



Bold leadership and
powerful community action
to end AIDS

International HIV/AIDS Alliance

Trustees

Mr Christoph Benn (appointed 12 May 2017)
Mr Warren Buckingham III
Mr Kieran Daly
Mr Martin Dinham (Chair)
Ms Marika Fahlen
Ms Angela Gomez
Mr Zhen Li
Ms Andrea Marmolejo
Dr Kevin Moody
Ms Thoko Moyo (appointed 12 May 2017)
Ms Maya Mungra (appointed 10 November 2017)
Ms Kanini Mutooni (resigned 12 May 2017)
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Charity registration number
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Cover photo: Mariam, 20, a peer educator with Link Up in Uganda. © Gemma Taylor for the International HIV/AIDS Alliance.

Illustrations by Jane Shepherd.

Report and Accounts 2017



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Letter from our Chair

As chair of the board of trustees of the International HIV/AIDS Alliance, it gives me great pleasure to introduce the annual report and accounts for 2017.

The Charity continues to play a unique and important role in the HIV response. I am proud of the prominent contribution the global Alliance (the UK-based Charity together with Alliance Linking Organisations) made to the HIV prevention agenda in 2017. This agenda is of increasing importance as new HIV infections continue to rise, particularly among key populations. The global Alliance has demonstrated that it is uniquely placed to respond to the ever-changing HIV epidemic through community-based programming, and advocacy on platforms such as the Global HIV Prevention Coalition.

In 2017 the Charity also invested new energy and resources in our work on sexual and reproductive health and rights (SRHR) and gender. The Charity's outstanding executive director, Christine Stegling, became a SheDecides champion and brought to the movement a unique perspective on how women living with and affected by HIV are impacted by gender inequality and threats to their sexual and reproductive rights, such as the expansion of the Mexico City Policy by the current US administration. The Charity, with the support of the board, made the brave and complex decision not to comply with the Mexico City Policy, which requires foreign non-governmental organisations (NGOs) receiving US Government global health funding to certify that they will not perform, counsel, refer, or advocate on abortion "as a method of family planning", even using their own non-US government funding. We took this decision because re-instatement of the Mexico City Policy threatens to end the global consensus on the need to integrate HIV and SRHR programmes, and potentially undermines the achievements of the Sustainable Development Goals (SDGs), which emphasise the importance of delivering HIV services alongside family planning services.

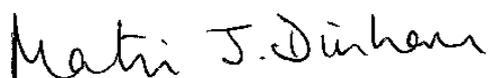
The Charity's commitment to these issues was borne out in the results achieved by the global Alliance partnership. In 2017, the partnership reached almost 900,000 people from key populations with HIV prevention services, and a further two million people with integrated HIV and SRHR services. At the same time, a number of Linking Organisations (LOs) faced financial, leadership and governance crises. All partners were provided with direct or indirect support during these periods of crisis.

In terms of the Alliance's financial position, 2017 was a year of both success and challenge. As a global partnership, the Charity and the Alliance LOs have invested \$127 million in continuing the fight to end AIDS. This figure for our global network expenditure represents a fall of \$5 million from 2016. This decline mirrors the funding challenges across the wider HIV/AIDS sector. The partnership continues to rely heavily on funding from the Global Fund but I am encouraged to see some diversification of the income base of LOs in Middle Income Countries (MICs). For example, Alliance LOs in India have successfully secured grants from a range of trusts and foundations.

The Charity itself closed 2017 in a stable financial position, achieving a net surplus of \$2.6 million that will be used to support important strategic and programme investments in 2018 and beyond. Total charitable income was \$25 million, a slight decline from \$28 million in 2016. Along with my fellow trustees, I was pleased to welcome Ms Maya Mungra as a board member and as chair of the Finance and Audit Committee in November 2017. Maya is a chartered accountant with extensive experience in audit and risk management. The board has approved an increased budget for 2018 to fund a year of investment, diversifying the

Charity's income base and delivering high quality programming that will better position the organisation to deliver its strategic goals.

In light of recent safeguarding incidents elsewhere in the sector, we have reviewed and, where necessary, strengthened our safeguarding systems and policies to ensure full compliance with the latest UK Charity Commission guidance. In a context where new HIV infections are rising, but HIV is being deprioritised and funding is declining, the global Alliance continues to rise to the challenge and to identify which programmes and aspects of its partnership to prioritise. Our partnership model, based on southern leadership and mutual accountability to our donors, each other and the communities with which we work, remains unique. The Alliance is investing in new partnerships and in finding new resources so that we are best-placed to establish a strong and sustainable foundation for 2018 and beyond. None of this would be possible of course without the passionate, professional and committed people who work across the Alliance network, or the support we receive from a wide range of funders and partners. The board and I are grateful to them all.



Martin Dinham

Chair

Report of the Trustees

for the year ended 31 December 2017

The trustees of the International HIV/AIDS Alliance present their annual report and the audited financial statements of the organisation for the year ended 31 December 2017, prepared under the Charities Act 2011 and the Companies Act 2006. The annual report includes the directors' report and strategic report, required under the 2006 Act and presented in their capacity as company directors.

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 independent, nationally-based Linking Organisations (LOs) committed to joint action, working with communities through local, national and global action on HIV, health and human rights ('the Alliance'). (The term Linking Organisation is explained in the organisational structure section of the trustees' report on page 6). The names of the Charity's trustees and executive director are shown above, as are details of its registered office (where the Charity 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 objectives, is to work with communities through local, national and global action on HIV, health and human rights. The Charity aims to help communities to play a full and effective role in the global response to AIDS through activities that:

- meaningfully involve people living with HIV in all aspects of its response to the epidemic

- reduce vulnerability, stigma, violence and discrimination
- strengthen the capacity of communities to respond to HIV and other health, development and human rights priorities
- take place in both high- and low-HIV prevalence countries with key populations – groups that are likely to affect, or be affected by, the spread of HIV

During 2017 the work of the Charity and Alliance LOs supported the achievement of the Charity's annual objectives, and the overall objectives set out in 'HIV, health and rights: sustaining community action', its strategic framework for the period 2016–20. The strategy reflects the priorities of the wide range of community leaders, human rights defenders, programme managers and civil society advocates who make up the global Alliance partnership. Details of the Charity's activities, achievements and performance in 2017 can be found in the Strategic Report on page 11.

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 its purposes and provide public benefit.

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.

Linking Organisations (LOs)

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 NGOs that can act as Linking Organisations (LOs) to support other NGOs and community-based organisations (CBOs) within those countries. We believe an alliance of national LOs with strong international connections and shared values is the best way to support community action on HIV. The accreditation process (see below) is used to assess organisations wishing to join the 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.

Alliance offices

The Charity has a representational office in the United States, which is a subsidiary of the Charity. The transition of the Charity's last country office, in Myanmar, to independent status was completed in January 2018.

Governance

Trustees

The Charity is governed by its board of trustees, the organisation's foremost policy-making body. The trustees of the Charity are directors for the purposes of the Companies Act 2006.

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

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

Trustee induction and training

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

Charity Governance Code

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

Finance and Audit Committee

The Finance and Audit Committee (FAC) reports to the board of trustees and comprises up to nine members: up to five trustees and up to four external members. The current trustee members are Maya Mungra (chair of the committee), Martin Dinham (chair of the board of trustees), Andrea Marmolejo and Prasada Rao. The current external members are Peter Freeman, former chair of the committee and a trustee until his retirement from the Board in 2011, and Ian Goodacre and Robert Hardy who were appointed to the FAC in April 2015.

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

Accreditation Committee

The Alliance introduced an accreditation system in 2008 to assess Alliance members against institutional and programmatic standards, in order to ensure that membership comprises well-performing, sustainable and credible CSOs. The system promotes good governance, organisational management and good practice HIV programming across LOs, and guides the admission of new organisations to the Alliance. The accreditation certification is valid for four years. Cycle III of accreditation, during which the Secretariat and all LOs will be assessed, will commence in the second half of 2018.

The Accreditation Committee oversees the accreditation system. The committee comprises up to three trustees, four LO representatives at either board or senior management level, and a senior staff member of the Charity. The current trustee members of the committee are Warren Buckingham III (chair of the committee) and Zhen Li. The LO members are Rokhaya Nguer (chair of the board of Alliance Nationale des Communautés pour la santé [ANCS] in Senegal), Soe Naing (executive director of Mahamate in Myanmar) and Anuar Luna (executive director of Colectivo Sol in Mexico).

Membership Committee

At its meeting in May 2017, the board of trustees approved the creation of an Alliance Membership Committee. The purpose of the committee is to deal with matters of suspension and termination of LO membership for reasons other than those linked to accreditation. The committee has seven members: the chair of the Charity's board (who is chair of the committee); chair of the Finance and Audit Committee; chair of the Accreditation Committee; the executive director of the Charity; and three LO representatives (one from each of the Alliance's geographic regions) who are either senior staff or board members of their LO.

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

The Membership Committee reports to the Charity's board of trustees and has the following powers:

- to suspend the membership of Alliance members on such terms and for such periods as the committee deems appropriate, taking into account any recommendations received from the Accreditation Committee, provided that the suspension is consistent with the provisions of the Alliance Charter and Linking Agreement

- to terminate the membership of Alliance members on a permanent basis, taking into account any recommendations received from the accreditation committee, provided that the termination is consistent with the provisions of the Alliance charter and Linking Agreement

People and Reward Committee

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

- provide guidance to management on an overall budget and policy framework for the Charity's annual staff pay and award settlement, to inform management's negotiations with staff trade union representatives
- set the pay of the executive director, based on his or her performance and input from the chair of the board
- discuss and advise management on human resources issues proposed by the executive director including: director-level structure and appointments, staff recruitment and retention, organisational culture, and the management of change

The committee meets as required and reports to the board of trustees at least once a year. Its membership comprises Chair of the Board Martin Dinham; Chair of the FAC Maya Mungra; and either another member of the board of trustees or an external member of the FAC (currently Peter Freeman in the latter capacity).

Nominations Committee

A Nominations Committee is convened on an ad hoc basis to identify potential trustees as and when the need arises. The committee comprises the chair of the board, the executive director, and such other members as the chair determines.

Safeguarding

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

General Data Protection Regulation

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

Remuneration policy

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

Management structure

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

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

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

Grant-making policy

The Charity grants funds to LOs who then support other NGOs and 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, thus ensuring that accountability and transparency are maintained. The manual includes: detailed tendering processes; guidelines on matters such as how to establish selection criteria; how to engage external stakeholders in the selection process; how to carry out programmatic and financial assessments; how to support and monitor grantees; and what to do when there is a need to close out the grant. Renewal of a grant is subject to performance, review and re-planning.

Strategic report

Achievements and performance in 2017

The Alliance played an important leadership role in 2017, championing neglected areas of the HIV response such as HIV prevention, challenging harmful policies including the Mexico City Policy (also known as the Global Gag Rule) and supporting movements such as SheDecides. In a context of diminishing funding, and attacks on civil society and human rights, we worked in partnership to amplify the voices of the most marginalised and ensure that as we work towards achieving the global goals on health, gender equality, justice and strong institutions, we leave no one behind.

In 2017, the Alliance achieved strong results, meeting or exceeding 14 of our 16 targets. During the year the Alliance network:



Provided or linked nearly 1.6 million adults, adolescents and children to HIV treatment, care and support



Reached almost 600,000 people with programmes addressing stigma, discrimination and social exclusion



Reached nearly two million people with integrated HIV and Sexual and Reproductive Health and Rights (SRHR) services – exceeding our target by 65%



Played a role in holding governments in 36 countries to account on enabling universal access to services, increasing domestic financing of the national HIV response or upholding human rights



Provided over 800,000 defined packages of HIV prevention services to key populations



Secured or provided grants to 1,390 community-based organisations, of which 85% achieved their programmatic and financial targets

In 2017, a decade of ground-breaking work under our Sida-funded programme KP Connect came to an end. The programme built the capacity of Alliance LOs in 10 countries in Africa to engage and work with key populations.

In contrast, the Rapid Response Fund was rolled out for its first full year in 2017. The fund helps men who have sex with men (MSM) and lesbian, gay, bisexual and transgender (LGBT) people who face urgent situations involving stigma, discrimination and threats of violence that impact their access to HIV services.

As always, investment in strengthening the Alliance partnership continues. We reviewed the leadership training opportunities available as part of our commitment to southern leadership. The results of our annual survey with Linking Organisations on the value of the Alliance partnership were more positive than last year, and in 2018 the areas that require improvement will feed into the work on Alliance engagement. In 2017 the Alliance developed a new monitoring system to support its multi-country programmes.

The Alliance model

The Alliance is made up of national civil society organisations worldwide, known as Linking Organisations (LOs), and an international secretariat based in the UK which provides financial and technical support to LOs. The latter acts as an impartial convener of the Alliance partnership in technical and advocacy spaces. In turn, LOs support and develop thousands of non-governmental and community-based organisations to mobilise communities to end AIDS. Some LOs also provide services directly.

In some cases, when there is no LO present in a country where we wish to run programmes, the secretariat works with implementing partners on a project basis (i.e. we do not have the long-term collaboration that we do with LOs).

Through the Rapid Response Fund, we also support community-based organisations not connected to LOs or other Alliance partners, by issuing small grants.

Some indicators in the report provide results that are disaggregated between the different types of Alliance partners.

Result 1

Healthy people

Increase access to HIV and health programmes



Under Strategic Response 1, we are using an HIV continuum of care framework. This is part of our commitment to increase the coverage, scope and quality of HIV programmes, including harm reduction and SRHR initiatives, focusing on those most in need.

We remain resolutely focused on having an impact on HIV. Using a person-centred approach, we believe it is essential to increase our capacity to manage co-infections and co-morbidities, with an increased focus on SRHR. In all that we do, we take a human rights-based approach. Our focus is on key populations, adolescents affected and at risk of HIV, women and girls in all their diversity, and people whose HIV vulnerability and health are impacted by gender-based violence.

2017 Results

Number of countries where Alliance LOs contribute 10% or more of the national coverage for HIV prevention, care or treatment as reported to national HIV coordinating bodies or based on population size estimation

RESULT

16

TARGET

13

This indicator¹ shows that more than half of Alliance LOs² are significant actors in their respective national HIV responses, particularly in reaching key populations.

Some LOs are contributing far more than 10% to national coverage indicators: AMSED (Morocco), ANS-CI (Cote d'Ivoire), APH (Ukraine), IPC (Burkina Faso) and KHANA (Cambodia) are contributing more than 50% to national targets.

¹ This figure is made up of two different types of data: the contribution of each Linking Organisation to national HIV targets and the percentage of key populations they reach (based on population size estimates).

² The countries are Burkina Faso, Cambodia, Cote d'Ivoire, Ecuador, El Salvador, Haiti, India, Indonesia, Morocco, Namibia, Senegal, South Africa, Swaziland, Uganda, Ukraine and Vietnam.

Number of adults, adolescents and children who accessed HIV treatment, care and support

RESULT	TARGET
1,578,837	1,000,000

Since 2014, the scale of our treatment, care and support work has increased substantially.



	Women	768,518
	Men	800,013
	Trans*	4,517

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

For the fifth year running, community-led support to people enrolled in care and treatment programmes was largely driven by the Global Fund Vihaan programme in India. The programme is implemented by India HIV/AIDS Alliance and in 2017 reached 1,212,547 people. The Organisation for Social Services, Health and Development (OSSHD) in Ethiopia is the second largest provider of treatment, care and support services, with 67,602 people living with HIV benefiting from their outreach, an 86% increase from 2016.

Of those reached with HIV treatment, care, and support services, 10% were children and adolescents (aged 19 or under). Substantial numbers were reached by India HIV/AIDS Alliance, and OSSHD (Ethiopia) and IPC (Burkina Faso), while FACT (Zimbabwe) led the way in reaching young people aged 20–24 in Africa.

In addition to service delivery, LOs have contributed to several policy and advocacy achievements in 2017 relating to treatment, care and support. MAMTA in India successfully advocated for all people living with HIV (PLHIV) in the state of Uttarakhand to get free food rations. VMM have been advocating with the Andhra Pradesh State AIDS Control Society to build an Antiretroviral therapy (ART) centre in the rural area of Visakhapatnam. Currently, PLHIV have to travel around 300km to obtain their antiretroviral drugs (ARV)s. Lastly, TACOSODE in Tanzania documented contradictions between HIV-related policies, guidelines, strategies and the legal framework, and explained how these factors affect HIV and AIDS services to key and vulnerable populations. This was presented to parliament and TACOSODE has now been given the opportunity to present amendments to these policies to improve access to services for these groups.

Number of people reached with integrated HIV and SRHR services	RESULT	TARGET
	2,039,478	1,200,000

	Women	1,570,427
	Men	395,438
	Trans*	14,172

For the second year running, MAMTA (India) is the largest contributor towards this indicator and in 2017 their reach increased by almost one million people. This is a result of the Ahana programme, which aims to improve access to prevention of parent-to-child transmission (PPTCT) services amongst pregnant women. Ahana is a national programme supported by the Global Fund that MAMTA is implementing in 38 districts in the state of Uttar Pradesh.

LOs who reached most people with HIV and SRHR services

Health Institute for Mother and Child (MAMTA), India	1,159,749
Networking HIV/AIDS Community of South Africa (NACOSA)	174,138
Vasavya Mahila Mandali (VMM), India	101,619

Despite the end of the multi-country SRHR programme Link Up in 2016 and the re-imposition of the Global Gag Rule, the READY portfolio is ensuring young people continue to receive services in eastern, central, and southern Africa. These projects (READY Teens and READY+) are working with adolescents and young people on SRHR and HIV.

In addition to integrated HIV and SRHR services, we provided 2,231,646 people with integrated HIV and TB services, an increase of almost 80% compared to 2016.

In addition to service delivery, LOs are creating a more enabling environment for young people to access services. Mahamate (formerly Alliance Myanmar) together with the Myanmar Youth Stars Network engaged in the development of a National Youth Policy. They worked to ensure that youth representatives from key populations were able to participate in the consultation, and in 2017 this policy was endorsed and launched by the government. As well as referencing LGBT youth as a category with specific needs, it also provides a space to discuss SRHR issues affecting young people.

Number of people from key populations reached with a defined package of HIV prevention services

RESULT	TARGET
876,450	1,200,000

Key populations reached with HIV prevention services:

- people who use drugs: 295,721
- sex workers: 295,267
- MSM: 271,763
- trans*: 22,800

In total, we reached 4,420,675 people with defined packages of HIV prevention services.

74% of those under the age of 24 were women, a significant increase from 52% in 2016.

Other key population groups (not included in this indicator) reached with prevention activities:

- people living with HIV: 1,529,901
- clients of sex workers: 73,347
- people with disabilities: 26,512
- smaller numbers of migrants, prisoners and uniformed services

- Alliance for Public Health (APH) in Ukraine reached 230,292 people who use drugs
- India HIV/AIDS Alliance reached 57,644 sex workers
- Promoteurs de l'Objectif Zerosida (POZ) in Haiti reached 66,973 MSM

Alliance LOs continue to be global leaders in reaching key populations with HIV prevention activities. Although we have not met our target under this indicator, in comparison with 2016 figures we have achieved a 5% increase in the number of people from key populations reached with HIV prevention services. The main reason we did not meet this target is that some of the assumptions behind the target have changed. For example, when we set the target at the beginning of the strategy period in 2015, it was on the basis that two large Global Fund projects managed by Linking Organisations in Senegal and India would focus on delivering prevention services to key populations. However, this is no longer the case.

The Alliance was successful in promoting a more coherent approach to key population programming in Africa, in particular through the KP Connect programme. In 2017, we reached 206,158 people from key population groups in Africa with a defined package of HIV prevention services, representing a steady increase from the 97,592 people reached at the start of the Alliance strategy, and a 14% increase from 2016. This is all the more remarkable given the increasingly hostile policy environment for LGBT people in Africa.

In 2017, the Alliance for Public Health (Ukraine) handed over the Ukrainian Opioid Substitution Therapy (OST) programme they had developed to the Ministry of Health. The ministry is now scaling up OST to over 10,000 patients, making it the largest programme in eastern Europe and central Asia. For the last 12 years this programme has been funded exclusively by international donors, so for the state to undertake responsibility for funding is a massive achievement.

In addition to service delivery, advocacy in 2017 aimed to create a more enabling environment for key populations. Several LOs including KHANA (Cambodia), CHAU (Uganda), and ABS (Burundi) took part in the Support! Don't Punish campaign

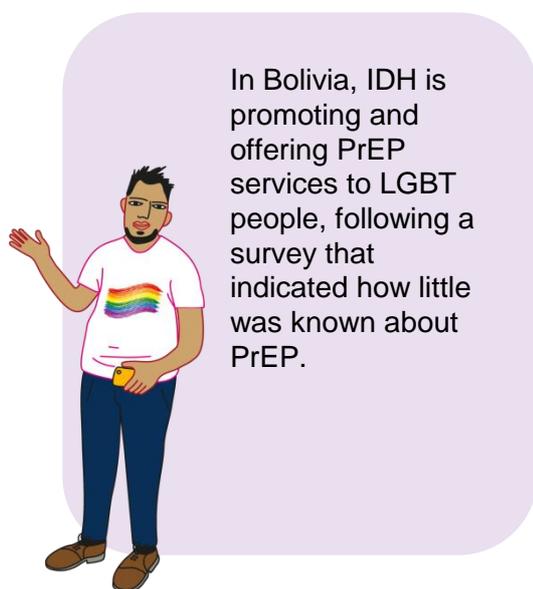
calling for better drug policies that prioritise public health and human rights. Prior to 2017 there were no harm reduction services in Uganda. With support from the Global Fund regional programme led by KANCO, and the PITCH programme, CHAU advocated for permission from the government to pilot needle exchange services. The application was approved by the Ministry of Health and CHAU is now supporting local partners to run a pilot with people who use drugs. CHAU also helped advocate for, and set, up the first two opioid substitution therapy sites in Uganda.

Number of Linking Organisations scaling up the use of prevention, biomedical and ICT technologies that increased access to and use of HIV services, contributing to improved health outcomes	RESULT	TARGET
	17	12

Number of LOs providing or referring to services	
PrEP	6
ICT interventions	15
DAAAs for Hepatitis C	4

This indicator is a proxy for innovation within the Alliance, where innovation is defined as the provision of, or referral to, the following services: voluntary medical male circumcision; pre-exposure prophylaxis (PrEP); post exposure prophylaxis (PEP); HIV self-testing; direct-acting antivirals (DAAs) for Hepatitis C treatment; ICT technologies; and differentiated ART delivery models.

Nineteen LOs have reported providing at least one of these services or referring individuals to a service. Seventeen of those LOs have either started service provision or have scaled up their activities from 2016.



Number of Linking Organisations with documented ability to track their contribution along the HIV care cascade

RESULT

20

TARGET

12

The HIV continuum of care, also known as the HIV treatment cascade or HIV care cascade, is a framework used to describe and monitor the consecutive steps, from initial diagnosis to sustained viral suppression. Twenty LOs reported being able to track their contribution for at least two steps on the care cascade.

Some LOs are able to demonstrate the higher quality services they provide in comparison to those run by government or other providers:

- In China, clinics run by Aids Care China achieve viral suppression rates of almost 95%, compared to the national target of 85%.
- In Myanmar, Mahamate is retaining 95% of ART clients in care 12 months after ART initiation. This compares with a national target of 88%.

Thirteen LOs reported tracking individuals along the entire care cascade: from the first stage of being tested and diagnosed as HIV positive, to being linked to HIV care for a first assessment, to starting ART, and then to achieving viral suppression.

Unless organisations run their own clinic, it can be challenging to track individuals along the whole care cascade. For example, one LO commented that while they conduct HIV tests, people who have tested positive are then entered into the public health information system and the data is not shared with civil society organisations.

Resilient, empowered adolescents and young people (READY)

Our [READY](#) portfolio of work with adolescents and young people not only contributed to the prevention, SRHR and treatment targets below, but led to innovations in working with young people in all their diversity.

For example, under READY Teens in Burundi, RNJ+ used its youth centre as a space to engage adolescents and young people from vulnerable groups in extra-curricular activities such as Tackle Africa football HIV sessions, and a peer mentoring programme which engaged more than 5,000 adolescents and young people. In Ethiopia, adolescent SRH information centres conducted coffee meetings on HIV disclosure, and held community dialogues with parents and adolescents on the importance of comprehensive sex education for young people not attending school. In Uganda, READY Teens set up groups including adolescents who sell sex, young people living with HIV and young people who use drugs. The groups meet periodically to share SRHR and HIV information, empowering them to make safer choices around health and sex. Condoms and information, education and communication materials are also distributed during these sessions, which adolescents can refer to later. Together with health facilities, our partners conducted mapping and identification of

hot spots for people who use drugs and those who sell sex. This information will be used to develop referral directories for all READY implementing partners.

Under READY+, 177 Community Adolescent Treatment Supporters (CATS) were trained in Zimbabwe, Swaziland, Mozambique and Tanzania. CATS provide peer-to-peer information, counselling and support to adolescents and young people living with HIV(A&YPLHIV). A total of 2,971 adolescents and young people living with HIV were reached with one-to-one support from CATS within communities. In addition, 2,866 A&YPLHIV accessed all three of the following services within the health facilities, at least once: HIV care, SRHR and psychosocial support (disclosure and/or stigma support and emotional/psychological counselling). CATS also offer adherence counselling, ART defaulter counselling, ART pill count and SRHR information. Clinicians offer a range of HIV, SRHR and mental health services including viral load monitoring. A total of 754 A&YPLHIV were referred for services.

In 2017, there were 237 group safe spaces established (mainly support groups). These are key in reaching A&YPLHIV with education and information about living with HIV, relationships, deciding whether and when to have sex, issues around personal HIV disclosure, and how to live a healthy and positive life. Across the four countries, 123 nurses were trained and 66 community dialogues and other community interventions were conducted. During the dialogues, parents and other community leaders talk about their own children's experiences, and advise on how to discuss sex and pregnancy. They also explain how to support a young person to access services and address HIV-related stigma.

Five youth leaders consulted with their networks of young people living with HIV to document the experiences of adolescents and young people in accessing SRHR and HIV services. This feedback was used to develop a scorecard and charter for health facilities, to enable them to advocate for quality, competent, non-judgemental health services for A&YPLHIV. Ten youth leaders from Tanzania and Mozambique were supported and mentored to advocate for their needs and rights; they took part in district-level health meetings and spoke up about their health needs as young people living with HIV.

The Alliance developed a Good Practice Guide for Adolescent HIV Programming in collaboration with partners such as Y+, Africaid, PATA and REPSSI. The Guide was discussed and disseminated at the REPSSI Psychosocial Support Forum in Arusha, Tanzania, and at the PATA Healthcare Providers Summit in Johannesburg, South Africa. Modules from the Guide were also tested with peers working in the sector at ICASA in October 2017 and the Guide will now be used by partners within the READY portfolio to ensure good practice programming in safe spaces, clinics and in the community.

Standing up for women and girls' sexual and reproductive rights

In early 2017, the Alliance secretariat made the brave and complex decision not to comply with the re-enacted and extended Mexico City Policy, aka the Global Gag Rule, which requires foreign NGOs receiving US Government global health funding to certify that they will not perform, counsel, refer, or advocate on abortion “as a method of family planning”, even using non-US government funding. We took this decision because re-instatement of the Global Gag Rule threatens to end the global consensus on the need to integrate HIV and SRHR programmes. It also potentially undermines the achievements of the Sustainable Development Goals (SDGs), which emphasise the importance of delivering HIV services alongside family planning services.

As an HIV organisation, the global Alliance is uniquely impacted by the Global Gag Rule. Comprehensive and integrated sexual and reproductive health services including abortion act as an entry point to HIV services and vice-versa, and are an important element of our person-centred approach. Therefore, in 2017 we undertook a thorough analysis of the potential impact on LOs, many of whom rely heavily on US funding to support them with navigating the Global Gag Rule. As the implementation of the policy continues, we will continue to document its repercussions, focusing on the impact on HIV services and marginalised groups such as female sex workers, those using drugs, transgender women and adolescent girls, and young women who experience sexual violence.

This decision has cost us: the refusal to comply meant the loss of up to \$60 million in possible fundraising opportunities for the Alliance secretariat over the next three years. This will translate into a loss of services, including: SRHR programmes for women and girls; human rights-based HIV prevention programmes with and for men who have sex with men; community-led harm reduction programmes by and for people who use drugs; programmes that aim to eliminate sexual violence and human rights violations among sex workers; and treatment literacy and adherence for people living with HIV.

Recognising that women and girls are disproportionately affected by HIV and SRHR issues, the Alliance remains fully committed to championing their rights and has not wavered in the face of these threats. With support from Sweden and the Netherlands, we have continued to provide and advocate for the rights of women and girls at all the intersections of their lives with fully comprehensive, integrated SRHR programming. However, the funding gap is deep and wide.

The Alliance is a proud supporter of the SheDecides movement, with our executive director, Christine Stegling, an official SheDecides champion. We celebrate the success the movement has had in mobilising resources, political will and the global community to resist attacks on women, marginalised communities and civil society space.



Recognising that women and girls are disproportionately affected by HIV and SRHR issues, the Alliance remains fully committed to championing their rights.

In support of the SheDecides movement, we launched the READY to Decide campaign to highlight the link between gender inequality and the rising rate of HIV in adolescent girls and young women in sub-Saharan Africa. It was also a call to action to achieve SDG 5 on Gender Equality. We also attended the Family Planning Summit and side events hosted by SheDecides, and the UK SRHR network in London, in July 2017.

Championing HIV prevention

Despite significant progress in the global HIV response, agreed HIV prevention targets remain off track, with 1.8 million new infections in 2016. Last year, the Alliance joined others in urging political leaders, national governments, multilateral agencies, funders and civil society working in the HIV response to take action on prevention. This leadership and advocacy contributed to the launch of the Global HIV Prevention Coalition, demonstrating a renewed commitment to HIV prevention. The Alliance is an active member of, and contributor to, the Coalition. Civil society representatives including directors of two Alliance LOs – Rumah Cemara and Alliance for Public Health – attended the launch in Geneva in October. We also arranged the attendance of Nevala Kayando, a Y+ representative for Tanzania and member of READY+. She spoke about the need for the education sector to lead on crucial issues: ensuring girls have access to education; providing comprehensive sex education and access to services and commodities; and providing safe spaces for young people to be heard and supported.

In the Coalition, the Alliance champions a person-centred approach to prevention, recognising that people's needs are complex and require holistic responses that address individuals, peers, family, services and institutions. We made strong arguments that criminalisation of key populations, and stigma and discrimination towards them, are acting as barriers to these groups accessing HIV prevention interventions. Furthermore, if we are to reduce new infections among these groups then their governments need to start upholding their basic human rights and dignity.

To ensure civil society representation from multiple countries in the HIV Prevention 2020 Roadmap, the Alliance held a meeting with members of civil society in August, in Cape Town, South Africa. LOs and partners shared and discussed their HIV

prevention needs and goals, ensuring that a critical group of civil society activists was prepared to engage with their government at country level to develop the national prevention roadmaps, and to set up mechanisms for monitoring progress. A follow-up meeting was held in New Delhi in February 2018 to take stock of progress against the Roadmap, bringing together leading community activists and HIV and human rights organisations from 10 of the 20 fast-track countries. They shared experiences and built advocacy plans to ensure governments don't lose traction in their efforts to meet the agreed milestones.

Result 2 Stronger health and community systems

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



Under Strategic Response 2 we focus on strengthening community responses to end AIDS. The Alliance works with others to build national ‘systems for health’ that integrate community systems, public health and private sectors, recognising that all participants are supporting a national response that is broader than the government response alone. The Alliance supports organisations to strengthen their impact on HIV, whether through direct service delivery, providing technical assistance or monitoring human rights violations.

2017 Results

Number of Linking Organisations making documented improvements to their organisational capacity, governance and programme quality as a result of Alliance capacity building and organisational development initiatives (including accreditation)

RESULT

TARGET

26

23

We measure this indicator by tracking the progress made by LOs towards being accredited. This is a cumulative indicator tracked since the start of the strategy. The Alliance accreditation system promotes good governance, organisational management and good practice HIV programming across our LOs. It guides the admission of new organisations and maintains standards for existing LOs.

Since 2013, a total of 324 capacity issues have been identified, and 278 capacity issues addressed, across governance and sustainability, organisational management, HIV programming and technical areas through the accreditation process.

Using assessment teams from peer organisations, we rigorously assess national organisations against the highest standards. The accreditation process is designed to guarantee quality in service delivery and promote South-to-South learning and development. The process helps us to identify capacity issues and track whether they have been addressed.

Two LOs were accredited in 2017 (NACOSA and AIDS Legal Network in South Africa). Since implementing the strategy in 2013, a total of 34 LOs have initiated the accreditation process and 26 have been accredited.

One of the strengths of the accreditation process is the opportunity for South-to-South learning throughout the process, especially during the LO-to-LO peer review team visits. In 2017, staff from nine LOs took part in an accreditation peer review visit.

Proportion of CBOs who received grants through the Alliance achieved planned programme and financial targets	RESULT	TARGET
	85%	85%

Twenty LOs reported that on average 85% of the CBOs they support achieved their programme and financial targets. This indicates how well Alliance-supported CBOs are performing and is a proxy measure for whether these organisations have the capacity they need to be effective.

LOs provide capacity-building on a huge range of topics from programming and technical knowledge (HIV, SRHR, gender-sensitive approaches, parenting programmes, psychological support, outreach, life skills, vocational skills, harm reduction) to organisational and leadership capacity (grant and financial management, monitoring and evaluation, legal literacy and fundraising).

Number of peer-reviewed journal articles that inform programming or analyse the Alliance's contribution to improved health outcomes for key populations	RESULT	TARGET
	45	17

In 2017, a total of 45 peer reviewed journal articles were published by Alliance LOs or the secretariat. These demonstrate the Alliance's capacity to generate high quality evidence. The studies not only include those which analysed the Alliance's contribution to health outcomes (previously the wording of this indicator), but also needs assessments, acceptability studies and baselines. We have therefore changed the definition of the indicator to reflect this. A key achievement in 2017 was a Supplement on the Link Up project which was published in the Journal of Adolescent Health and explored SRHR services for young people most affected by HIV. This featured evaluations and other research generated through the Link Up project.

Proportion of CBOs who received a grant through the Alliance delivered timely reports according to national guidelines	RESULT	TARGET
	91%	84%

This indicator measures the extent to which CBOs supported by LOs are able to report directly to their national governments. It is a proxy for capacity, showing that the CBO has strong enough systems to report in line with national requirements, and is contributing to the national response.

Building capacity to work with key populations

In 2017, 10 years of ground-breaking work under our Sida-funded programme KP Connect came to an end. The programme built the capacity of Alliance LOs in 10 countries in Africa to engage and work with key populations. KP Connect was also part of our southern leadership strategy, with the programme's management under the responsibility of Positive Vibes (an Alliance LO in Namibia).

The programme used some creative methodologies including Looking In, Looking Out (LILO) which is a workshop methodology that focuses on changing attitudes at the individual level, with the aim of helping participants develop more positive attitudes towards LGBT people and sex workers. The training provides a personalised approach to exploring gender identity, sexual orientation and issues faced by sex workers, and has been tailored for use with service providers, police and policy makers. LILO has been a catalyst for change in many LOs and the partner organisations LOs work with, alongside other programme interventions including learning and sharing events (on different technical areas), advocacy with decision-makers, and accompaniment by Positive Vibes. ANS-CI in Cote D'Ivoire is a prime example – they have overcome stigma and discrimination in their organisation and now have staff and board members from key populations.

KP Connect has taken the majority of LOs in Africa on a journey. Many LOs that previously held negative attitudes towards key populations, or did not have the skills to work with these groups (due to the cultural or legal context in which they operate) are now working hand-in-hand with key populations as staunch activists for their rights, or as providers of services. For example, KP Connect built the capacity of ABS in Burundi so that the organisation was well-placed to work with young people from key populations under Link up and now READY Teens. The programme also supported ABS to develop security and resource mobilisation plans so that it could remain resilient in its fragile context, post-conflict.



Before LILO I only understood key populations at a scientific level...we fight stigma on a daily basis, yet we are stigmatising people in our personal life, even if it's not intentional. LILO helped me realise I needed to connect at a more emotional level and that's what I did. I have now reached a higher level of appreciation.

LILO participant, Cote d'Ivoire

Result 3 Inclusive and engaged societies

Advocate for HIV, health and human rights



Under this response we address harmful social norms, including stigma, discrimination and social attitudes. The Alliance advocates for structural and policy changes that improve access to health services, and improve their availability, affordability and quality – without discrimination, and which promote gender equity, SRHR and human rights.

2017 Results

Number of countries where Linking Organisations³ are making significant, evidence-based contributions to developing or improving policies that affect the lives of people affected by HIV⁴

RESULT

TARGET

17

15

Changes in policy and the enabling environment often take years. Across the Alliance we are seeing organisations at different stages of the process, from starting up a pilot demonstration project and seeing it funded and taken on by government, to bringing civil society together to review a bill and seeing that bill reflect their needs.

Some of the emerging outcomes we are beginning to see include:

Policy makers committed to effective and integrated HIV and health programmes with civil society involvement

- In 2013, Aids Care China developed a methadone take-away model as a pilot project in Yunnan province. The Yunnan government is now taking leadership of the programme, both promoting and funding it.
- KHANA in Cambodia continues to promote the Support! Don't Punish approach to counter the many misconceptions and myths related to drug use. It has built partnerships with government officials including the Ministry of Health and the police. Working with others, the organisation has sought to improve the quality of community-based treatment, enabling drug users to be treated at home and in local health centres rather than in compulsory rehabilitation centres.

³ 20 Linking Organisations and Secretariat implementing partners

⁴ In 2017 we widened the wording of this indicator to include Secretariat implementing partners, to reflect our evolving model.

- India HIV/AIDS Alliance was part of the committee that drafted community-based testing guidelines which will be implemented in India for the first time.
- Kimirina (Ecuador) successfully advocated for the inclusion of PrEP as an HIV prevention strategy in the multi-sectoral national HIV strategy.
- Through KP Connect, ANS-CI's was successful in making LILO Connect a tool with national scope able to tackle stigma and discrimination against key populations. In Cote d'Ivoire's national AIDS programme many LILO Connect workshops are run and financed by the government directly. The tool has also been integrated into their Global Fund national concept note for 2018–21.

Communities and civil society have their voices heard and represent themselves in decision-making and policy spaces

- Through the KP Connect programme, SAT Zambia was supported to bring together key population organisations in Zambia to prepare a joint submission to the National AIDS Strategic Framework 2018–21. This resulted in a broader definition of key populations being included.
- In South Africa, NACOSA also mobilised civil society to participate in developing the national strategic plans for HIV, AIDS and TB. This meant the priorities and contributions of civil society organisations received greater prominence in these plans.
- SCDI and allied organisations supported Vietnam Network of Transgender People (VNTG) to advocate for their rights and needs during the development process of the draft law on gender affirmation.

Working to increase funding for community responses and the most marginalised

- NACOSA in South Africa was involved in developing a shadow gender-based violence (GBV) framework for the national strategic plan. This aims to create and strengthen public awareness and political will to implement a fully-costed, inclusive and multi-sectoral national strategic plan for GBV. The plan will help ensure that GBV is included in the government's annual performance plans and therefore adequately costed.
- The Alliance has been working at global level to profile both the community response to HIV and health and the need to invest in community action to achieve the SDGs. It issued a call-to-action for governments and ran side events at the High Level Political Forum on the SDGs and Independent Communications Authority of South Africa (ICASA). As a result, four ministers – representing the governments of the Netherlands, Luxembourg, Denmark and Cote d'Ivoire –

expressed support and acknowledged the key role of communities in delivering the SDGs.

Discrimination and violence against those most affected has been recognised and addressed

- With support from the Rapid Response Fund, community-based organisation the Centre for Human Rights and Rehabilitation (CHRR) conducted an investigation into homophobic violence at Dzaleka Refugee Camp in Malawi. Following this they organised a two-day training session for refugee authorities on the rights and specific needs of LGBT persons, undertook awareness-raising activities, and sensitised the camp protection committees. They also provided emergency support to LGBT asylum seekers and offered training to some in how to manage abuse that may be reported. Challenges remain, but as a result of this work there have been significant improvements in the support provided to LGBT asylum seekers, especially those at risk of abuse and violence. Plan Malawi, with support from the UNHCR, the UN Refugee Agency, has provided a safe-house for LGBT asylum seekers at risk of violence.
- The Alliance supported civil society organisations in Indonesia and the Philippines to engage with Universal Periodic Review (UPR) processes through targeted advocacy in Geneva. At meetings with like-minded states, civil society key advocacy asks related to drug policy and the death penalty were presented. As a result, Indonesia got one UPR recommendation related to drug policy from Portugal which directly quoted the language used in our advocacy ask.

Number of countries where Alliance partners⁵ have technically or financially fostered advocacy with organisations and representatives of adolescents, women and girls, and key populations

RESULT

TARGET

37

18

Our achievements range from securing office spaces for sex worker organisations to delivering radical new policies and legislation which shapes national debates on issues facing key populations globally.

Achievements within the [Partnership to Inspire, Transform and Connect the HIV response \(PITCH\)](#) programme range from securing health-focused language in draft drug and sex work legislation in Myanmar, to a landmark authorisation by the Ugandan Ministry of Health to Community Health Alliance Uganda (CHAU) and the Ugandan Harm Reduction Network (UHRN) to launch the first ever needle and syringe programme in Uganda.

⁵ 27 Linking Organisations, 10 secretariat implementing partners and 26 Rapid Response Fund grantees

In addition to supporting emergency responses, the Rapid Response Fund has supported CBOs to advocate for improved legal and policy environments for LGBT. Results of these efforts are included under other indicators in this report.

Number of countries where Alliance partners ⁶ have documented and responded to individual cases of violence and discrimination through emergency responses, legal services or other	RESULT	TARGET
	25	12

The most common type of human rights interventions undertaken by LOs in 2017 were stigma and discrimination-related activities and legal literacy. [REAct](#) and the Rapid Response Fund are examples of systems or processes used by the Alliance in addition to a range of other approaches by LOs.

Documenting and responding to human rights violations

The Rights to Equality programme⁷ (R2E) in the Middle East and North Africa (MENA) is an initiative that aims to provide an enhanced response to human rights violations based on sexual orientation, gender identity, HIV status, and immigrant status in MENA. As part of the programme, implementing partners in Morocco, Tunisia, Lebanon, Sudan, Egypt and Yemen were trained in using REAct to document and respond to human rights violations. Since the training, partners in Tunisia and Lebanon have been documenting cases of human rights violations for marginalised groups and PLHIV in accessing health services, and providing them with adequate responses (medical, psychological, legal, administrative, shelter and food boxes).

Responding to emergencies for LGBT people

Through the [Rapid Response Fund](#) we have, since its establishment in October 2016, supported 122 projects (83 of them in 2017) in 20 of the 30 eligible countries, enabling them to respond to crises affecting access to HIV services for LGBT people and men who have sex with men (MSM).

Activities funded have included: emergency HIV testing; adherence counselling; PEP support for people who have been raped; medical attention after violent attacks; rehabilitation after lapses in ARV treatment; support to seek alternative employment after job loss related to homophobia; provision of emergency shelter; new locks and

⁶ 60 partners: 12 Linking Organisations, one secretariat implementing partner and 47 Rapid Response Fund grantees. 460 CBOs and networks are working with Alliance LOs and implementing partners to document and respond to cases of violence and discrimination.
⁷ The project is part of the Strengthening High Impact Interventions for an AIDS-free Generation (AIDSFree) programme, funded by the US Government. The project was initiated before our decision to not comply with the Global Gag Rule and so is not affected by the decision.

security systems; CCTVs; emergency evacuations; relocation to places of safety and access to friendly services; legal support (e.g. in case of imprisonment); and trainings for law enforcement and healthcare workers to better serve LGBT people.

The main purpose of the Fund is to respond to, or mitigate against, emergency situations, or to challenge the cause of these emergencies. It is also worth noting that grant-funded organisations have been able to ensure that more than 2,000 LGBT people have received an HIV test, with more than 200 newly linked to HIV treatment and thousands more benefitting from increased security, better services and reduced stigma. This demonstrates the importance of supporting these organisations through crises so they are able to maintain vital services.



When I went to the police [after being attacked] I was further victimised... It would be different now, I'd know where to go.

Kaluso, 28-year-old transgender woman in Malawi, after CHeRA, a recipient of a Rapid Response Fund grant, turned a police superintendent into an ally of LGBT people.

Number of countries⁸ where the Alliance is playing a role in holding governments to account in upholding human rights, enabling universal access to services and increasing domestic financing of the national HIV response

RESULT

TARGET

36

15

Universal health coverage (UHC) has been an expanding area of work for the Alliance. The governments of Senegal and Vietnam have made UHC a key priority for their health reform policies. As national aid is declining, the Alliance has supported ANCS and SCDI, to conduct research and hold national dialogues to better understand the current health policy and the financing context of their countries, and how the implementation of social health insurance supports people living with HIV and key populations. As a result, the Senegalese government initiated a policy for inclusion of key populations into the national UHC strategy and in Vietnam the government initiated a dialogue with civil society on current gaps identified in the research.

Positive Vibes and the Open Society Foundation co-coordinated a global meeting on the decriminalisation of same-sex sexual conduct, bringing together 54 international human rights organisations, activists and government representatives to share good practices. Following this, Diversity Alliance Namibia attended a Public Hearing on Racism, Racial Discrimination and Discrimination in General to request the removal of antiquated sodomy laws from the Penal Code. This was followed by a week-long advocacy campaign, Out Right Namibia and LifeLine/ChildLine, which celebrated the lived experience of LGBT persons in Namibia.

⁸ This includes work done by 55 organisations and programmes (27 Linking Organisations, 8 implementing partners and 20 Rapid Response Fund grantees).

Number of people reached by programmes addressing stigma, discrimination and social exclusion of people living with, or vulnerable to, HIV⁹

RESULT

TARGET

593,966

300,000

LOs with the highest reach

Atlacatl (El Salvador) 179,642

Rumah Cemara (Indonesia) 90,165

POZ (Haiti) 68,779

In total, 42% of those reached with activities intended to help people address stigma and discrimination, or cope with the consequences of it, were people living with HIV, 29% were MSM and 10% were sex workers. Of those who might enact stigma or have discriminatory practices, LOs reached 6,691 health workers, 1,951 police, 2,305 community leaders and 2,748 government officials.

Protecting the rights of people who use drugs

In 2017, the Alliance maintained its leadership in the drug policy space, in partnership with IDPC and the government of the Netherlands. We were particularly active at the Commission on Narcotic Drugs (CND), along with LOs Rumah Cemara from Indonesia and SCDI from Vietnam. Community member Subhan Panjaitan, from Rumah Cemara, attended as part of the official government delegation from Indonesia. Alliance participation with our partners was important in order to protect and promote the gains made at UNGASS 2016, which included some progressive language on harm reduction; this has been under attack however by governments including the Philippines, Cambodia and Tanzania, where we have seen brutal treatment of people who use drugs.

⁹ This year we have slightly changed how we define this indicator, which previously only counted countries with high levels of stigma as rated by the PLHIV stigma index. We have changed this to recognise that stigma and discrimination does not just affect PLHIV, but all key populations, which results in barriers to accessing HIV services and other human rights abuses. We will review our targets for the coming years in line with the changed definition.

Result 4 Foundations for impact

A stronger Alliance partnership that is evidence-based and accountable to communities



Developing Southern leadership

As a global alliance of civil society organisations, ‘Southern leadership and shared responsibility’ has always been a central driver of the Alliance’s approach, although articulated in different ways at different times. In 2015, the organisation began a process of critical reflection on its approach. This was in light of the fact that Southern leadership development is a significant focus in the organisation’s strategy for 2016-2020.

During an annual meeting of Alliance LOs in 2016, it was felt that before defining the future of the programme, there should be a review of the impacts and benefits of the leadership development initiatives already undertaken. As a result, in 2017 the Alliance undertook a review of three key leadership initiatives: International Masters in Practicing Management (IMPM), the International Health Leadership Development Programme (IHLDP) and the executive coaching programme. The review assessed coverage and retention, cost and resourcing, and impact of the three initiatives. The findings will help the Alliance define its approach to leadership development and consider how to put this into practice. This review will ensure accountability and help identify the types of support that have the greatest impact and should therefore be prioritised.

Alliance membership committee



As a global alliance of civil society organisations, ‘Southern leadership and shared responsibility’ has always been a central driver of the Alliance’s approach.

At its meeting in May 2017, the Alliance’s board of trustees approved the creation of an Alliance membership committee. This was in response to a request from LOs to be included in decisions regarding suspension and termination of LO membership (for reasons other than those linked to Accreditation). The Committee has three LO representatives (one from each of the Alliance’s geographic regions) who are either senior staff or board members of their LO. The first three representatives, appointed by the board at its meeting in November 2017, are: Geoffroy Sawadogo (board member of IPC in Burkina Faso); Andriy Klepikov (executive director of Alliance for Public Health in Ukraine); and Paola Sánchez (coordinator of Coalition Plus at Kimirina in Ecuador).

Embedding human rights and gender

Gender inequality is a key driver of the HIV epidemic. In response, we have made great efforts to develop our policies and programming on gender and developed a good practice guide to gender-transformative HIV programming. This will help civil society and CBOs,

including Alliance LOs and implementing partners, to integrate a gender perspective into their HIV programmes. It aims to strengthen HIV programming with, by and for women and girls in all their diversity, and to sharpen the Alliance's focus on gender in its work with key populations. In addition, a guide to the Alliance's approach to gender equality was developed and shared with LOs, providing a simple expression of the organisation's understanding of gender and its practical application.



As part of a wider review of the Alliance's accreditation standards and criteria, a focus on gender has been included in all HIV programming areas, and gender equality and gender-based violence has been added as an optional technical area (each LO selects two technical areas against which they will be assessed, depending on the focus of their programming).

In 2017, the Alliance began work to roll out the use of REAct, a community-based system for monitoring and responding to human rights-related barriers in accessing HIV and health services in PITCH. A workshop was held in September for representatives of LGBT organisations from Nigeria, Zimbabwe, Uganda, Kenya and Mozambique, strengthening their knowledge and skills in using and adapting REAct.

The workshop's facilitation team included a representative of Sexual Minorities Uganda (SMUG), a PITCH partner, and a network of 18 LGBT organisations that have implemented REAct since 2014. Richard Lusimbo, SMUG research and documentation manager, provided technical training and shared his organisation's hands-on experience of developing, implementing and improving the system for LGBT communities within a highly hostile environment. With an emphasis on adaptation and South-to-South learning, the workshop offered participants a wealth of advice, practical first-hand experiences and peer exchange opportunities.

A new monitoring system

In 2017 the Alliance developed a new monitoring system to support its multi-country programmes. Wanda is built using [DHIS-2](#), a system adopted by national governments in more than 60 countries worldwide. We are piloting its use in PITCH to document progress towards advocacy goals, and in READY+ where young people will be using mobile phones to collect data on their work supporting other adolescents and young people living with HIV. The benefits of Wanda include the ability to track people and the services they receive over time, easy entry and analysis of both quantitative and qualitative data, and access to real-time data for project partners. This will improve how we analyse our progress: to inform programming, make timely and informed decisions, and report to our donors.

The value of the Alliance

Each year, as part of an annual survey, we ask LOs what value they derive from being an Alliance member. This helps us understand the key strengths and issues within the Alliance partnership so we can improve collaboration and build a stronger, more effective movement.

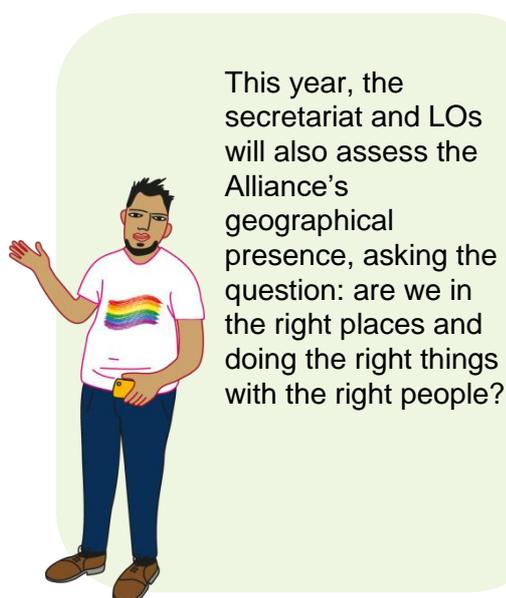
LOs were asked to rate (out of 10) the value they have gained from membership, in relation to the expected outcomes of the partnership as outlined in the Alliance's theory of change. Ratings varied widely, depending on the level and quality of engagement each individual LO has experienced. However, on average, the highest ratings were given for the Alliance enabling collaboration (6.8), learning from others (6.6) and improving programme quality and generating evidence (6.4). More work is needed in strengthening the engagement of some LOs in leadership (5.5). For every outcome, the majority of LOs felt the situation had improved since 2016.

Looking forward

In 2018, the Alliance will undertake three pieces of strategic analysis. These initiatives will ensure we are well-placed to deliver on work we have committed to undertake with communities in order to end AIDS. The three pieces relate to the Alliance brand, the Alliance geographical presence, and how the Alliance partnership functions.

In 2018, we are undertaking a rebranding of the Alliance in order to remain relevant and well positioned in the evolving global HIV response and the changing funding landscape. Through this process we aim to: strengthen the way the Alliance communicates with all of its stakeholders; achieve greater 'stand out' in an increasingly competitive global civil society environment; reposition the Alliance so we can appeal to new markets, donors and partners; and inform our new strategy and achieve our strategic goals.

This year, the secretariat and LOs will also assess the Alliance's geographical presence, asking the question: are we in the right places and doing the right things with the right people? We will agree parameters for which countries the Alliance should work in, linked to HIV incidence and prevalence for key populations, adolescents and young people, and assessing the social and political context in which civil society operates.



This year, the secretariat and LOs will also assess the Alliance's geographical presence, asking the question: are we in the right places and doing the right things with the right people?

Finally, the Alliance will seek to strengthen how the partnership functions. This will include improving communication between the secretariat and LOs (recognising that the secretariat restructure in 2016 changed patterns of communication); supporting Southern leadership by LOs leading areas of work such as TB; and considering whether to extend further the remit of the Alliance membership committee – in which LO, secretariat and board representatives all participate – to include decisions on new LOs joining the Alliance.

These three strategic pieces are of course linked, and will help prepare us to make important decisions as we develop a new strategy for 2020 onwards.

To guide the use of financial and human resources in 2018, the secretariat has identified some priority areas. These are HIV prevention, harm reduction and SRHR (with a focus on adolescents and young people).

In 2018, the Alliance will also drive forward key programmes, including READY, PITCH, and the Alliance-integrated harm reduction programme. READY to Lead, which will support 100 young women leaders in Zimbabwe, will be a new addition to the READY portfolio. This cohort of young women leaders will mentor 1,000 adolescents and young women living with HIV, and advocate at the district, national and global level for laws and policies that advance the rights and health of adolescent girls and young women. i-READY, funded by SPIDER, will integrate ICT components into READY Teens in Burundi and READY+ in Mozambique.

In Burundi, this will involve producing a radio programme, Biratwerekeye (meaning 'it concerns us'), in which adolescents and young people from youth-led HIV network RNJ+ present interactive discussions on a range of sensitive issues. Topics will include love and relationships, our bodies, sexual diversity, making love, birth control, pregnancy, marriage, safer sex and intimate partner violence. In Mozambique, the i-READY project will develop an

on-line platform 'READY Matters' (inspired by the website Love Matters). Adolescents and young people will be able to access relevant HIV and SRHR information and it will provide links and information to local youth-friendly services. A targeted social media campaign will also guide adolescents and young people to engage with the on-line platform READY Matters, and direct them to youth friendly READY HIV and SRHR services.

Across the READY portfolio, we will seek to actively engage adolescent boys and young men in community activities and SRHR services. Our 2017 results show that we reach a much higher number of adolescent girls and young women. However, evidence and good practice from the sector is beginning to indicate that engaging boys and young men results in positive health and social outcomes for young people of both genders.

The Alliance integrated harm reduction programme

This initiative enables LOs to pilot innovative programming approaches to harm reduction, which have been promoted to national and local governments in order to secure their integration into HIV prevention and public health programmes. This approach allows the Alliance to reach many more people who use drugs rather than relying on its own limited resources. The programme is using the following typology to guide the scope of harm reduction work the LOs will undertake:

Multipliers: mature countries such as China with a clear epidemic of drug use that are seeking to deliver sustainable harm reduction services at scale. The aim is that the national programme adopts and scales up the good quality models LOs are piloting. In 2018, AIDS Care China will build on the success of its take-home methadone model and community Naloxone distribution, exploring new community-based drug addiction treatment models. It will also continue to influence local and national law enforcement to introduce community-based drug addiction treatment, as an alternative to incarceration in Yunnan and Hubei provinces.

Accelerators: countries such as Kenya, where governments have started delivering harm reduction services, are exploring ways to scale up service coverage. The focus is on replicating service provision models in new areas and then handing over these interventions to the national programme, supported by donors and national governments. For example, in Kenya this year, the project will deliver services and build the capacity of partners in new sites identified in Central and Western Kenya, where KANCO's assessment indicates there is significant unmet need, particularly among men who inject drugs.

Kick-starters: countries such as Nigeria where there is a significant and/or growing need for harm reduction services, but where current service provision is almost non-existent. The Alliance will seek to identify new partners, identify and establish PWUD groups and begin small-scale service delivery to demonstrate its impact and value to governments and other donors.

Partnership to Inspire, Transform and Connect the HIV response (PITCH)

Working with the media

Country partners in Vietnam, Indonesia and Zimbabwe have shown creativity in engaging the media through setting up writing competitions and mentoring programmes for journalists, to stimulate positive reporting and reduce stigma.

Engaging unusual partners

Indonesian country partners are training lecturers at local universities to raise awareness on gender and sexuality issues in their lectures.

Addressing gender-based violence

In Mozambique, high levels of gender-based violence (GBV) are reported. The work plan describes specific interventions for systematically documenting and referring cases of GBV, providing legal support and increasing awareness of support services. In addition, specific instances of human rights violations against LGBT people will be documented, referred, and used to stimulate media discussions about human rights violations against sex workers.

2018 is a seminal year for the PITCH programme as it marks the midpoint for this unique five-year advocacy- and capacity-strengthening programme. To support national, regional and global work, we aim to conduct a programme of research in 2018, including documenting gaps and best practices in UHC implementation in five countries. Another piece on existing transitions related to Global Fund will document the impact of unplanned donor exits and produce recommendations for responsible transitions. The mid-term evaluation of the programme and the review of our Theory of Change, scheduled for 2018, will indicate whether our Theory of Change requires significant redevelopment.

Key themes for in-country work include: building coalitions, including reaching out to new and sometimes atypical partners; strengthening the capacity of key populations, adolescent girls and young women, and other key stakeholders such as health care providers and law enforcement agencies; contributing to high-level meetings, conferences, advocacy platforms, regional and global meetings; media and social media campaigns; dialogue and sensitisation sessions; engagement with parliamentarians, ministries, technical working groups and reform processes; and developing new curricula, guidelines, briefing papers, policies and investment cases.

As the country programmes are up and running, 2018 will bring to scale the PITCH regional programmes. We are building on our 2017 work with ARASA to develop a stronger Pan African Civil Society Platform on HIV Combination Prevention. This will develop ICASA campaigning momentum on prevention, and in eastern Europe and central Asia we are mapping advocacy opportunities within Eurasian and Commonwealth political structures, and at city level.

At global level our influencing efforts focus on the 'development hubs' of New York, Washington DC, Geneva, Brussels, London, The Hague and Addis Ababa, with the Ministry of Foreign Affairs of the Netherlands as a strategic partner in high-level shaping of agendas and discussions.

Our priorities in 2018 are UHC, sustainable financing in the context of transition, and community responses for health. In each of these areas we will carry out research for

advocacy, which will allow us to initiate national dialogues and bring the evidence and recommendations to global and regional forums.

In 2018, we will continue our work on prevention, SRHR, and gender equality, connecting local action to global advocacy. We will continue to support civil society to implement and monitor national action plans linked to the Prevention 2020 Road Map, and share the results of these, holding governments and global leaders to account at the Global HIV Prevention Coalition. At AIDS 2018, the Alliance will offer a satellite on prevention, in order to bring key stakeholders together, showcase the voices of those affected, and fill the gap in the formal IAS programme.



In 2018, we will continue our work on prevention, SRHR, and gender equality, connecting local action to global advocacy.

The Alliance will also continue to advocate for comprehensive, integrated HIV and SRHR, showcasing evidence from our READY programmes. We will continue to participate in the SheDecides movement, highlighting the links between gender-based violence and gender inequality through our READY to Decide campaign. We will also bring these messages to the International Conference on Family Planning in Kigali in November 2018, and begin preparing for 2019's Commission on the Status for Women.

Financial review

Trustees' responsibilities in respect of the Charity's accounts

The trustees (who are also directors of the 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 the incoming resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Linking Organisations and Alliance global partnership accounts

The financial statements of the Charity and its group on pages 52–71 have been prepared in accordance with company law, as described above.

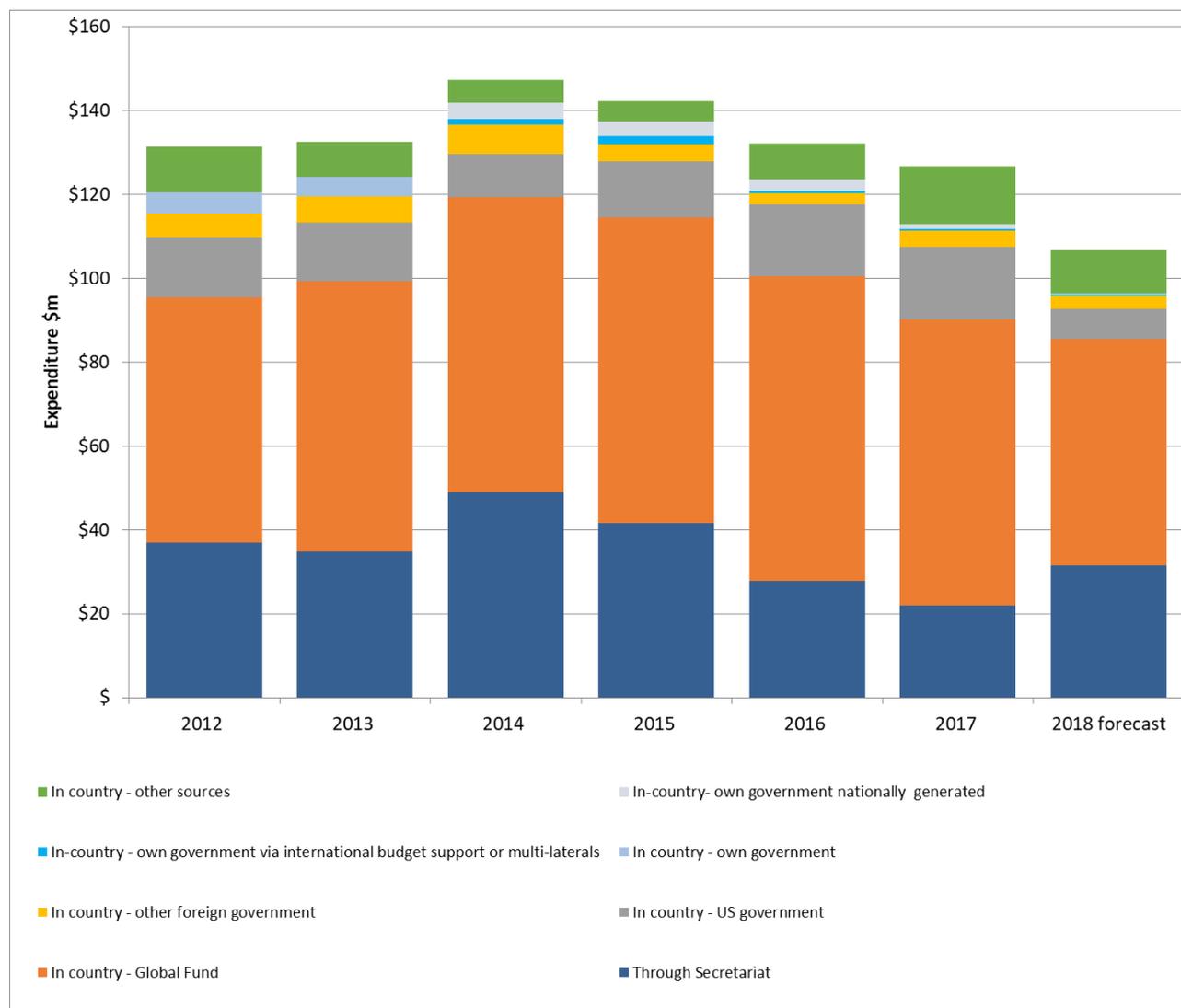
The Alliance is a global partnership comprising the Charity and independent LOs. These LOs are legally independent entities not controlled by the Charity and therefore their accounts are not consolidated within the Charity group accounts. However, the Alliance global partnership accounts (the collective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

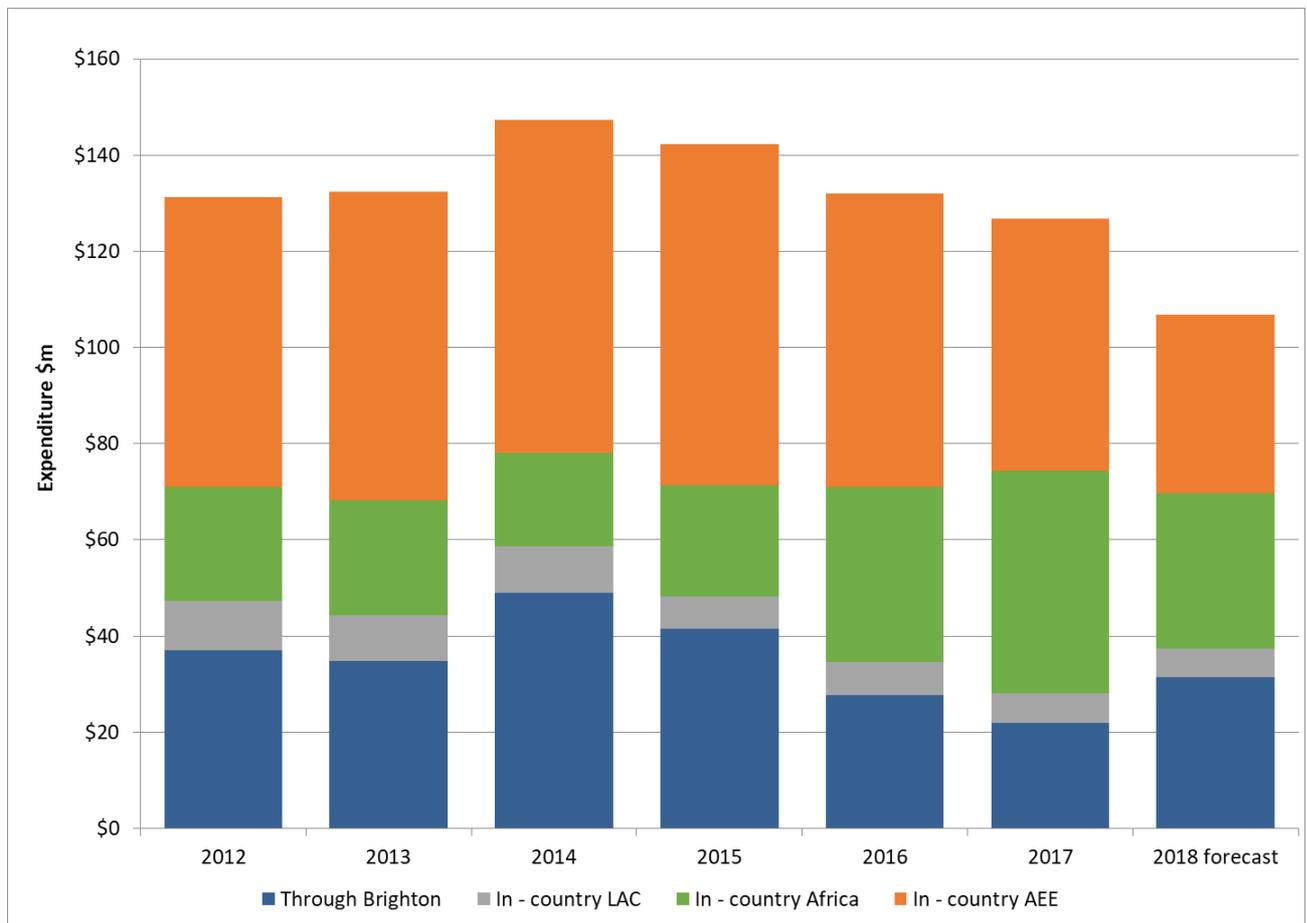
by virtue of their Alliance membership. This section, and the following charts, therefore report on the finances of the global partnership, which includes both the Charity group accounts and the LO members' accounts.

In terms of the Alliance global partnership accounts, there has been a year-on-year decline in total partnership expenditure since 2014. The key driver of this decline has been an increasingly challenging external environment and, in particular, a reduction in funding for HIV/AIDS-related causes. For a number of years, there has been a decline in HIV/AIDS funding to middle-income countries from institutional donors; a geographical area where the Alliance global partnership has a sizeable presence. Coupled with this, global funding for HIV/AIDS across all countries has declined for three consecutive years from 2015 to 2017.

The charts below summarise the total expenditure for the Alliance global partnership for the years 2012 to 2017, with a forecast for 2018. The blue segment of each bar represents the total expenditure recorded in the Charity's group accounts, including LOs to the extent that they are funded through the Charity. The other segments show the additional expenditure of LOs on HIV that has been funded directly (rather than through the Charity) by donors.

The second chart shows the additional in-country expenditure broken down by region.





In 2017, the Alliance global partnership incurred total expenditure of \$127 million, a decline of \$5 million on 2016. This level of global spend is forecasted to reduce further to \$107m. The decline mirrors the funding challenges seen across the wider HIV/AIDS sector.

Expenditure through the Charity's group accounts declined year-on-year from 2014 to 2017. Alongside the challenges in funding noted above, this trend reflects the strategic work the Charity has undertaken to transition its country offices to legally independent, local civil society organisations. In 2018, this declining trend in Charity spend is reversed and expenditure has increased in comparison with 2016 and 2017. The board has approved an increased budget for 2018 to fund a year of investment and to strengthen systems, diversifying the Charity's income base and delivering high quality programming that will better position the organisation to deliver its strategic goals.

The funding the Alliance global partnership receives from the Global Fund continues to represent a significant proportion of total expenditure achieved. For 2017, total programme expenditure delivered through Global Fund funding was 54%, continuing a trend seen throughout 2013 to 2016. The forecasted ratio for 2018 is 51%, which suggests the Global Fund will continue to be a critical strategic partner and play a key role in the partnership achieving its global strategy.

Commentary on the Charity's financial results for the year

This section is a commentary on the financial statements on pages 52–71, which report the financial results and position of the Charity. The expenditure of Alliance LOs is only included in those financial statements to the extent that the funding was channelled through the Charity.

The overall financial performance of the Charity in 2017 has been strong in what has become an increasingly challenging external environment. The Charity closes 2017 in a stable financial position, achieving a net surplus of \$2.6 million that will be used to support important strategic and programme investments in 2018 and beyond.

Total charitable income is \$25 million, a slight decline from \$28 million in 2016. The Charity delivered its work under six project portfolios in 2017, each aligned to a specific area of the Charity's strategy. In addition, five key restricted programmes were delivered during the course of 2017, as follows:

- **PITCH** (Partnership to Inspire, Transform and Connect the HIV response): a five-year, multi-country programme focused on lobbying and advocacy as means of responding to HIV. Funded by the Ministry of Foreign Affairs for the Netherlands.
- **READY+**: a multi-country programme focused on 10–24 year olds living with HIV: implemented through a consortium of partners including three Alliance LOs. Funded by the Ministry of Foreign Affairs for the Netherlands.
- **KP Connect**: a multi-country programme delivered across sub-Saharan Africa: focused on creating a more enabling environment for HIV, health and rights programming with key populations. Funded by the Swedish Government (Sida)
- **SRHR Umbrella Programme** – a five-year programme focused on SRHR: delivered through various partners in Uganda including the Charity's LO, CHAU. Funded by the Swedish Government (Sida)
- **Rapid Response Fund** – a global programme funded by the Elton John Aids Foundation: delivers emergency funding to people and communities in 29 countries who are at risk of experiencing human rights violations as a result of their sexual orientation or gender identity.

Support costs (note five on page 60) were down to \$4.4 million in 2017, compared to \$5.7 million in 2016. This reduction continues a general trend achieved by the Charity since 2009. The Alliance has a strategic priority that ensures it continues to strengthen its investment in Southern leadership. The completion of an organisation restructure in 2016 placed the Charity in a strong position to focus greater resources in charitable activities in the South, furthering its strategic objectives.

The Charity's largest donors by value during the year were the governments of the Netherlands and Sweden, providing funding of \$10 million and \$8 million respectively. Other key donors in 2017 were the Global Fund (\$1.7 million) and the Elton John AIDS Foundation (\$1.6m).

Performance of Charity's fundraising activities

In terms of reaching financial targets, the financial year 2017 was another strong period with a number of significant new funding agreements secured. Success has been achieved against the background of a challenging external donor environment where the shape and focus of Official Development Assistance (ODA) funding continues to evolve. The funding secured will help the Charity meet its financial objectives for the coming years and enable important charitable and programmatic work to continue.

A summary of the most significant new agreements awarded:

- a new three year strategic funding agreement from the Swedish Government (Sida) with a total value of SEK 79 million (approximately \$9.5 million). This strategic funding included a top-up award of SEK 19 million to support the Alliance in implementing comprehensive SRHR and key population programming, in the context of the re-instated, extended, restrictive Mexico City Policy.
- a new \$1.9 million award from the Elton John AIDS Foundation to support a two-year programme of work in Mozambique, focusing on improving uptake of tailored HIV and STI prevention, care and treatment information and services in Mozambique

In the financial year 2017 the Charity did not undertake any material fundraising activities with members of the public. All material funding secured was received from institutional donors, trusts and foundations. The Charity did not pay any third party or agency to undertake material fundraising activities on its behalf and received no complaints during the course of the year regarding any fundraising activities. The Charity and its trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016 with respect to fundraising activities and are focused on ensuring any future fundraising activities are fully compliant.

Balance sheet and cash flow

The balance sheet and the cash flow statement show cash, and cash equivalents, at broadly the same level from 2016–17. Donor income received has largely been programmed and expended as planned. This stability is expected to continue into 2018 with similar levels of cash being received and utilised.

Income of \$7.7 million was deferred at year end including \$2.9m for the PITCH programme and \$1.5m for READY+, both of which are funded by the Ministry of Foreign Affairs for the Netherlands. In addition, \$1.7m was deferred on the SRHR Umbrella programme, which is funded by the Government of Sweden (Sida). These significant deferred income balances arose due to receiving funds towards the end of the financial year.

Group structure

Branches and subsidiaries

The Charity's country offices are treated as branches of the Charity where they are not incorporated locally. At the end of the financial year, the Charity had one country office, in Myanmar. This office became an independent LO in January 2018. The Charity's representational office in the United States is incorporated locally as a separate legal entity and treated as a subsidiary. The regional representative office in Thailand, where the Charity was registered as a Foundation, was acquired by the Australian Federation of AIDS Organisations (AFAO) in September 2017. For further details, see Organisational Structure on page 6.

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.

Principal risks and uncertainties

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

- The FAC reviews the organisational risk register at its bi-annual meetings, assesses the risks facing the Charity and the measures put in place to mitigate them, and reports its findings to the board of trustees.
- Critical risks are monitored on an ongoing basis by the SMT, a process which includes a monthly review of the organisational risk register. The executive director regularly updates the chair of the FAC on any significant new risks or other changes to the register.
- Clusters within the charity maintain operational risk registers which are reviewed regularly by senior staff members who use them to inform the organisational risk register.
- The internal audit function carries out a programme of audits across all operations and activities based on an annual internal audit plan approved by the FAC.

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

Risk	Management actions
<p>Funding</p> <p>The volatile funding and political landscape results in the Charity being unable to raise the resources necessary to achieve its strategy 2016–20</p>	<ul style="list-style-type: none"> • develop and implement a new income strategy to consolidate the existing funding base and diversify funding sources • develop a new Alliance brand to attract new and diverse donors and investors • ensure a more pro-active approach to fundraising to realise the full potential of various income streams
<p>Relevance</p> <p>The Charity becomes less effective due to a changing HIV epidemic and an inability to articulate its own relevance to donors, strategic partners and policy makers.</p>	<ul style="list-style-type: none"> • develop guidance documents that comprehensively demonstrate the Alliance’s positions of influence. • continue to develop compelling evidence and investment propositions around the effectiveness and need for community-based HIV programming • support an increased focus on evidence in the design and delivery of programmes
<p>Programmes/Strategic</p> <p>Strategic targets are not reached due to failure of programmes as a result of poor financial management and/or fraud, and poor compliance with donor requirements.</p>	<ul style="list-style-type: none"> • strong oversight of programmes by the Programme Management Board, with robust operational plans and regular monitoring • risk-based internal audit plan • flexibility to adjust to a changing environment and to respond to new evidence

<p>Strategic</p> <p>Poorly governed and managed Alliance LOs are unable to raise adequate resources, fail to deliver required programmatic results and are badly positioned strategically, leading to reputational damage for the Charity.</p>	<ul style="list-style-type: none"> robust scoping, selection and due diligence procedures for potential new LOs LO monitoring and Accreditation Cycle III identifies potentially at-risk LOs Charity to fund targeted LO financial sustainability initiatives (e.g. direct marketing in India)
<p>People</p> <p>Uncertainty and people-management issues related to implementation of a matrixed organisation affect the Charity's ability to meet its strategic and operational goals.</p>	<ul style="list-style-type: none"> develop people strategy to ensure staff are supported to deliver high-quality work and have access to a progressive, collaborative and healthy working environment staff training, coaching and mentoring, along with a new performance development framework, ensures excellence in leadership and management practices
<p>People</p> <p>Injury or abduction of staff member or consultant whilst working leads to reputational damage, corporate liability, and reduced staff morale.</p>	<ul style="list-style-type: none"> implement security management systems including LO security oversight, travel management and staff personal safety training ensure Crisis Management Team is functioning
<p>Data protection and cyber security</p> <p>Sensitive personal data of programme beneficiaries (e.g. HIV status) is breached in country, leading to potential danger to beneficiaries and reputational damage to the Charity.</p>	<ul style="list-style-type: none"> ensure consultants contracted to carry out fieldwork have a high level of awareness around data protection issues ensure data collected by LOs is anonymised data protection officer to undertake GDPR training and implement training for all secretariat staff
<p>Safeguarding</p> <p>The Charity is unable to provide absolute assurance that the necessary systems, culture and transparency are in place to fully protect vulnerable people.</p>	<ul style="list-style-type: none"> review, and update where necessary, all safeguarding policies and procedures to ensure compliance with latest Charity Commission and DFID guidance. appointment of two existing senior staff to act as the Charity's safeguarding leads, with training to be provided specialist safeguarding training for staff and consultants who work with children and vulnerable adults

Financial instruments and foreign exchange risk

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

The Charity's income is received mainly in US dollars, British pounds sterling, Swedish krona and euros. The costs of the Charity are primarily incurred in pounds sterling, while the costs of in-country operations and support for partner organisations are incurred in around 20 different currencies.

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

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

Reserves policy

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

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

- **to provide working capital for country operations:** the Charity normally pays grants to its partners in advance for three months of planned activity. Some smaller grants are paid annually in advance. However, the Charity's own restricted funding from its donors can be paid in arrears. Therefore, the working capital needs of its 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 Charity are mainly covered by unrestricted funding which comes from the Dutch and Swedish governments. If that funding were delayed, the Charity would need a buffer of unrestricted reserves to pay core costs in the meantime. If unrestricted funding were discontinued or significantly reduced the Charity would need unrestricted reserves to fund restructuring and redundancy costs. The target level of this element of unrestricted reserves is three months of the Charity's core costs.
- **to cover unbudgeted costs incurred by partner organisations:** the Alliance is a partnership of more than 30 organisations worldwide, so it is normal that from time to time there will be emergencies or unanticipated costs that the Charity will want to support. There may not be sufficient contingency within a single year's budget, so to be able to respond to emergencies the Charity needs a contingency fund within unrestricted reserves. The target level of this element of unrestricted reserves is \$0.2 million.

The three requirements above are met by the General Fund. The target level for the first two is variable according to the values and the cash flow patterns of the budgets for the year, so the overall target level for the General Fund is reassessed annually. Based on budgets for 2018, the target minimum level for the General Fund is \$4.8 million. At the 31 December 2017, the Charity held reserves of \$4.8m in its General Fund, meeting the agreed minimum target.

In addition to the General Fund, the trustees maintain a Programme Designated Reserve. This reserve account is maintained to fund important strategic interventions that the Charity is delivering as part of its strategy to 2020. The balance of this account on 31 December 2017 was \$6.5 million and these reserve funds will be utilised to support the Charity's strategy through to 2020. Together, the General Fund and the Programme Designated Reserve make up the Charity's free reserves.

Separate unrestricted reserves are needed for the following purposes:

- **to cover the balance of funds invested in fixed assets:** the Charity's fixed assets have been acquired using unrestricted funds. The net book value of fixed assets is held in a separate reserve to reflect the fact that this part of the Charity's reserves is not readily realisable to finance any other activity or obligation. On 31 December 2017, the balance of this reserve fund was \$78,000. During the course of 2017, the Charity capitalised leasehold improvements associated with reconfiguring and updating its office space and capitalised IT equipment purchased. These fixed assets will be depreciated over their remaining useful life, with the depreciation allocated against this fund.
- **to cover for foreign exchange losses:** Currency markets continue to be volatile and, with major income and expenditure streams in over ten different currencies, the Charity is exposed to significant foreign exchange risk. Steps are taken to hedge against that risk in line with the foreign exchange risk policy set out above, but it is still prudent to retain a minimum balance in the Exchange Rate Revaluation Reserve to cover unhedged foreign exchange losses. The target minimum value of the reserve is \$0.5 million. On 31 December 2017, the balance on this reserve fund was \$0.5 million.

On 31 December 2017, the total funds held by the Charity amounted to \$11.9 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 2017 and will not need one in 2018. 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 trustees meeting in April 2013. The objectives of the policy in order of priority are: to ensure the Charity's funds are held safely; to ensure the Charity has sufficient liquidity to implement its programmes; and to achieve a return on surplus funds. These surplus funds may be invested in:

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

During the course of 2017, interest earned on investments totalled \$61,000. The objectives of the policy are to generate interest on the Charity's GBP, USD and EUR bank balances equal

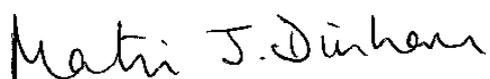
to the Bank of England, Federal Reserve and European Central bank base rates. The Charity met this target in 2016.

In May 2017, a review was undertaken of the above policy to confirm it still aligned with the Charity's strategic and financial objectives. It was concluded that the policy was fit for purpose and no material changes were proposed.

Approval

This annual report of the trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the board on 3 May 2018. It included approval in their capacity as company directors of the Strategic Report contained herein.

Signed on behalf of the Board of Trustees.



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Martin Dinham

18 June 2018

Chair

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 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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 2017 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' report.

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

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Pesh Framjee

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

29 June 2018

Consolidated statement of financial activities

for the year ended 31 December 2017

	Notes	2017 Restricted \$000	2017 Unrestricted \$000	2017 Total \$000	2016 Restricted \$000	2016 Unrestricted \$000	2016 Total \$000
<u>Income from:</u>							
Donations and legacies		-	5	5	-	8	8
Investments	2	-	61	61	-	28	28
Charitable activities							
Grant income	3	13,243	10,503	23,747	15,134	11,582	26,716
Contract income	3	-	784	784	-	890	890
Total		13,243	11,354	24,597	15,134	12,508	27,642
<u>Expenditure on:</u>							
Charitable activities	4	13,243	8,751	21,994	15,134	12,620	27,754
Restructuring costs / provision	15	-	-	-	-	439	439
Total		13,243	8,751	21,994	15,134	13,059	28,193
Net income/(expenditure)		-	2,603	2,603	-	(551)	(551)
<u>Net movement in funds</u>							
Funds brought forward	3	-	9,253	9,253	-	9,804	9,804
Total funds carried forward	3	-	11,856	11,856	-	9,253	9,253

The notes on pages 55 to 71 form part of these financial statements.

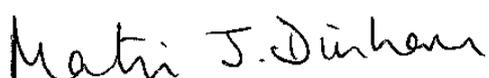
There are no recognised gains and losses other than those shown within the Consolidated Statement of Financial Activities.

Balance sheet

as at 31 December 2017

	Notes	2017 Group \$000	2017 Charity \$000	2016 Group \$000	2016 Charity \$000
Fixed assets					
Tangible assets	8	78	78	62	62
Current assets					
Debtors	11	1,622	1,687	3,898	3,929
Short term deposits		9,000	9,000	3,000	3,000
Cash at bank and in hand	12	10,770	10,704	10,685	10,654
		<u>21,392</u>	<u>21,391</u>	<u>17,583</u>	<u>17,583</u>
Liabilities:					
Creditors: Amounts falling due within one year	13, 14	(9,454)	(9,453)	(8,252)	(8,252)
		<u>11,938</u>	<u>11,938</u>	<u>9,331</u>	<u>9,331</u>
Net current assets					
Provision for liabilities and charges	15	(160)	(160)	(140)	(140)
		<u>11,856</u>	<u>11,856</u>	<u>9,253</u>	<u>9,253</u>
Total Net assets					
The funds of the charity					
	3				
Unrestricted					
General fund		4,800	4,800	5,826	5,826
Fixed asset fund		78	78	62	62
Exchange rate revaluation reserve		500	500	500	500
Programme designated reserve		6,478	6,478	2,865	2,865
Total unrestricted funds		<u>11,856</u>	<u>11,856</u>	<u>9,253</u>	<u>9,253</u>
Restricted					
		-	-	-	-
		<u>11,856</u>	<u>11,856</u>	<u>9,253</u>	<u>9,253</u>
Total charity funds					

The financial statements were approved by the Board of Trustees and authorised for issue on 18 June 2018.



Martin Dinham
Chairman

The notes on pages 55 to 71 form part of these financial statements.

International HIV/AIDS Alliance. Company Number 2883774

Consolidated cash flow statement

for the year ended 31 December 2017

	<i>Notes</i>	2017 \$000	2016 \$000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	6,068	(303)
Cash flows from investing activities			
Dividends, interest and rents from investments	2	61	28
Purchase of property, plant and equipment	8	(44)	(84)
<i>Subtotal: Net cash used in investing activities</i>		<u>17</u>	<u>(56)</u>
Change in cash and cash equivalents for the year		<u>6,085</u>	<u>(359)</u>
Cash and cash equivalents at the beginning of the year		13,685	14,043
Cash and cash equivalents at the end of the year		<u><u>19,770</u></u>	<u><u>13,685</u></u>

The notes on pages 55 to 71 form part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2017

1. Accounting Policies

Legal form of Charity

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

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015. The date of transition to FRS102 was 1 January 2014 and in preparing the financial statements, the Trustees have considered whether the accounting policies required by the standard require the restatement of comparative information.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Before approving the financial statements, the Trustees review and re-approve the detailed budget for the year following the balance sheet date (2018: the Trustees having originally approved the 2018 budget in November 2017), outline information for the following two years (2019 and 2020), 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 and that there are no material uncertainties casting doubt on going concern. The financial statements are therefore prepared on the basis that the Charity is a going concern.

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

The subsidiary undertaking in Thailand, a foundation, ceased operations during 2015 and an application to legally dissolve the foundation was submitted on 7th September 2015. In September 2017, the ownership of the dormant foundation was transferred from the Charity to the Australian Federation of AIDS Organisations.

The Charity has a branch office in Myanmar, the results of which are included in the financial statements. On the 22nd January 2018, the assets and liabilities of the Myanmar branch were transferred to a newly registered local civil society organisation in Myanmar, called 'Mahamate'. The Alliance Myanmar registered entity will be dissolved in early 2018. The new local organisation will undergo accreditation to become a LO of the Charity. Therefore, the Charity's operations in Myanmar have effectively transitioned from a branch to an independent LO. This transition will be reflected in the financial statements of the Charity for the year ending 31 December 2018.

No separate SOFA has been presented for the parent charity alone. The subsidiary undertakings in the USA and Thailand have incurred no income or expenditure outside of that provided by and

reported to the Charity. Therefore, the SOFA of the parent charity is the same as the consolidated SOFA.

Funds structure

The Charity maintains two types of fund:

Unrestricted Funds

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

- The Fixed Asset Fund, which represents the funds tied up in tangible fixed assets and therefore not immediately realisable.
- The Programme Designated Reserve, which are funds the Trustees have set aside for particular purposes.
- The General Fund, which represents the working capital for the Charity and also provides a buffer, should there be a shortfall in income or unbudgeted costs. The Trustees review the level of the General Fund annually and have agreed in the Reserves Policy (see page 45) a target minimum level for the General Fund of \$4.8 million.
- The Exchange Rate Revaluation Reserve, which holds a minimum balance of \$0.5 million to cover unhedged foreign exchange losses.

Restricted funds

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

Transfers between funds

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

Incoming resources

Incoming resources are included in the SOFA when the Charity is legally entitled to them, 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 for services is recognised as unrestricted income, as any surplus or deficit remaining after the contract terms have been fulfilled is for the Charity to keep.

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

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

Resources expended

Charitable activities

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

Contributions are paid to Alliance Country Offices and LOs overseas, and are given for two purposes, either to support the operating costs of the Country Office or LO, or to provide funds for 'onward granting' to implementing partners.

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

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

Governance costs

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

Functional and presentation currency

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

Foreign exchange gains and losses

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

Fixed assets and depreciation

Expenditure on tangible fixed assets is capitalised at original cost. The capitalisation limit is \$5,000.

Assets held by Country Offices are fully depreciated in the year of acquisition. Assets held by the Charity in the UK are depreciated on the straight-line basis over the estimated useful lives of the assets as follows:

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

Furniture and fixtures: 7 years

Computer equipment and software: 3 years

Office equipment: 3 years

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

Cash and cash equivalents and current asset investments

Cash and cash equivalents are measured through the US dollar equivalent cash value held by the group at the balance sheet date. Current asset investments are measured as the US dollar equivalent

value of short term treasury deposits structured for a period of up to 12 months at the balance sheet date. The balances held in these short term treasury deposits are not intended to be used to fund working capital requirements in the immediate future.

Debtors

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

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

Provisions for liabilities and charges

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

Pensions

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

Operating leases

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

Financial instruments

Where the Charity has obligations denominated in one currency that are funded by grants or contracts denominated in another currency, it is exposed to the risk of movements in the exchange rate between those two currencies. In accordance with its foreign exchange policy (see page 44), the Charity may use forward contracts or options to reduce the risk arising from its significant foreign exchange exposures. Those contracts may commit the Charity to exchange a given amount of one currency for another at a future date, at a set rate. These contracts are classed as *derivative financial instruments*, because their value changes in response to changes in market foreign exchange rates. Accounting standards require derivatives to be held at fair value, with the change in value from one period to another taken through the Statement of Financial Activities. At the balance sheet date, any outstanding forward foreign exchange contracts or options would be revalued at the applicable forward rate for each contract at the year end. The unrealised gain or loss arising on revaluation is taken through the Statement of Financial Activities. The Charity does not hold or trade in any other type of derivative financial instrument.

Estimation of uncertainty

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

2. Investment income and interest

	2017 \$000	2016 \$000
Interest on treasury deposits and bank balances	61	28

3. Movement in resources

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

Restricted funds relate to donor-funded programmes, with expenditure incurred in the delivery of those programmes through LOs and onward granting to implementing partners. Incoming resources on restricted funds are only recognised to the extent that these funds have been utilised to carry out programme activities as stipulated in the relevant agreements. Any funds received in excess of activity delivered are treated as deferred income. Note 14 summarises the amount of incoming resources deferred in the financial year ending 31st December 2017.

The programme designated reserve is approved by the Trustees for the delivery of the strategy, supported by detailed budgets and project plans. These are resources to explore and invest strategically in the pursuit of sustaining the Charity's LOs' delivery on the Charity's strategy to 2020. The programme designated reserve was utilised to support \$2,656,000 of strategic activities during the course of 2017. At 31st December 2017, the Trustees approved a transfer of \$6,269,000 into the programme designated reserve from the general fund, to meet strategic investment expenditure in 2017 and to fund further important strategic work for the period to the end of the current strategy in 2020. This transfer ensures that the General Fund is maintained at a level of \$4,800,000, in line with the reserves target level described within note 1 to the accounts.

The exchange rate revaluation reserve is maintained to cover unhedged foreign exchange losses that arise in a particular year. During 2017, \$415,000 of foreign exchange gains were incurred. No use of the exchange rate revaluation reserve was required and the gain generated was taken to the programme designated reserve to support the ongoing delivery of the Charity's strategy.

Unrestricted grants include the following:	2017	2016
	\$000	\$000
UK Government (DFID)		5,459
Swedish Government (Sida)	6,445	2,005
Dutch Government (BuZa)	3,913	3,913
	<u>10,358</u>	<u>11,377</u>

4. Charitable activities

	Support to Country Operations	Onward Granting	International Technical Assistance	Salaries	Support Costs	2017 Total	2016 Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Healthy People	664	7,228	1,576	1,333	2,702	13,503	17,640
Stronger Health & Community Systems	174	634	106	472	347	1,733	4,537
Inclusive and Engaged Societies	69	1,962	1,638	1,117	1,197	5,983	3,962
Foundations for Impact		290	86	244	155	775	1,615
Total	<u>907</u>	<u>10,115</u>	<u>3,406</u>	<u>3,166</u>	<u>4,401</u>	<u>21,994</u>	<u>27,754</u>

5. Support costs

	Healthy People	Stronger Health & Community Systems	Inclusive Societies	Knowledge	2017 Total	2016 Total
	\$000	\$000	\$000	\$000	\$000	\$000
Income	1,531	197	678	88	2,494	1,785
Operations	1,074	138	476	62	1,749	2,807
Governance Costs	197	25	87	11	321	163
Central Costs	(100)	(13)	(44)	(6)	(163)	988
Total	2,702	347	1,197	155	4,401	5,743

The Charity delivers a comprehensive set of person centred, community focussed programming through four portfolios of work: Healthy People, Stronger Health and Community Systems, Inclusive Societies and Knowledge. Each portfolio is aligned to a strategic response area of the Charity's strategy 'HIV, health and rights: sustaining community action'. The activities within this programming are achieved through a combination of direct expenditure and onward granting. Direct costs are used as the basis to apportion support costs across charitable activities. The support costs associated with onward granting were \$2,530,000 (2016: \$2,972,000).

6. Onward granting

The Charity grants funds to LOs and other national and regional partners. These LOs and partners then support other non-governmental and community-based organisations working to further the Charity's charitable objectives within those countries by sub-granting the funds received. In Myanmar, where the Charity has a Country Office (CO) rather than an LO, the CO makes grants directly to local community based organisations. On rare occasions the Charity in the UK also grants funds directly to programme-implementing organisations ('implementing partners').

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

Onward grants made during 2017 totalled \$11,022,000. Of this amount, the 20 most material grants totalled \$6,766,000. The 20 recipient organisations receiving these grants are listed as follows:

		2017	2016
		Group	Group
		\$000	\$000
Positive Vibes	Namibia (LO)	1,262	913
Regional Psychosocial Support Initiative (REPSSI)	South Africa	758	41
Kenya AIDS NGO Consortium (KANCO)	Kenya (LO)	597	781
Community Health Alliance Uganda (CHAU)	Uganda (LO)	570	1,915
India HIV/AIDS Alliance	India (LO)	434	390
AIDS Legal Network (ALN)	South Africa (LO)	340	95
Myanmar Positive Group (MPG)	Myanmar	322	362
Alliance for Public Health	Ukraine (LO)	309	425
Rumah Cemara	Indonesia (LO)	309	349
Paediatric AIDS Treatment for Africa (PATA)	South Africa	244	28
Global Network of People Living with HIV (GNP+)	Netherlands	224	41
Co-ordinating Assembly of NGOs (CANGO Swaziland)	Swaziland	222	12
Alliance Nationale Contre le SIDA (ANCS)	Senegal (LO)	182	445
AIDS Care China	China (LO)	159	227
LAMBDA	Mozambique	154	
Gays and Lesbians of Zimbabwe (GALZ)	Zimbabwe	141	92
Center for Supporting Community Development Initiatives (SCDI)	Vietnam (LO)	140	219
Alliance Burundaise Contre le SIDA (ABS)	Burundi (LO)	136	394
Organization for Social Services, Health and Development (OSSHD)	Ethiopia (LO)	132	576
International Drug Policy Consortium (IDPC)	United Kingdom	131	72

7. Staff numbers and costs

The average number of employees of the group for the year was 128 (2016: 131). The aggregate costs of these staff were as follows:

	2017 Group	2016 Group
	\$000	\$000
Salaries	5,519	6,684
Social security costs	440	522
Pension costs	340	349
Severance costs	40	712
Provision for restructuring (released in 2016)	-	(897)
	<u>6,339</u>	<u>7,369</u>

During the financial year, the following key management personnel received total emoluments of \$497,000 for services to the Charity.

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

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

During the course of 2017, severance payments were paid to two staff members, who departed the organisation under mutual consent following a restructuring process. The total cost of these severance payments was \$40,000. All liabilities associated with these severance payments were settled by the end of 2017 and none remain outstanding.

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

	2017 Group number	2017 Charity number	2016 Group number	2016 Charity number
\$150,000 - \$159,999	-	-	2	2
\$140,000 - \$149,999	1	1	-	-
\$130,000 - \$139,999	-	-	1	1
\$120,000 - \$129,999	-	-	-	-
\$110,000 - \$119,999	4	3	5	4
\$100,000 - \$109,999	1	1	3	3
\$90,000 - \$99,999	3	3	8	8
\$80,000 - \$89,999	1	1	11	11

The salary costs included within the above bands have in the majority been incurred in GBP and converted into the Charity's home currency of USD for reporting purposes. Employees have on average moved down one band in USD terms from 2016 to 2017. This adjustment has been caused by a fall in the value of GBP against USD during the course of 2017, which has meant the emoluments of the above employees have cost the Charity less in USD terms.

8. Tangible fixed assets

Group	Furniture and fixtures	Computer equipment and software	Office equipment	Motor vehicles	Total
	\$000	\$000	\$000	\$000	\$000
Cost at 1 January 2017	730	248	192	36	1,206
Additions for the year	-	41	-	3	44
Disposals for the year	(313)	(102)	(124)	-	(539)
Cost at 31 December 2017	<u>417</u>	<u>187</u>	<u>68</u>	<u>39</u>	<u>711</u>
Accumulated depreciation at 1 January 2017	668	248	192	36	1,144
Depreciation for the year	15	10	-	3	28
Depreciation on disposals	(313)	(102)	(124)	-	(539)
Accumulated depreciation at 31 December 2017	<u>370</u>	<u>156</u>	<u>68</u>	<u>39</u>	<u>633</u>
Net book value at 31 December 2017	<u>47</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>78</u>
Net book value at 31 December 2016	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62</u>
Charity	Furniture and fixtures	Computer equipment and software	Office equipment	Motor vehicles	Total
	\$000	\$000	\$000	\$000	\$000
Cost at 1 January 2017	730	248	192	36	1,206
Additions for the year	-	41	-	3	44
Disposals for the year	(313)	(102)	(124)	-	(539)
Cost at 31 December 2017	<u>417</u>	<u>187</u>	<u>68</u>	<u>39</u>	<u>711</u>
Accumulated depreciation at 1 January 2017	668	248	192	36	1,144
Depreciation for the year	15	10	-	3	28
Depreciation on disposals	(313)	(102)	(124)	-	(539)
Accumulated depreciation at 31 December 2017	<u>370</u>	<u>156</u>	<u>68</u>	<u>39</u>	<u>633</u>
Net book value at 31 December 2017	<u>47</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>78</u>
Net book value at 31 December 2016	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62</u>

All fixed assets are held for charitable use.

9. Investments – Charity

	2017	2016
Fixed asset investments	\$	\$
Investment in non-UK subsidiary undertakings		
International HIV/AIDS Alliance, Inc. - one share of common stock of one dollar	1	1

10. Subsidiary undertakings and related parties

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

The subsidiary undertaking in Thailand, a foundation, ceased operations during 2015 and an application to legally dissolve the foundation was submitted on 7th September 2015. In September 2017, the ownership of the dormant foundation was transferred from the Charity to the Australian Federation of AIDS Organisations.

The income, expenditure and aggregate amount of the assets, liabilities and funds of the USA subsidiary for the year ended 31 December 2017 are as below and solely represent trading between this subsidiary undertaking and the International HIV/AIDS Alliance.

Country	Name of subsidiary	Date of incorporation	Year end	Income \$000	Expenditure \$000
USA	International HIV/AIDS Alliance, Inc	2 May 2003	31 December	232	218
				Assets \$000	Liabilities \$000
				69	69
					Funds \$000
					0

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

The net reserves of these subsidiaries was nil as at 31st December 2017. The incoming resources of the parent charity were \$24,597,000 with resources expended of \$21,994,000.

Two further related party transactions occurred during the course of the financial year 2017. The regional partner the Southern Africa AIDS Trust (SAT) Zambia received funding of \$28,000 from the Charity under the Sida funded KP Connect programme. The Charity's Director of Knowledge and Influence is a board member of SAT Zambia. Additionally, the regional partner Aids Rights Alliance for Southern Africa (ARASA) received funding of \$25,000 from the Charity under the Dutch Ministry of Foreign Affairs funded PITCH programme. The Charity's Executive Director is a board member of ARASA.

The Executive Director and Director of Knowledge and Influence of the Charity had no involvement in the Charity's decision making around the awarding of this funding nor the management of the funds.

There were no further related party transactions during the course of 2017.

11. Debtors

	2017 Group \$000	2017 Charity \$000	2016 Group \$000	2016 Charity \$000
Due from donors, including accrued income	607	607	2,675	2,675
Amount due from subsidiary companies	-	68	-	35
Advances to partner organisations	708	708	987	987
Other debtors	112	111	65	64
Prepayments	195	193	171	168
	<u>1,622</u>	<u>1,687</u>	<u>3,898</u>	<u>3,929</u>

Advances to partners made by the Charity take the form of concessionary loans. These loans are non-interest bearing and are repaid to the Charity in the form of services delivered by partners. The carrying amount of these concessionary loans in the Charity and Group are equivalent to the balance of advances to partners at the 2017 financial year end.

12. Cash and cash equivalents

	2017 Group \$000	2017 Charity \$000	2016 Group \$000	2016 Charity \$000
Balances held by subsidiaries	66	-	31	-
Balances held by Country Office branches	364	364	311	311
Balances held by the Secretariat	10,340	10,340	10,343	10,343
	<u>10,770</u>	<u>10,704</u>	<u>10,685</u>	<u>10,654</u>

"Cash and cash equivalents" refers to funds held by the Charity for the delivery of donor-funded programmes. Cash and cash equivalents have remained broadly at the same level from 2016 to 2017, with donor income being received and spent on programme activities during the course of the financial year.

13. Creditors falling due within one year

	2017 Group \$000	2017 Charity \$000	2016 Group \$000	2016 Charity \$000
Trade creditors	533	533	312	312
Due to partner organisations	498	498	423	423
Other creditors	246	245	126	126
Tax & social security	149	149	103	103
Accruals	374	374	330	330
Deferred income (note 14)	7,654	7,654	6,958	6,958
	<u>9,454</u>	<u>9,453</u>	<u>8,252</u>	<u>8,252</u>

14. Deferred Income

	Group \$000	Charity \$000
Balance at 1 January 2017	6,958	6,958
Amount released to incoming resources	(6,381)	(6,381)
Amount deferred in the year	7,076	7,076
Balance at 31 December 2017	<u>7,654</u>	<u>7,654</u>

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

15. Provisions

A provision of \$160,000 been made for the estimated cost of dilapidations should the Charity vacate its UK premises, Preece House. The provision has been calculated based upon a survey assessing the estimated cost of returning the leased premises to its original condition

	2017 \$000
Provisions	
Balance at 1 January 2017	140
Release of dilapidations provision	(140)
Charged to SOFA during year	160
Balance at 31 December 2017	<u>160</u>

16. Trustees' emoluments and reimbursed expenses

No trustees were remunerated for their role during the year.

Travelling and accommodation expenses for 16 trustees for attendance at meetings amounted to \$46,093 (2016: \$29,205).

No other transactions were entered into with the trustees.

17. Indemnity insurance

The Charity maintains a directors and officers insurance policy both to protect itself and indemnify the Trustees from the consequences of any neglect or default on the part of the Trustees, employees or agents of the Charity. This insurance is included in a Commercial Combined Package with an overall cost of \$39,000 for the period 1 January-31 December 2017.

18. Auditors' remuneration

	2017 \$	2016 \$
Fee for the statutory audit	46,554	41,836
Fees for other services:		
Fee for the RCA (USAID compliance) audit	14,169	14,150
Other grant audits	40,669	48,231
Total fees, excluding VAT	<u>101,391</u>	<u>104,217</u>

19. Analysis of net assets between funds

Fund balances at 31 December 2017 are represented by:	Restricted \$000	Unrestricted \$000	Total \$000
Group			
Tangible fixed assets	-	78	78
Investments	-	-	-
Net current assets	-	11,938	11,938
Total net assets	-	12,016	12,016
Charity			
Tangible fixed assets	-	78	78
Investments	-	-	-
Net current assets	-	11,938	11,938
Total net assets	-	12,016	12,016

20. Limited liability

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

21. Taxation

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

22. Obligations under operating leases

At 31 December 2017 the group had non-cancellable lease commitments as shown below:	2017 \$000	2016 \$000
	Land and buildings	Land and buildings
Due within one year	286	217
Due within one and five years	673	623
Due after five years	-	-

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

During 2017, lease payments of \$281,000 were expensed in the group (2016: \$372,000).

23. Note to the cash flow statement

	2017 \$000	2016 \$000
Reconciliation of cash flows from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,603	(551)
Adjustments for:		
Depreciation charges	28	24
Dividends, interest and rents from investments	(61)	(28)
Provision for liabilities and charges (non-cash)	20	(798)
Decrease in debtors	2,276	718
Increase in creditors	1,202	332
Net cash provided by (used in) operating activities	<u>6,068</u>	<u>(303)</u>

24. Specific donor disclosures

Netherlands Ministry of Foreign Affairs:

READY+

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

	2016 USD	2017 USD	Total USD
Cash received during the year	1,558,000	2,814,305	4,372,305
Interest allocated	-	10,040	10,040
Expenditure incurred and income recognised in the accounts (note 3)	<u>(212,563)</u>	<u>(2,693,805)</u>	<u>(2,906,368)</u>
Balance carried forward (within deferred income, note 14)	<u>1,345,437</u>	<u>130,540</u>	<u>1,345,437</u>

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

	2016 USD	2017 USD	Total USD
Funds obligated to partners through subgrants	577,567	2,052,905	2,630,472
Funds disbursed to partners	<u>(373,936)</u>	<u>(1,669,883)</u>	<u>(2,043,819)</u>
Balance of obligated funds yet to be disbursed	<u>203,631</u>	<u>586,653</u>	<u>586,653</u>

25. Financial instruments

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

The Charity manages foreign exchange risk in accordance with its foreign exchange policy, set out on page 56, which includes the use of forward contracts or options to reduce risk on significant foreign exchange exposures. At 31st December 2017, the Charity was committed to no forward contracts or options.

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

	2017	2016
	\$000	\$000
Financial assets measured at amortised cost	21,392	17,583
Financial liabilities measured at amortised cost	(1,651)	(1,231)
Financial liabilities measured at fair value through the statement of financial activities	-	-
Carrying amount of financial assets/liabilities	<u>19,741</u>	<u>16,352</u>

26. Comparative movement in funds

The below note represents the Charity's movement in funds for the year ending 31 December 2016. The note is included for comparative purposes with note 3 of the accounts

	Balance at 1/1/16 \$000	Incoming 2016 \$000	Transfers 2016 \$000	Outgoing 2016 \$000	Balance at 31/12/16 \$000
RESTRICTED FUNDS					
amfAR, The Foundation for AIDS Research	-	75	-	75	-
Big Lottery Fund	-	387	-	387	-
Comic Relief	-	86	-	86	-
Conrad N. Hilton Foundation	-	344	-	344	-
Danish Government (Danida)	-	78	-	78	-
Dutch Government (BuZa)	-	8,289	-	8,289	-
Elton John AIDS Foundation	-	429	-	429	-
European Commission	-	14	-	14	-
German Government (GIZ)	-	214	-	214	-
Global Fund to Fight Aids, Tuberculosis & Malaria	-	2,560	-	2,560	-
New Venture Fund	-	8	-	8	-
Open Society Foundations	-	15	-	15	-
Pepal Foundation	-	11	-	11	-
Swedish Government (Sida)	-	2,251	-	2,251	-
United Nations	-	186	-	186	-
US Government (USAID)	-	185	-	185	-
Other restricted funds	-	2	-	2	-
Total restricted funds	-	15,134	-	15,134	-
UNRESTRICTED FUNDS					
Contracts					
US Government (USAID)	-	634	-	634	-
Other contract income	-	256	-	256	-
Subtotal contracts	-	890	-	890	-
<i>Unrestricted grants (details below)</i>		11,377			
<i>Other unrestricted grant income</i>		205			
<i>Total grant income</i>		11,582			
<i>Other unrestricted income</i>		36			
<i>Total incoming resources on general fund</i>		11,618			
General fund	5,826	11,618	(3,488)	8,130	5,826
Fixed asset fund	2	-	60	-	62
Exchange rate revaluation reserve	500	-	695	695	500
Programme designated reserve	3,476	-	2,734	3,345	2,865
Total unrestricted funds	9,804	12,508		13,059	9,253
Total funds	9,804	27,642	-	28,193	9,253

Unrestricted grants include the following:

	2016 \$000	2015 \$000
UK Government (DFID)	5,459	6,000
Swedish Government (Sida)	2,005	4,725
Danish Government (DANIDA)	-	1,512
Norwegian Government (NORAD)	-	475
Dutch Government (BuZa)	3,913	-
	11,377	12,712