alliance Nationale Contre le SIDA (ANCS)	Senegal (LO)	279

8. Staff numbers and costs

The average number of employees of the group for the year was 165 (2013: 193). The aggregate costs of these staff were as follows:

	2014	2013
	Group	Group
	\$000	\$000
Salaries	9,710	9,771
Social security costs	732	853
Pension costs	578	516
	<u>11,020</u>	<u>11,140</u>

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

	2014	2014	2013	2013
	Group	Charity	Group	Charity
	number	number	number	number
\$180,000 -\$189,999	1	1	-	-
\$170,000 -\$179,999	1	-	1	-
\$160,000 -\$169,999	-	-	1	1
\$150,000 -\$159,999	-	-	-	-
\$140,000 -\$149,999	-	-	-	-
\$130,000 -\$139,999	2	2	-	-
\$120,000 -\$129,999	1	1	2	2
\$110,000 -\$119,999	5	5	1	1
\$100,000 -\$109,999	5	4	9	8
\$90,000 -\$99,999	5	5	4	4
	<hr/>	<hr/>	<hr/>	<hr/>
Total pension costs for these employees were	<hr/> 137,000	<hr/> 109,000	<hr/> 107,000	<hr/> 94,000

9. Tangible fixed assets

	Furniture and fixtures \$000	Computer equipment and software \$000	Office equipment \$000	Motor vehicles \$000	Total \$000
Group					
Cost at 1 January 2014	662	446	180	126	1,414
Additions for the year	1	-	30	29	60
Disposals for the year	-	(120)	(8)	-	(128)
Cost at 31 December 2014	<u>663</u>	<u>326</u>	<u>202</u>	<u>155</u>	<u>1,346</u>
Accumulated depreciation at 1 January 2014	662	349	177	126	1,314
Depreciation for the year	1	97	28	29	155
Depreciation on disposals	-	(120)	(8)	-	(128)
Accumulated depreciation at 31 December 2014	<u>663</u>	<u>326</u>	<u>197</u>	<u>155</u>	<u>1,341</u>
Net book value at 31 December 2014	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Net book value at 31 December 2013	<u>-</u>	<u>97</u>	<u>3</u>	<u>-</u>	<u>100</u>
Charity					
Cost at 1 January 2014	662	442	180	126	1,410
Additions for the year	1	-	30	29	60
Disposals for the year	-	(120)	(8)	-	(128)
Cost at 31 December 2014	<u>663</u>	<u>322</u>	<u>202</u>	<u>155</u>	<u>1,342</u>
Accumulated depreciation at 1 January 2014	662	345	177	126	1,310
Depreciation for the year	1	97	28	29	155
Depreciation on disposals	-	(120)	(8)	-	(128)
Accumulated depreciation at 31 December 2014	<u>663</u>	<u>322</u>	<u>197</u>	<u>155</u>	<u>1,337</u>
Net book value at 31 December 2014	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Net book value at 31 December 2013	<u>-</u>	<u>97</u>	<u>3</u>	<u>-</u>	<u>100</u>

All fixed assets are held for charitable use.

10. Investments - Charity

Fixed asset investments

Investment in non-UK subsidiary undertakings
International HIV/AIDS Alliance, Inc. - one share of common stock of one dollar

	2014	2013
	\$	\$
	1	1

11. Subsidiary undertakings

The following companies are subsidiary undertakings of the International HIV/AIDS Alliance. Both are incorporated outside the UK, and both operate offices which support community action on HIV and AIDS. Only International HIV/AIDS Alliance, Inc has a share capital (see note 10).

The income and expenditure of these subsidiaries in the year ended 31 December 2014 is as below:

Country	Name of subsidiary	Date of incorporation	Year end	Income \$000	Expenditure \$000
USA	International HIV/AIDS Alliance, Inc	2 May 2003	31 December	609	609
Thailand	International HIV/AIDS Alliance Foundation	31 Dec 2009	31 December	41	41

The net reserves of these subsidiaries was nil as at 31st December 2014.

The incoming resources of the parent charity were \$48,824,000 with resources expended of \$48,905,000.

12. Debtors

	2014 Group \$000	2014 Charity \$000	2013 Group \$000	2013 Charity \$000
Due from donors, including accrued income	2,503	2,503	1,295	1,295
Amount due from subsidiary companies	-	175	-	77
Advances to partner organisations	1,164	1,164	2,604	2,604
Other debtors	294	284	216	212
Prepayments	296	293	191	186
	4,257	4,419	4,306	4,374

13. Cash at bank and in hand

	2014 Group \$000	2014 Charity \$000	2013 Group \$000	2013 Charity \$000
Balances held by subsidiaries	165	-	69	-
Balances held by Country Office branches	913	913	1,299	1,299
Balances held by the secretariat	16,398	16,398	5,498	5,498
	17,476	17,311	6,866	6,797

"Cash at bank and in hand" relates to funds for the delivery of donor-funded programmes. We received considerable funds prior to year end and these are committed to be distributed to our linking organisations, for programme delivery and onward granting to implementing partners, during the first part of 2015. By July 2015, it is forecasted that cash at bank and in hand will have dropped to \$11m as funds are distributed to deliver planned programmatic and strategic activity.

14. Creditors falling due within one year

	2014 Group \$000	2014 Charity \$000	2013 Group \$000	2013 Charity \$000
Trade creditors	652	652	1,002	1,002
Due to partner organisations	2,700	2,700	904	904
Due to subsidiaries				
Other creditors	147	144	378	378
Tax & social security	167	167	188	187
Accruals & deferred income	12,384	12,384	17,797	17,797
	16,050	16,047	20,269	20,268

15. Deferred income

	Group \$000	Charity \$000
Balance at 1 January 2014		16,961
Amount released to incoming resources	(16,961)	(16,961)
Amount deferred in the year	11,461	11,461
Balance at 31 December 2014	11,461	11,461

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

16. Provision for liabilities and charges

No provisions have been made in 2014.

17. Trustees' emoluments and reimbursed expenses

No fees were paid to the Trustees.

Travelling and accommodation expenses for 10 Trustees for attendance at meetings amounted to \$144,581 (2013: \$49,222). The increase in cost compared to 2013 was mainly because the autumn Trustees' meetings was held in Namibia, in keeping with the Alliance's policy of holding a Trustees' meeting in a Linking Organisation country every second year.

No other transactions were entered into with the Trustees.

18. 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 \$49,542 for the period 1 January-31 December 2014.

19. Auditors' remuneration

	2014	2013
	\$	\$
Fee for the statutory audit	65,088	67,285
Fees for other services:		
Fee for the RCA (USAID compliance) audit	23,767	23,830
Other grant audits	<u>41,162</u>	<u>7,554</u>
Total fees, excluding VAT	<u>130,018</u>	<u>98,669</u>

20. Analysis of net assets between funds

	Restricted \$000	Unrestricted \$000	Total \$000
Fund balances at 31 December 2014 are represented by:			
Group			
Tangible fixed assets	-	5	5
Investments	-	-	-
Net current assets	-	9,736	9,736
Total net assets	-	9,741	9,741
Charity			
Tangible fixed assets	-	5	5
Investments	-	-	-
Net current assets	-	9,736	9,736
Total net assets	-	9,741	9,741

21. Limited liability

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

22. Taxation

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

23. Obligations under operating leases

At 31 December 2014 the group had non-cancellable lease commitments as shown below:

	2014 \$000	2013 \$000
Land and buildings		
Within one year	67	-
Within one and five years	52	44
After five years	<u>376</u>	<u>399</u>

24. Note to the cash flow statement

Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities

	2014 \$000	2013 \$000
Net incoming/(outgoing) resources for the year	(81)	3,226
Less: investment income and interest receivable	(101)	(77)
Add back: depreciation charges (non-cash)	155	104
Add back: Provision for liabilities and charges (non-cash)	-	(600)
Movements in working capital (see detail below)	<u>(4,170)</u>	<u>(2,009)</u>
Net cash inflow/(outflow from operating activities	(4,197)	644

Movements in working capital are as follows:

	2014 \$000	2013 \$000
(Increase)/decrease in debtors	49	29
Increase/(decrease) in creditors	<u>(4,219)</u>	<u>(2,038)</u>
	(4,170)	(2,009)

25. Specific donor disclosures

Netherlands Ministry of Foreign Affairs

Choices & Opportunities Fund 2011-14

In 2010 the Charity was awarded EUR 10m over the four years 2011 - 2014 by the Netherlands Ministry of Foreign Affairs (BuZa) from their Choices & Opportunities Fund for the programme *Community Action on Harm Reduction*. On 21st November 2014 a one-year cost extension of EUR 2.5m was awarded. The key financial totals for the programme are as follows.

	2010 EUR	2011 EUR	2012 EUR	2013 EUR	2014 EUR	Total EUR
Cash received during the year	1,250,000	2,500,000	1,250,000	2,500,000	2,000,000	9,500,000
Interest allocated	-	8,029	6,888	5,546	6,494	26,957
Expenditure incurred	-	(1,938,661)	(2,856,381)	(2,685,286)	(2,357,364)	(9,837,692)
Balance carried forward (within deferred income, note 15)	1,250,000	1,819,368	219,875	40,135	(310,735)	(310,735)
	USD	USD	USD	USD	USD	USD
USD value of expenditure incurred, and income recognised in the accounts (note 3)	-	2,604,932	3,712,127	3,611,685	3,069,830	12,998,574

No interest was allocated in 2010 because the cash was not received until 20 December. The programme started in 2011.

SRHR Fund

In November 2012 the Charity was awarded USD 43,849,824 over the four years 2013 - 2016 by BuZa from their SRHR fund for the *Link Up* programme. The first cash instalment of USD 8,031,000 was received on 18 December 2012 and activities commenced on 1 January 2013. The key financial totals for the programme are as follows.

	2012 USD	2013 USD	2014 USD	Total USD
Cash received during the year	8,031,000	8,031,000	12,354,000	28,416,000
Interest allocated	799	25,801	30,963	57,563
Expenditure incurred and income recognised in the accounts (note 3)	-	(7,903,203)	(16,532,043)	(24,435,246)
Balance carried forward (within deferred income, note 15)	8,031,799	8,185,397	4,038,317	4,038,317

Ministry of Foreign Affairs of Denmark

SHARP

In November 2012 the Charity was awarded DKK 25,000,000 over the three years 2013-2015 by DANIDA for the Sexual Health & Rights Programme (SHARP). Funding is received in DKK and then converted to USD, with USD being the reporting currency for the programme. The key financial totals for the programme are as follows.

	2012 USD	2013 USD	2014 USD	Total USD
Cash received during the year (DKK)	9,000,000	8,000,000	8,000,000	25,000,000
Cash received during the year (USD equivalent)	1,559,549	1,453,875	1,353,190	4,366,614
Interest allocated	153	4,243	6,389	10,785
Expenditure incurred and income recognised in the accounts (note 3)	(14,248)	(886,424)	(1,511,759)	(2,412,431)
Balance carried forward (within deferred income, note 15)	1,545,454	2,117,148	1,964,968	1,964,968

26. Financial instruments

FRS 25, 26 and 29, “Financial Instruments”, require the disclosure of the role that financial instruments have had during the period in creating or changing the risks that the charity faces in undertaking its activities. The following narrative and table provides information on the risks faced by the charity, and how these risks have been managed, and the financial instruments balances included in the 2014 accounts.

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. Liquidity risk applies to a limited extent because the charity funds its partner organisations in advance, whereas its own funding from its donors is a mixture of funding in advance and funding in arrears. Price risk also applies to a limited extent; in cases where the charity has entered contracts to deliver specified services, it is exposed to price risk on its inputs. It is also exposed to price risk on its overhead costs, although inflation in the UK, where the Secretariat is based, has been relatively low for some time. The charity is not exposed to interest rate risk because it has no borrowings.

The charity manages foreign exchange risk in accordance with its foreign exchange policy, set out on page 27, which includes the use of forward contracts or options to reduce risk on significant foreign exchange exposures. It manages liquidity risk through its reserves policy, set out on page 28, which aims to ensure that there will be sufficient working capital to fund partners’ activities, and through the regular review of cash flow forecasts.

There were no financial instruments held at 31 December 2014.

About the International HIV/AIDS Alliance

We are an innovative alliance of nationally based, independent, civil society organisations united by our vision of a world without AIDS.

We are committed to joint action, working with communities through local, national and global action on HIV, health and human rights.

Our actions are guided by our values: the lives of all human beings are of equal value, and everyone has the right to access the HIV information and services they need for a healthy life.

**“At the heart of our strategy
is the ambition to bring about
healthy people, stronger
health and community
systems, and inclusive and
engaged societies.”**