

# REPORT AND ACCOUNTS

2010



“  
IN 2010 WE REACHED  
2.9 MILLION PEOPLE  
WITH PREVENTION,  
CARE AND SUPPORT  
SERVICES  
”

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International HIV/AIDS Alliance  
(International Secretariat)  
Preece House  
91-101 Davigdor Road  
Hove, BN3 1RE  
UK

Telephone: +44(0)1273 718900  
Fax: +44(0)1273 718901  
mail@aidsalliance.org  
www.aidsalliance.org

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PHOTO CREDITS

**Left:** Volunteer home based carer, India  
© Gideon Mendel for the Alliance

**Middle:** Members of Gay and Lesbian Coalition  
Kenya pose using the words they want to say,  
Nairobi, Kenya © Nell Freeman for the Alliance

**Right:** Outreach and advocacy worker Carmen  
Rodriguez Barbio and her son, Ecuador  
© Marcela Nievas for the Alliance

Unless otherwise stated, the appearance of  
individuals in this publication gives no indication  
of either sexuality or HIV status.

# REPORT OF THE TRUSTEES

for the year ended 31 December 2010

The Trustees of the International HIV/AIDS Alliance submit their report and the audited accounts of the organisation for the year ended 31 December 2010.

The International HIV/AIDS Alliance ('the Charity') is registered with the Charity Commission for England and Wales under number 1038860. The Charity functions as the Secretariat for a global alliance of nationally-based Linking Organisations and Country Offices working to support community action on HIV and AIDS in developing countries ('the Alliance'). (The terms 'Linking Organisation' and 'Country Office' are explained in the 'Organisational structure' section of the Trustees' report on page 7.) The names of the Charity's Trustees and Executive Director are given on the right, as are details of its registered office (where the Secretariat is based) and the names and addresses of its bankers, solicitors and auditors.

## Objectives and activities

### Objectives

The objects of the Charity as stated in its memorandum of association are:

- the advancement of health throughout the world, particularly in relation to HIV and to sexual and reproductive health
- the promotion of the effective use of charitable resources by civil society organisations advancing health, particularly in relation to HIV and to sexual and reproductive health
- the promotion of human rights (as set out in United Nations conventions and declarations) particularly by the following means: relieving need among the victims of human rights abuses; research into human rights issues; educating the public about human rights; providing technical advice to government and others on human rights matters; raising awareness of human rights issues; international advocacy on human rights; and eliminating infringements of human rights
- the relief of poverty or other charitable need among people affected by HIV, including their families and dependants, in addition to ensuring that they are healthy
- the promotion of equality and diversity by the elimination of stigma and discrimination in relation to people affected by HIV.

The Charity's mission, in furtherance of its objects, is to reduce the spread of HIV and meet the challenges of AIDS. The Charity aims to help communities in developing countries play a full and effective role in the global response to AIDS, and in particular is committed to:

- meaningfully involving people living with HIV in all aspects of its response to the epidemic
- reducing vulnerability, stigma, violence and discrimination
- strengthening the capacity of communities to respond to HIV and other health, development and human rights priorities

### TRUSTEES

Ms Teresita Bagasao (*retired 15 April 2011*)  
 Dr Carmen Barroso (*appointed 11 November 2010*)  
 Mr Jan Cedergren  
 Mr Martin Dinham (*appointed 11 November 2010*)  
 Mr Peter Freeman (*retired 15 April 2011*)  
 Mr Callisto Madavo (*resigned 1 November 2010*)  
 Dr Carole Presern  
 Mr Prasada Rao (*appointed 11 November 2010*)  
 Mr Kevin Ryan  
 Dr Nafis Sadik  
 Dr Steven Sinding (*Chair*)  
 Ms Fatimata Sy (*Vice Chair*)  
 Dr Jens Van Roey

### EXECUTIVE DIRECTOR

Dr Alvaro Bermejo

### AUDITORS

Crowe Clark Whitehill LLP  
 St. Bride's House  
 10 Salisbury Square  
 London EC4Y 8EH

### BANKERS

Barclays Bank plc  
 1 Churchill Place  
 Canary Wharf  
 London  
 E14 5HP

### SOLICITORS

Bates Wells & Braithwaite  
 2-6 Cannon Street  
 London EC4M 6YH

DMH Stallard  
 100 Queens Road  
 Brighton  
 East Sussex BN1 3YB

### REGISTERED OFFICE

Preece House  
 91-101 Davigdor Road  
 Hove, BN3 1RE

### COMPANY REGISTRATION NUMBER

2883774

### CHARITY REGISTRATION NUMBER

1038860

### WEBSITE

[www.aidsalliance.org](http://www.aidsalliance.org)

- working in both high and low prevalence countries with key populations – groups that are likely to affect, or be affected by the spread of HIV.

During 2010, the work of Linking Organisations, Country Offices and the Secretariat all supported the achievement of the Charity's objectives for the year, and the overall objectives set out in its new strategic framework, *HIV and healthy communities*, for the period 2010-2012.

Significant activities included:

- Expanding coverage of existing programmes, to increase access to HIV and health services
- New programme start-ups to increase the Alliance's geographical reach
- Work to build leadership and capacity globally for effective community action on HIV
- Development of publications and resources to support local capacity building and community responses
- Work to strengthen networks of people living with HIV and other key populations
- Global, regional and national policy work to significantly influence debates around HIV and health
- Accreditation of existing Alliance organisations, and assessment of organisations for entry into the Alliance
- Work to increase the level of knowledge sharing.

Further information on progress made against the targets set in *HIV and healthy communities* is provided below.

### **HIV and healthy communities: launch of a new strategy**

During 2010, we launched a new three-year strategy, *HIV and healthy communities*, which describes the Alliance's mission, vision and values, and summarises the external factors underpinning the strategic decisions made.

The new strategy responds to the growing need to link our HIV programming with other health and social priorities. It recognises that effective community action must also promote sexual and reproductive health and rights, respond to people's broader health needs, promote gender equality, safeguard human rights, and develop social safety nets.

In this context, our work in 2010 focused on three aims: to protect human rights, to increase access to health services, and to support secure livelihoods. It was structured around our four overarching goals:

- **Strategic Response 1:** Scale up integrated programming
- **Strategic Response 2:** Support well-functioning community-based organisations
- **Strategic Response 3:** Help form engaged, inclusive societies
- **Strategic Response 4:** Create a learning Alliance.

### **Achievements and performance in 2010**

The launch of a new strategy has led us to redefine our core indicators in order to allow us to better report against the effects of our work in the thematic areas of human rights,

sexual and reproductive health, tuberculosis and drug use, as well as advocacy and capacity building. A new set of indicators will be integrated into our Monitoring and Reporting System in 2011. As a result, we are not yet able to report on progress against all of the targets in the strategic framework.

### **STRATEGIC RESPONSE 1: Scale Up Integrated Programming**

*HIV and healthy communities* continues the Alliance's commitment to scale up HIV services. It also challenges the Alliance to further integrate its HIV programming.

#### **We reached 2.9 million people in 2010**

In 2010, Alliance Linking Organisations and their implementing partners reached 2.9 million people with HIV prevention, care and support services. Fourteen countries scaled up their coverage, though overall there was a 5% decline in the number of people reached compared with 2009.

We reached 25% more people in Asia and more than doubled the number of people reached in Latin America and the Caribbean. The major decline was in Africa where there was a 40% reduction in the number of people reached in 2010. There were several reasons for this, but it was mainly due to the close-out of one of our programmes with the widest coverage, the Uganda Networks Project, in 2009.

However, in 2010 we started a new \$20million USAID-supported programme in Uganda, focused on strengthening support for vulnerable children. Three new Linking Organisations also joined in Africa: Zimbabwe AIDS Network, L'Alliance Burundaise Contre Le SIDA (Burundi), and the Mozambique National AIDS Services Organisations (MONASO). Once the data from these projects and organisations is fully integrated into Alliance reporting systems, we anticipate our reach to increase in 2011.

#### **We increased access to prevention, treatment, care and support services**

Prevention programming remains a key focus for the Alliance with over two million people reached last year. The Alliance care and support programmes in 2010 reached over 580,000 adults and children (a 33% rise on 2009). Programmes in Bangladesh, Cambodia, Haiti, India, Kenya, Senegal and Ukraine continued to have the highest levels of reach (between 6% and 20% of the Alliance's total reach). Some highlighted achievements include:

- In Senegal, Alliance Nationale Contre le SIDA (ANCS) provided services to nearly 3,800 sex workers, almost 50% up on the previous year, as part of its Global Fund-supported programmes.
- In India and Bangladesh, Alliance Linking Organisations supported 88 groups of young people aged between 15 and 24 to access sexual and reproductive health and life skills information.
- The Alliance's North Africa Regional Programme (in Morocco, Algeria, Tunisia and Lebanon) trained 105 service providers in HIV prevention, and reached 3,000 men who have sex with men with HIV prevention activities.
- Alliance India launched the Pehchan programme in October 2010, funded by the first ever Global Fund grant (Round 9) for a programme developed and managed

by men who have sex with men, transgender and hijra community organisations. It aims to reach 450,000 people over five years with HIV prevention services.

- Alliance Ukraine, Initiative Privée et Communautaire de lutte Contre le VIH/SIDA au Burkina Faso (IPC) and the Malaysian AIDS Council (MAC) all became recipients of Global Fund Round 10 grants.

The Alliance secured a significant grant to expand its global harm reduction programming. Supported by the Dutch government, Community Action on Harm Reduction aims to increase access to services for 180,000 drug users, their partners and families in China, India, Indonesia, Kenya and Malaysia over 4 years.

**We supported secure livelihoods for people living with HIV**

The Alliance is partnering with organisations to support the economic well-being of people living with HIV, and their families. For example:

- In Zambia, the Alliance took a family-centred approach to programming to improve children’s attendance, academic performance and self-esteem. Some 670 households were supported from 2008 to 2010 with cash grants and agricultural inputs.
- In Nigeria, the Network on Ethics, Human Rights, Law, HIV/AIDS Prevention, Support and Care (NELA) partnered with METHACARE, a faith-based organisation, to provide a microcredit scheme and skills training for caregivers.
- In Ethiopia, the Alliance worked in a consortium led by PATH (along with other international partners) on an initiative to strengthen community responses through business development services, vocational skills-building and in-kind grants.

**We took steps to integrate a human rights-based approach into all of our programme work**

- From 2008 to 2010, the Africa Regional Programme worked in 20 countries across sub-Saharan Africa mainly on activities to tackle stigma and discrimination. In 2010, the Alliance trained 332 people, who in turn trained a further 29,023 people through this programme.
- In May 2010, the Alliance carried out a survey of Linking Organisations to map our efforts to protect and promote human rights. 77% of partners reported they were involved in work with rights-holders to claim their rights.

**STRATEGIC RESPONSE 2: Support well-functioning community-based organisations**

At the heart of the Alliance strategy is a commitment to building strong, indigenous civil society responses to HIV.

**We supported local NGOs and community-based organisations**

- The Alliance provided financial support to 1,491 civil society organisations.
- 2,708 civil society organisations received technical assistance.
- Alliance Linking Organisations continued to develop long-term, sustainable, national mechanisms for community-based organisations that go beyond simple project implementation. For example, in 2010 Alliance South Sudan was supporting 90 community-based organisations across 18 counties in four of South Sudan’s 10 states.

**We continued to invest in Alliance Regional Technical Support Hubs**

The Alliance has seven Regional Technical Support Hubs in Africa, Asia, and Latin America and the Caribbean. In 2010 the Alliance Hubs collectively provided 4,091 days of technical support on HIV prevention programming; orphans and vulnerable children; sexual and reproductive health rights programming; research and evaluation; and Global Fund grant implementation.

**We supported and influenced quality HIV programming**

- The Alliance continued to develop its programming standards and Good Practice Guides to support the implementation of quality programming across the Alliance. The Greater Involvement of People Living with HIV (GIPA) Good Practice Guide was used in a workshop in Senegal in December 2010 to share good practice with community-based organisations in Africa.
- To expand reach and reduce costs, the Alliance created an innovative online distance-learning course on consulting skills to improve technical support.

**We built Alliance management and leadership capacity**

In 2010, the Alliance continued to support RedTraSex (the Latin American network of sex workers) in a region where sex work is criminalised. The Alliance has worked with RedTraSex to build their organisational capacity so they can address human rights violations, tackle stigma and discrimination and programme HIV interventions. In 2010, a 13-country proposal with RedTraSex as a sub-recipient was approved by the Global Fund (Round 10).

PROGRESS AGAINST HIV AND HEALTHY COMMUNITIES TARGETS	
2012 TARGETS TO INCREASE COVERAGE	PROGRESS ACHIEVED BY END OF 2010
4.5 million people reached each year through Alliance work on integrated HIV and health programmes	2.9 million people reached in 2010

PROGRESS AGAINST HIV AND HEALTHY COMMUNITIES TARGETS	
2012 TARGETS TO BUILD CAPACITY	PROGRESS ACHIEVED BY END OF 2010
80% of programmes implemented by Alliance Linking Organisations adhere to the Alliance good practice programme standards	Programme standards were made available to Linking Organisations in eight areas: human rights and GIPA, drug use, research and evaluation, community-based HIV prevention, sexual and reproduction health rights, tuberculosis (TB), and children and families. Work to track implementation will start in 2011.
20% increase per year in the number of technical assistance days provided from the Regional Technical Support Hubs to both Alliance Linking Organisations and other organisations	42% increase in technical assistance days (4,091 up from 2,890 in 2009)
2,000 community-based organisations receiving grants through the Alliance to deliver programmes	1,491 (with 783 new grants signed)

**STRATEGIC RESPONSE 3: Help form engaged, inclusive societies**

In 2010, the Alliance strengthened the capacity of civil society to engage in national and international decision-making, create enabling environments, and defend human rights. We also made sure key decision-makers heard the voices of those most affected by HIV.

**We lobbied for a more effective response to HIV prevention**

In 2010, the Alliance launched a global campaign, *What's Preventing Prevention?* to encourage governments and donors to focus on a more evidence-driven response. The campaign facilitates national and international advocacy to ensure access for key populations to HIV prevention services.

Alliance Linking Organisations in Kenya and Uganda are active participants in the campaign. With ISHTAR, a Kenyan group of men who have sex with men, the Kenya AIDS NGO's Consortium (KANCO) are running their own national campaign to integrate groups of men who have sex with men into the policy dialogue around HIV and rights. In Uganda, the National Partnership Platform (an independent national mechanism for joint civil society action) and other civil society partners worked together to develop a 'citizen's manifesto' in the run-up to the 2011 national elections.

The Alliance also actively participated in the UNAIDS Global Prevention Reference Group, and through this supported the development of guidance on combination HIV prevention and how to measure it.

**We advocated for universal access to services**

The Alliance continued to advocate for universal access to quality health and social care services. For example:

- Funded by the UK Department for International Development (DFID), the Alliance began work to implement a project in Kenya, South Sudan, Uganda and Zambia to enable HIV-positive women and their families to advocate for and access effective health services.
- At the International Harm Reduction Conference in the UK in May 2010, the Alliance voiced its concerns about harm reduction funding by highlighting the substantial threat to resources for targeted HIV-related interventions for people who use drugs.
- Through the Action for Global Health partnership and directly, the Alliance has contributed to the work of the UN Secretary-General's Women and Child Health Strategy and the Partnership for Maternal and Child Health in order to help make progress on the health Millennium Development Goals (MDGs).

**We defended the human rights of people living with HIV and marginalised groups**

In Latin America, the Alliance regional programme supported a citizen observatory project in Ecuador, Colombia, Bolivia and Peru, which documented violations of human rights and the inadequate provision of services for most-at-risk populations.

Alliance Ukraine and the Secretariat worked together in 2010 to advocate for the release of a physician who had been detained following a crackdown by law enforcement agencies on those who administer substitution maintenance therapy (SMT). Following national and international media and political pressure, the doctor was released four months later.

In 2010, the Alliance sought to protect the human rights of marginalised groups in the Commonwealth in an effort to create enabling legal environments for HIV responses. We launched a new report at the first Commonwealth HIV and human rights lecture held in London on World AIDS Day. The lecture was given by Justice Ajit Prakash Shah who, in a groundbreaking judgement, overturned the 150-year-old British law banning gay sex between consenting adults in India, and was hosted by Cherie Booth QC.

At the international level, the Alliance is an active member of the UNAIDS Reference Group on HIV and Human Rights. In 2010, the group ensured that defending human rights was a central pillar in UNAIDS' new strategy. In 2010, the Alliance made a submission to the Global Commission on HIV and the Law to highlight some of the human rights abuses that undermine the work of Linking Organisations.

### We enabled Key Correspondents to speak their world

In 2010, 72 new Key Correspondents (citizen journalists writing about HIV and TB) were trained to share their own and their communities' experiences through online journalism and local media.

### We lobbied for more and better financing for HIV (and health)

The Alliance continued to work in policy forums to lobby for sustainable financing solutions for HIV and health. The Alliance continued to campaign for a Financial Transaction Tax (Robin Hood Tax) around which there is growing momentum – although the focus on global health and development may be lost. Our work on value for money has also contributed to the wider aid effectiveness agenda.

PROGRESS AGAINST HIV AND HEALTHY COMMUNITIES TARGETS	
2012 TARGETS TO INCREASE POLICY AND ADVOCACY	PROGRESS ACHIEVED BY END OF 2010
Nine fully functioning National Partnership Platforms (NPPs) have been established and are contributing to national policy initiatives	The Alliance is supporting NPPs in Zambia, Uganda, Kenya, Zimbabwe and Vietnam. In 2010, a new NPP was established in South Sudan
In 70% of countries where the Alliance works there is participation of key populations in Global Fund Country Coordinating Mechanisms	In 25% of countries where the Alliance works, representatives participate in decision-making bodies on HIV funding
In at least five countries where the Alliance prevention campaign is implemented, key populations participate in the decision-making bodies on HIV prevention funding allocation for programmes and services	In 2010, advocacy work supported by the Alliance prevention campaign began to be implemented in Kenya, Uganda, Zambia and South Sudan. International campaign actions also supported national advocacy efforts in Ukraine and Latin America

### STRATEGIC RESPONSE 4: Create a learning Alliance

In 2010 the Alliance created new platforms for South-to-South learning and knowledge sharing, and continued to enhance the organisational performance of Linking Organisations through its accreditation system.

#### We developed new portals to share learning

A new web portal, [www.hivsouthernafrica.info](http://www.hivsouthernafrica.info), was launched to share learning across countries in southern Africa. We continued to work with the knowledge-sharing websites AIDSPortal and PortalSIDA to encourage the use of information and communications technology to increase the effectiveness of community-based organisations. For Alliance Linking Organisations specifically, we established online communities of practice for each technical area of good practice programming. These e-forums are used by programming staff in Linking Organisations to share learning and are facilitated by senior technical advisers in the Secretariat.

#### We facilitated a culture of global learning

Nine horizontal learning exchanges took place to build more effective responses to HIV. These have focused particularly on monitoring and evaluation and financial management. For example, two members of staff from MONASO in Mozambique visited the Zimbabwe AIDS Network in December to better understand onward granting systems.

### We continued to evaluate and measure our impact

In 2010, we commissioned an independent evaluation of the DFID Programme Partnership Agreement (PPA) 2008-10 in order to evaluate how far the Alliance had gone towards achieving its previous strategy, *IMPACT 2010*. Key recommendations included making a stronger case for the value of unrestricted funding, articulating our role in generalised epidemics better, developing our approach to gender further, and investing more in the Regional Technical Support Hubs. These issues are picked up in our plans for 2011 (see below).

Other significant evaluations conducted last year included the evaluation of the Africa Regional Programme Phase II, the Latin America and Caribbean PPA review, and the final evaluation of the Alliance Caribbean Eastern Caribbean Community Action Project.

### We continued developing the Alliance accreditation system

Five Linking Organisations were fully accredited in 2010: LEPR (India), Via Libre (Peru), Kimirina (Ecuador), AMSED (Morocco) and NELA (Nigeria). Sadly, CiSHAN (our second Linking Organisation in Nigeria) was suspended from the Alliance in 2010 as changes to its organisational governance meant it no longer met fundamental requirements of the Alliance accreditation system.

PROGRESS AGAINST HIV AND HEALTHY COMMUNITIES TARGETS	
2012 TARGETS TO CREATE A LEARNING ALLIANCE	PROGRESS ACHIEVED BY END OF 2010
20 Linking Organisations have documented examples of improvements in their programmes as a result of South-to-South learning and exchange	20% of Alliance Linking Organisations have documented programme improvements on the basis of accreditation criteria. Improvements include effectiveness, efficiency and good practice of programmes
A global evaluation shows that the Alliance has made progress in improving the effectiveness, efficiency and good practice of its programmes	An independent evaluation of the 2008-2010 DFID PPA was commissioned and the results will form a baseline for measuring improvements over the period of the new strategy
Increase in the overall rating of the Alliance as a 'learning organisation' based on the eight dimensions of a learning NGO	A survey using key informant interviews with staff in the Secretariat and in Linking Organisations was conducted in summer 2010 to establish a baseline rating
80% of Alliance Linking Organisations have achieved full endorsement as an accredited Alliance member	12 Linking Organisations are now fully accredited by the Alliance (46%) <sup>1</sup> . Three further organisations had accreditation visits in 2010 and the results are pending

## Plans for future periods

2011 will mark 30 years since the first case of AIDS was identified, 10 years since the landmark United Nations General Assembly Special Session on HIV/AIDS, and five years since the 2006 High Level Meeting where the universal access commitment was made. It is in this context, over the next two years, that the Alliance will continue to work with communities most affected by HIV to achieve the goals within our strategic framework.

### STRATEGIC RESPONSE 1: Scale up integrated programming

- Further work to expand the scope of our programming around HIV and TB, sexual and reproductive health, human rights, harm reduction, livelihoods and integrated advocacy. This includes the establishment of new partnerships at the global and national level.
- Support Linking Organisations to use their Global Fund grants to increase reach and improve the quality of their programming.
- Focus on extending the reach and quality of Alliance programming in Africa, which remains the region most heavily affected by HIV.
- Develop a new gender strategy for Alliance partners to ensure that gender transformative approaches are fully integrated and addressed in future work on good practice responses to HIV.

### STRATEGIC RESPONSE 2: Support well-functioning community-based organisations

- Improve the organisational capacity of Linking Organisations, particularly around governance and good practice programming.

- Continue to provide high quality Technical Support Hubs, building on the model of South-to-South technical support and focusing on strategic support for Global Fund recipients.

### STRATEGIC RESPONSE 3: Help form engaged, inclusive societies

- Ensure Alliance global policy positions are shaped by Linking Organisations' experiences and use these as a basis to influence global and regional policymakers.
- Continue to use the *What's Preventing Prevention?* campaign as a tool for Secretariat and Linking Organisation advocacy activities.
- Increase the reach and effectiveness of the Key Correspondent programme.

### STRATEGIC RESPONSE 4: Create a learning Alliance

- Ensure the Alliance applies its learning internally and externally, including evidence from research.
- Continue to demonstrate the added value of the Alliance (the Secretariat, Linking Organisations and other partnerships) in the HIV response.

We believe that a strong alliance of national Linking Organisations working together is the best way to support community action on HIV. However, we are clear that the new strategy will not be delivered without a range of partnerships – at the national, regional and international levels – and we will take steps to enhance our current partnerships and develop new ones in 2011.

The new strategy is built on the assumption that most Linking Organisations will be able to access more in-country funding to scale up coverage and broaden the scope of their programmes. However, with donor agencies suffering from pressures on foreign aid budgets it remains unclear

1. Based on the 26 Linking Organisations that were members of the Alliance when the Accreditation Committee was first established in July 2008.

whether they will turn to communities in their quest for longer-term sustainability and more ‘patient-centred’ integration of health services. But if they do, we will ensure they find the mechanisms the Alliance has helped develop with community-based organisations, and the communities it has supported, ready to scale up and able to make a difference at national level.

## Structure, governance and management

### Organisational structure

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

### Country Offices and Linking Organisations

The support of community-level responses to the HIV epidemic has always been central to the Alliance’s strategy. In the countries in which it operates, therefore, the Charity aims to identify national non-governmental organisations (NGOs) that can act as ‘Linking Organisations’ to support other NGOs and community-based organisations within those countries. These Linking Organisations are independent of the Charity but collaborate on in-country work. In some countries, however, the need for urgent action and quick results has meant that there was no time to select, support and build the type of relationship that would enable a Linking Organisation to be established from the very beginning. In these situations the Charity has set up Country Offices, which may evolve into independent Linking Organisations.

The legal status of the Country Offices (the term includes subsidiaries and branches) varies depending upon the requirements of the relevant national government and the needs of the Charity’s programmes in that country. The Charity currently has subsidiaries in India, Zambia and the United States, and branches in China, Myanmar, South Sudan, Uganda and Ukraine. (The branch in Ukraine, TAP, is a separate entity from Alliance Ukraine, the former Country Office, which transitioned to a Linking Organisation on 1 January 2009.)

The branches of the Charity are registered locally as either a foreign company or an NGO. The Charity is also registered as a foreign company in Argentina and in Thailand, where it has regional representative offices. The US office was established in 2003 as a fundraising and policy office. The subsidiaries in India and the US are individual legal entities, incorporated in those countries, with boards of directors composed of various permutations of the Charity’s Trustees and senior management.

The transition of Alliance Zambia to a Linking Organisation, previously planned to take place during 2010, is now on hold pending a strategic review. The transition of Alliance Uganda to a Linking Organisation will take place during 2011. The assets, liabilities and operations of Alliance Uganda

(the present branch of the Charity in Uganda) will transfer to Community Health Alliance Uganda Limited (CHAU). CHAU will then be handed over to the control of a local board and will become an independent Linking Organisation.

### Technical Support Hubs

The Alliance has a network of seven Regional Technical Support Hubs in Africa, Asia, and Latin America and the Caribbean. The Hubs offer technical support to Linking Organisations and other civil society organisations to strengthen their leadership and capacity, and to governments and other institutions to enable them to work effectively with civil society. The East, Central and Southern Africa Hub is based in Kampala, Uganda, and hosted by Alliance Uganda (the present Country Office of the Charity in Uganda). The South Asia Hub is based in Delhi, India, and hosted by the Charity’s subsidiary in India. The other five Hubs are hosted by Alliance Linking Organisations, as detailed on the back cover of the *Report and Accounts*.

## Governance

### Trustees

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

The Trustees are Directors for the purposes of the Companies Act 2006. An informal nominating committee was constituted by the Trustees in November 2009 to identify candidates to serve as Trustees, in anticipation of the retirement from the Board of Peter Freeman and Teresita Bagasao at the April 2011 meeting. The committee comprises Steven Sinding, Fatimata Sy, Jan Cedergren and Alvaro Bermejo. Preferred skills and experience are identified through an audit, the positions and desired profile(s) are advertised, and the committee reviews applications and selects candidates to nominate.

Nominations are discussed and appointments confirmed by the full Board. In accordance with the memorandum and articles of association of the Charity, Trustees are appointed for an initial three-year term and may not serve more than three consecutive terms of office. Appointment of Trustees is by resolution of the Board. Training is arranged for all Trustees, while induction procedures inform new Trustees about the Charity’s operations.

### Finance and Audit Committee

The Finance and Audit Committee reports to the Board of Trustees and comprises up to eight members: up to five Trustees and up to three external members. The current external members are Andy Munro, Chief Financial Officer

at the Royal Institute of British Architects, and Jon Barton, Head of Risk, Governance and Policy at UBS. The Committee meets twice a year, and its responsibilities include the review of the Charity's annual budget in advance of discussion by the Board of Trustees, review of the statutory accounts of the Charity, the approval of changes in accounting policies, the assessment of risks facing the Charity and the systems put in place to mitigate them, the approval of internal audit plans, and the consideration of findings and recommendations of both the internal and external auditors.

### Policy and Advocacy Committee

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

The Policy and Advocacy Committee is responsible for developing and maintaining a global policy agenda for presentation to the Board of Trustees for approval on an annual basis. Its membership currently comprises three Trustees, four senior staff from Country Offices and Linking Organisations, and an expert external member.

### Accreditation Committee

The Alliance introduced an accreditation system in 2008 to assess Alliance members against institutional and programmatic standards to ensure that the Alliance's membership comprises well-performing, sustainable and credible civil society organisations. The system is also used to assess organisations wishing to join the Alliance.

The Accreditation Committee oversees the accreditation system. The Committee comprises up to three Trustees, one member of the Secretariat's Senior Management Team and four Linking Organisation representatives at either executive director or board level.

### Management structure

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

The Senior Management Team usually meets on a weekly basis to take decisions about (among other things): the development and implementation of operational plans; financial, planning and other management systems; changes in organisational policies; and the creation of new staff positions. Significant decisions – such as the approval of organisation-wide strategy, annual workplans and budgets – are subject to approval by the Board of Trustees.

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

### Restructuring of the Secretariat

During 2010 we reviewed the structure of the Secretariat to ensure its alignment with the new three-year strategy for 2010-2012, and to ensure that the cost base was compatible with the expected future level of unrestricted funding. The revised organisational structure was determined following a consultative process in which the Secretariat staff participated fully and constructively. The new structure represented a reduction in the complement of the Secretariat by 15 full time-equivalent staff, and will save \$1.15 million a year. Staff were redeployed wherever possible, to minimise redundancies, and only six staff were made redundant.

### Grant-making policy

The Charity grants funds to Linking Organisations. Linking Organisations then support other non-governmental and community-based organisations 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 non-governmental and community-based organisations, to ensure that accountability and transparency is maintained. The manual includes detailed tendering processes, as well as guidelines on matters such as how to establish selection criteria, how to engage external stakeholders in the selection process, how to carry out programmatic and financial assessments, how to support and monitor grantees, and what to do when there is a need to 'close out' the grant. Grant renewal is subject to performance, review and replanning.

### Risk management

Risk management and compliance is a significant aspect of the Legal, Risk and Compliance Team's role. The primary responsibilities of the risk management and compliance function of this Team are the maintenance, development and implementation of the Charity's risk management systems and internal audit function. Reviewing the systems and controls put in place to mitigate the most significant risks provides the basis of the information that allows the Trustees to assess the risks the Charity faces. The Team's work includes monitoring compliance with donor regulations, managing the response to any suspected fraud and other financial concerns, and ensuring that the Charity has adequate security procedures and policies in place so as to minimise the risk both to staff travelling abroad and to staff in Country Offices.

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

- **Strategic responses and strategic objectives:** the four strategic responses outlined in the Alliance's strategy 2010-2012 have been translated into focused strategic objectives.
- **Risk identification and risk assessment:** significant risks are mapped to the strategic objectives.
- **Risk mitigation:** risk mitigation strategies (i.e. systems and controls to be put in place) are identified by the Senior Management Team, working with the Legal, Risk and Compliance Team and the heads of other Teams. These strategies are implemented by the relevant Teams.
- **Monitoring and review (internal audit):** monitoring and review of the risk mitigation strategies is carried out by the Legal, Risk and Compliance Team. The internal audit function primarily focuses on the monitoring of risks at Country Offices and Linking Organisations.
- **Risk reporting:** the Trustees are kept informed of the principal risks faced by the Charity, and of the risk management strategies in place, by the Finance and Audit Committee, which obtains this information from management.

Trustees have identified the major risks to which the Charity is exposed as follows:

- funding issues based on the economic crisis and changes in donor funding priorities
- failure of strategic initiatives and programmes
- failure of organisational and financial systems
- personal security risks.

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

### Public benefit reporting

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

## Financial review

### Trustees' responsibilities in respect of the accounts

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company (i.e. the Charity) and its group, and of its net resources for that period. In preparing those accounts the Trustees are required to:

- select suitable accounting policies and then apply them consistently

- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue its activities.

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

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

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

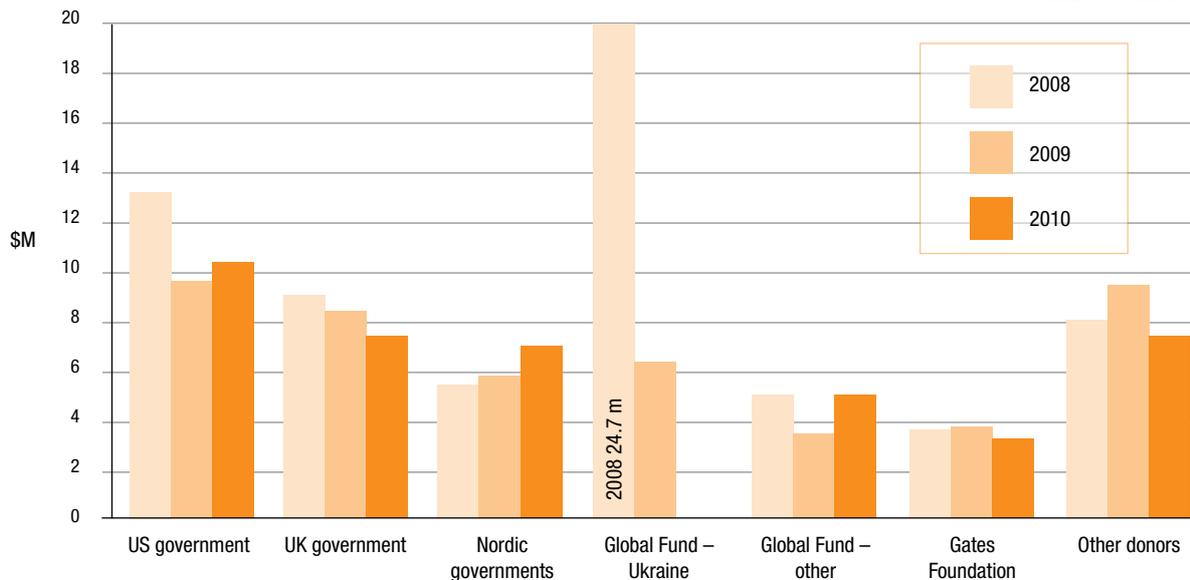
### Results for the year

Results were good in a very challenging year. Total income on continuing activities (that is excluding the Global Fund programme in Ukraine which, since Alliance Ukraine transitioned to a Linking Organisation, no longer passes through the Charity's accounts) was constant at \$41.1 million while total expenditure on continuing activities fell from \$44.2 million in 2009 to \$41.5 million in 2010 as a result of tight management and cost-containment measures.

In a difficult environment where foreign budgets were affected by efforts to contain fiscal deficits, the Charity had to absorb the withdrawal of unrestricted income from the Canadian government, a write off of \$0.6 million owed by Alliance Ukraine, and unbudgeted extra support given to the Alliance programmes in the Caribbean, Burkina Faso and Zambia. It restructured the Secretariat to reduce its establishment cost by over \$1 million and absorbed the full costs of the restructuring during the year. The Charity recorded an overall deficit for the year of \$0.3 million against a budgeted deficit of \$0.153 million.

The Charity's largest donors by value during the year were the governments of the United States, the United Kingdom, Sweden, Denmark and Norway (through their respective international development agencies), together with the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Bill & Melinda Gates Foundation. The harm reduction programme funded by the Dutch government, referred to on page 3 above, did not get under way until 2011, so no income under that programme is recognised in 2010. Income is summarised in the chart on the next page.

## INCOME SUMMARY



The apparent decline in UK government funding from 2008 to 2010 is the result of the decline in the value of sterling compared to the US dollar over the period. The underlying sterling income provided by the UK government has been relatively constant at close to £5 million each year (unrestricted and contract income combined).

In Africa, overall spending across the region fell in 2010. The new maternal mortality programme funded by UKAID and the new USAID programme in Uganda will help to maintain activity and spending levels in 2011, but the transition of Zambia and Uganda to Linking Organisations will mean that less of that spending passes through the Charity's accounts. Spending in Asia and Eastern Europe increased compared to 2009, and new programmes are coming on stream in Myanmar (Global Fund), and China, India, Indonesia and Malaysia (BUZA) during 2011. Spending in Latin America and the Caribbean was only slightly reduced on 2009. The Caribbean HIV/AIDS Alliance has secured the renewal of its USAID-funded programme, but that money will now go directly to the Linking Organisation, so will not pass through the Charity's 2011 accounts.

Support costs have fallen compared to 2009, from \$8.7 million to \$7.5 million. Within support costs, the line item costs are broadly constant except for corporate services, which fell by \$1.2 million. The main causes of that reduction were the spinning off during 2009 of the Pepal executive development programme which represented \$0.7 million of the 2009 corporate services costs, and a lower level of foreign exchange costs. Governance costs have fallen due to reduced audit costs.

## Balance sheet and cash flow

The balance sheet shows reductions in the gross values of assets and liabilities over the year. Debtors have fallen by \$1.1 million, cash has fallen by \$3.8 million and creditors have fallen by \$4.8 million. The cash flow statement reflects the balance sheet movements, as the main cash flows are the movements in working capital detailed in note 24 to the

accounts. These changes are a result of the trend towards more funding going directly to Alliance Linking Organisations in country, rather than being managed through the Charity's Secretariat in Brighton. Therefore the balances of cash held, deferred income (the liability for cash received from donors but not yet spent) and advances to partners are all tending to fall.

## Group structure

### Branches and subsidiaries

The Charity's Country Offices are treated as branches of the Charity where they are not incorporated locally (there are branch Country Offices in China, Myanmar, South Sudan, Uganda and Ukraine. The Ukraine branch, TAP, is a separate entity from Alliance Ukraine, the Linking Organisation). Where Country Offices are incorporated locally as separate legal entities, they are treated as subsidiaries (India, Zambia and the US). The Country Office in Uganda is due to transition to an independent Linking Organisation during 2011.

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.

### Linking Organisations and Global Alliance Accounts

Linking Organisations receive some of their funding from the Charity, and are able to increase funding received directly from donors by virtue of their Alliance membership. However, because Linking Organisations are legally independent entities not controlled by the Charity, their accounts are not consolidated within the Charity group accounts.

The planned process of transitioning Country Offices to Linking Organisations, and helping Linking Organisations to secure funding directly in-country, rather than via the Charity's Brighton Secretariat, has led since 2009 to year-on-year reductions in the total income and expenditure reported

in the Charity's accounts. However, the total funding and expenditure of the Alliance family has grown.

The chart below shows the total expenditure of Alliance organisations in the years 2007 to 2010. The dark orange segment of each bar represents the total expenditure recorded in the Charity's group accounts, including Linking Organisations to the extent that they are funded through the Charity. The light orange segments show the additional expenditure of Linking Organisations on HIV that has been funded directly (rather than through the Charity) by donors.

Despite the difficult global funding environment, overall Alliance expenditure reached a new high of \$98.1m. The proportion of total expenditure that is funded directly in country by Linking Organisations continued to grow, from 15% in 2007 to 25% in 2008, 45% in 2009 and 58% in 2010. This trend represents progress in increasing the capacity of Linking Organisations to become strong, effective, financially independent organisations.



## 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 (46% in 2010), sterling (22%) and euros (8%). The costs of the Secretariat are primarily incurred in sterling, while the costs of in-country operations and support for partner organisations are incurred in around 20 different currencies including, for example, Indian Rupees and Zambian Kwacha.

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

- the Charity will regularly review its net exposure to foreign exchange risk

- the Charity will pass on foreign exchange risk to suppliers and partners where appropriate, and where it is appropriate that the Charity bears the risk, it will manage significant exposure by the use of forward contracts
- the Charity will continue to hold liquid reserves mainly centrally, in US dollars, sterling and euros, subject to ensuring that partner organisations have sufficient cash locally to prevent disruption to services.

## Reserves policy

The Charity's reserves policy, which was agreed at the April 2010 Trustees' meeting, is as follows. The Charity has no long-term borrowings so all of its financing needs must be met from either reserves or current income. The Charity needs to hold reserves for the following main purposes:

- to provide working capital for country operations.* The Charity normally pays grants to its partners for three months of planned activity, in advance. Some smaller grants are paid annually in advance. The Charity's own restricted funding from its donors, on the other hand, is often payable in arrears. Therefore the working capital needs of its country operations must be met from the Charity's unrestricted reserves. Based on the current mix of funding, the Charity in the UK needs to hold between 12% and 15% of country budgets within unrestricted funds in order to have sufficient cash to make its remittances to partners and ensure continuity of the partners' services to the Alliance's beneficiaries.
- to cover for a shortfall in funding for core costs.* The salaries and running costs of the Secretariat are mainly covered by unrestricted funding, which comes largely from the UK and Nordic governments. If that funding were delayed, the Charity would need a buffer of unrestricted reserves to pay core costs in the meantime; and if unrestricted funding were discontinued or significantly reduced, the Charity would need unrestricted reserves to fund restructuring and redundancy costs. The target level of this element of unrestricted reserves is three months of Secretariat core costs.
- to cover unbudgeted costs incurred by partner organisations.* The Alliance is a partnership of over 30 organisations worldwide, so it is normal that from time to time there will be emergencies or unanticipated costs that the Charity will want to support. There may not be sufficient contingency within a single year's budget, so to be able to respond to emergencies the Charity needs a contingency fund within unrestricted reserves. The target level of this element of unrestricted reserves is \$0.2 million.

The three requirements above are met from the General Fund. The target level for the first two is variable according to the values and the cash flow patterns of the budgets for the year, so the overall target level for the General Fund is reassessed annually. Based on budgets for 2011, the target level for the General Fund is \$6.2 million.

The Trustees have agreed a transfer from the General Fund to the Programme Designated Reserve to increase the latter to \$0.4 million. After the transfer, the actual level of the General Fund at 31 December 2010 was \$5.3 million. If 2011 out-turn matches the budget, the Programme Designated Reserve will be used in full to supplement 2011 unrestricted income, while the General Fund will end 2011 unchanged at \$5.3 million.

The Trustees aim to reach the target level for the General Fund by 31 December 2014 through a combination of tight budget setting, efficiency savings and control of costs, and attracting new sources of funding, enabling increases in the General Fund in the years 2012 to 2014.

In addition to the General Fund, the Trustees maintain a Programme Designated Reserve to supplement unrestricted field programmes budgets. Together, the General Fund and the Programme Designated Reserve make up the Charity's free reserves.

Separate unrestricted reserves are needed for the following purposes:

- *to finance the cost of fixed assets.* The Charity's fixed assets have been acquired using unrestricted funds. The net book value of fixed assets is held in a separate reserve, to reflect the fact that that part of the Charity's reserves is not readily realisable to finance any other activity or obligation.
- *to cover for foreign exchange losses.* Currency markets continue to be very volatile, and with major income and expenditure streams in over ten different currencies, the Charity is exposed to significant foreign exchange risk. Steps are taken to hedge against that risk in line with the foreign exchange risk policy set out above, but it is still prudent to retain a minimum balance in the Exchange Rate Revaluation Reserve to cover for unhedged foreign exchange losses. The target minimum value of the reserve is \$0.5 million.

## Liquidity and interest rate risk

The Trustees monitor the liquidity and cash flow risk of the Charity carefully. Cash flow is examined by the Trustees on a regular basis and action is taken as appropriate. The Charity did not need an overdraft in 2010 and allowed its overdraft facility to expire, in order to save on fees. It will be possible to apply for a new overdraft facility in 2011 in good time, should cash flow forecasts indicate the need. There are also no long-term borrowings, so the Charity is not exposed to interest rate risk.

## Investment policy and objectives

The Charity's investment policy is that:

- funds received should either be held in the currency in which they are received or converted immediately to the currency of the related expenditure obligation; and
- funds not needed to cover current operational costs should be invested in either:
  - fixed-interest government or government-backed investments whose maturity matches the spending pattern outlined in the donor agreements and which are rated AAA by either Standard & Poor's or Moody's
  - bank treasury deposits in banks approved by the Trustees, with terms of up to six months; or
  - in the case of UK sterling funds, in a common deposit fund managed by a corporate Trustee, as approved by the Charity Commission.

By order of the Board of Trustees



Steven Sinding  
Chairman

1 June 2011

# 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 2010, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 25.

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

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

## Respective responsibilities of Trustees and auditors

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

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

## Scope of the audit of the financial statements

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

We read all the information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

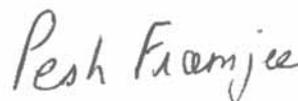
## Opinion on other matter prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

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

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



Pesh Framjee  
**Senior Statutory Auditor**

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

9 June 2011



## BALANCE SHEET

as at 31 December 2010

		GROUP	CHARITY	GROUP	CHARITY
	Notes	2010 \$000	2010 \$000	2009 \$000	2009 \$000
<b>Fixed assets</b>					
Tangible assets	9	457	457	698	698
<b>Current assets</b>					
Debtors	12	5,824	5,719	6,939	7,075
Cash at bank and in hand	13	10,935	8,992	14,751	13,607
		16,759	14,711	21,690	20,682
<b>Creditors:</b>					
Amounts falling due within one year	14, 15	(10,465)	(8,420)	(15,306)	(14,304)
<b>Net current assets</b>		<b>6,294</b>	<b>6,291</b>	<b>6,384</b>	<b>6,378</b>
<b>Provisions for liabilities and charges</b>	16	–	–	–	–
<b>Net assets</b>		<b>6,751</b>	<b>6,748</b>	<b>7,082</b>	<b>7,076</b>
represented by:					
<b>Funds</b>	3				
<b>Unrestricted</b>					
General fund		5,346	5,343	5,725	5,725
Fixed Asset fund		457	457	698	698
Exchange rate revaluation reserve		500	500	500	500
Programme designated reserve		400	400	153	153
Hubs reserve		48	48	–	–
		6,751	6,748	7,076	7,076
<b>Restricted</b>		–	–	6	–
		<b>6,751</b>	<b>6,748</b>	<b>7,082</b>	<b>7,076</b>

The financial statements were approved by the Board of Trustees and signed on its behalf by



**Steven Sinding**  
1 June 2011

The notes on pages 16 to 24 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2010

	Notes	2010 \$000	2009 \$000
<b>Net cash (outflow) from operating activities</b>	24	(3,766)	(6,808)
<b>Returns on investment</b>		46	132
<b>Capital expenditure and financial investments</b>			
Payments to acquire fixed assets		(96)	(412)
<b>Net cash (outflow)</b>		(3,816)	(7,088)
Cash at 1 January		14,751	21,839
<b>Cash at 31 December</b>		<b>10,935</b>	<b>14,751</b>

The notes on pages 16 to 24 form part of these financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2010

### 1. Accounting Policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, and in compliance with the Charities Act 1993, the Statement of Recommended Practice 'Accounting and reporting by charities' (SORP 2005), and United Kingdom accounting standards and applicable law.

Before approving the financial statements, the Trustees review and re-approve the detailed budget for the year following the balance sheet date (2011: the Trustees having originally approved the 2011 budget in November 2010), outline information for the following year (2012), and the major risks to which the Charity is exposed. Following these reviews, the Trustees are satisfied that the Charity has a reasonable expectation of securing adequate resources to continue in operational existence for the foreseeable future. The financial statements are therefore prepared on the basis that the Charity is a going concern.

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

The Charity has branch offices in China, Myanmar, South Sudan, Ukraine (TAP) and Uganda, and the results from these offices are included in the financial statements.

No separate SOFA has been presented for the parent charity alone, as permitted by paragraph 397 of SORP 2005 and section 408 of the Companies Act 2006. The gross income of the parent charity was \$36,075,000 (2009: \$44,354,000) and the result for the year was a deficit of \$328,000 (2009: deficit of \$1,969,000).

#### Funds structure

The Charity maintains two types of fund:

#### Unrestricted Funds

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

- the Fixed Asset Fund, which represents the funds tied up in tangible fixed assets and therefore not immediately realisable
- the Programme Designated Reserve, which are funds the Trustees have set aside for particular purposes.
- the General Fund, which represents the working capital for the Charity and also provides a buffer, should there be a shortfall in income or unbudgeted costs. The Trustees review the level of the General Reserve annually and have agreed in the Reserves Policy (see page 18) a target minimum level for the General Fund of \$6.2 million
- the Exchange Rate Revaluation Reserve, which holds a minimum balance of \$0.5m to cover for unhedged foreign exchange losses
- the Hubs Reserve, which holds gains made by the East, Central and Southern Africa Uganda Technical Support Hub hosted by the Uganda branch office, and retained to finance Hub activities.

#### Restricted funds

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

#### Transfers between funds

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

### Incoming resources

Incoming resources are included in the SOFA when the Charity is legally entitled to them, is reasonably certain of receipt, and the amount can be reliably measured.

Incoming resources from charitable activities includes income from performance related grants; income and fees for contracts and services; and income from unrestricted grants. Voluntary income comprises public donations and is included when it is received.

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

Income arising from performance related grants is treated as restricted income. Income arising from contracts is recognised as unrestricted income. This is because grants are governed by trust law, where the obligation on the Charity is to spend the entire grant on the specified purposes. Contracts are treated as unrestricted in the accounts because the obligation under contract law is to provide the specified services and/or goods; any surplus or deficit remaining after the contract terms have been fulfilled is for the Charity to keep.

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

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

### Resources expended

#### *Charitable activities*

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

Contributions are paid to Alliance Country Offices (COs) and Linking Organisations (LOs) overseas, and are given for two purposes, either to support the operating costs of the Country Office or Linking Organisation or to provide funds for the CO/LO to 'onward grant' to implementing partners.

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

Grants greater than US\$30,000 are recognised when the contract has been signed, and expenses have both been incurred and approved by the budget holder at the Secretariat. Grants less than US\$30,000 are subject to a lighter touch monitoring and reporting regime, and therefore they are recognised when the sub-contract has been signed and the disbursement has been made.

### Governance costs

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

### Foreign exchange gains and losses

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

### Fixed assets and depreciation

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

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

Leasehold improvements:	7 years, or the term of the lease, whichever is shorter
Furniture and fixtures:	7 years
Computer equipment and software:	3 years
Office equipment:	3 years

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

### Provisions for liabilities and charges

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

### Pensions

The Charity offers staff a range of benefits including membership of a defined contribution pension scheme. Where staff opt to join the scheme, the Charity makes employer's pension contributions to personal pension schemes. The assets of these schemes are held separately from those of the charity in independently administered funds. In accordance with FRS 17 – Retirement benefits, contributions are charged to the Statement of Financial Activities as they are incurred.

### Operating leases

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

### Financial instruments

Where the Charity has obligations denominated in one currency that are funded by grants or contracts denominated in another currency, it is exposed to the risk of movements in the exchange rate between those two currencies. In accordance with its foreign exchange policy (see page 11), the Charity may use forward contracts to reduce the risk arising from its significant foreign exchange exposures. Foreign exchange forward contracts 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. However, there were no outstanding forward foreign exchange contracts at 31 December 2010. The Charity does not hold or trade in any other type of derivative financial instrument.

## 2. Investment income and interest

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Interest on treasury deposits and bank balances	<b>46</b>	<b>132</b>

## 3. Movement in resources

	<b>Balance at 1/1/10</b>	<b>Incoming 2010</b>	<b>Transfers 2010</b>	<b>Outgoing 2010</b>	<b>Balance at 31/12/10</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>RESTRICTED FUNDS</b>					
ActionAid	–	192	–	192	–
Australian government (AusAID)	–	341	–	341	–
Big Lottery Fund	–	280	–	280	–
Bill & Melinda Gates Foundation	–	3,454	–	3,454	–
European Commission	–	2,008	–	2,008	–
Ford Foundation	–	85	–	85	–
GlaxoSmithKline	–	134	–	134	–
Global Fund to Fight Aids, Tuberculosis & Malaria	3	5,038	–	5,041	–
Irish Aid	–	611	–	611	–
Levi Strauss Foundation	–	86	–	86	–
Sida (Swedish International Development Cooperation Agency)	–	2,894	–	2,894	–
Swiss government	–	357	–	357	–
US government (USAID)	–	8,374	–	8,374	–
UK government (DFID)	–	522	–	522	–
United Nations	–	1,870	–	1,870	–
World Bank	–	107	–	107	–
Other restricted funds	3	284	–	287	–
<b>Total restricted funds</b>	<b>6</b>	<b>26,637</b>	<b>–</b>	<b>26,643</b>	<b>–</b>
<b>UNRESTRICTED FUNDS</b>					
<b>Contracts</b>					
<b>Continuing activities</b>					
UK government (DFID)	–	312	–	312	–
US government (USAID)	–	2,062	–	2,062	–
Other contract income	–	478	(48)	430	–
<b>Subtotal contracts</b>	<b>–</b>	<b>2,852</b>	<b>(48)</b>	<b>2,804</b>	<b>–</b>
<i>Unrestricted grants (details below)</i>		11,510			
<i>Other unrestricted income</i>		122			
<i>Total incoming resources on general reserve</i>		11,632			
General fund	5,725	11,632	(6)	12,005	5,346
Fixed asset fund	698	–	(241)	–	457
Exchange rate revaluation reserve	500	–	–	–	500
Programme Designated Reserve	153	–	247	–	400
Hubs reserve	–	–	48	–	48
<b>Total unrestricted funds</b>	<b>7,076</b>	<b>14,484</b>	<b>–</b>	<b>14,809</b>	<b>6,751</b>
<b>Total funds</b>	<b>7,082</b>	<b>41,121</b>	<b>–</b>	<b>41,452</b>	<b>6,751</b>

Unrestricted grants include the following:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
UK government (DFID)	7,055	7,189
Norwegian government (NORAD)	476	457
Swedish government (Sida)	1,921	1,779
Danish government (DANIDA)	1,699	1,855
Ford Foundation	–	180
William and Flora Hewlett Foundation	163	163

#### 4. Charitable activities

	Support to Country Operations	Onward Granting	International Technical Assistance	Salaries	Support Costs	2010 Total	2009 Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Asia and Eastern Europe, excluding Ukraine Global Fund programmes	3,322	10,460	501	1,299	2,735	18,317	15,081
Africa	3,216	2,331	1,229	1,758	2,213	10,747	15,146
Latin America and Caribbean	–	4,821	822	504	1,594	7,741	8,304
Policy	5	–	4,271	799	318	1,549	1,595
Technical support	–	–	539	929	381	1,849	2,455
Planning, analysis and learning	–	–	231	615	220	1,066	1,253
<b>Total – continuing activities</b>	<b>6,543</b>	<b>17,612</b>	<b>3,749</b>	<b>5,904</b>	<b>7,461</b>	<b>41,269</b>	<b>43,834</b>
Ukraine – discontinued activity	–	–	–	–	–	–	6,362
<b>Total</b>	<b>6,543</b>	<b>17,612</b>	<b>3,749</b>	<b>5,904</b>	<b>7,461</b>	<b>41,269</b>	<b>50,196</b>

#### 5. Support costs

	Asia & Eastern Europe	Africa	Latin America & Caribbean	Policy	Technical Support	Planning, Analysis & Learning	2010 Total	2009 Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Executive Director's department	484	389	280	56	67	39	1,315	1,288
Communications and resource mobilisation	525	426	307	61	73	42	1,434	1,439
Field programmes co-ordination	112	91	65	13	16	9	306	360
Corporate services	1,614	1,307	942	188	225	130	4,406	5,615
<b>Total</b>	<b>2,735</b>	<b>2,213</b>	<b>1,594</b>	<b>318</b>	<b>381</b>	<b>220</b>	<b>7,461</b>	<b>8,702</b>

In each geographical area a comprehensive portfolio of prevention, care and mitigation programmes is implemented. These activities are achieved through a combination of direct expenditure and onward granting. The policy, technical support, and planning, analysis and learning activities of the UK secretariat support the work of field programmes at a local, national and international level. Direct costs are used as the basis to apportion support costs across charitable activities. The support costs associated with onward granting were \$3,890,000. No support costs have been classed as discontinued. Salaries in note 4 are the staff costs of secretariat staff working directly on the respective activities; therefore this total does not agree to the total in note 8, which includes all staff costs.

#### 6. Governance costs

Governance costs consist of:

	2010 \$000	2009 \$000
Trustees' meetings	38	68
Internal and donor audits	90	188
External audit	45	70
Alliance management	10	4
	<b>183</b>	<b>330</b>

## 7. Onward granting

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

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

The 20 largest grant recipient organisations in 2010 were as follows:

		2010 Group \$000	2009 Group \$000
Caribbean HIV/AIDS Alliance	Trinidad & Tobago (LO)	3,291	4,161
Alliance Ukraine	Ukraine (LO)	1,677	6,362
Khmer HIV/AIDS NGO Alliance (KHANA)	Cambodia (LO)	937	719
POZSida	Haiti (LO)	322	288
Via Libre	Peru (LO)	298	233
Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA (IPC)	Burkina Faso (LO)	285	416
Colectivo Sol	Mexico (LO)	233	99
Kenya AIDS NGO Consortium (KANCO)	Kenya (LO)	189	69
L'Alliance Nationale Contre le SIDA en Cote d'Ivoire (ANS-CI)	Cote d'Ivoire (LO)	172	87
Mari	India	166	86
Asociación Atlacatl Vivo Positivo	El Salvador (LO)	153	80
AIDSPortal	South Africa	136	19
HIV/AIDS & STD Alliance Bangladesh (HASAB)	Bangladesh (LO)	118	28
Young Happy Healthy & Safe	Zambia	112	115
Gram Nava Nirmana Samithi (GNNS)	India	105	141
LigaSida	Columbia (LO)	92	85
Kimirina	Ecuador (LO)	83	85
Ratana Metta	Myanmar	81	71
Family Life Association (FLAS)	Zambia	77	40
Ankita	India	76	61

## 8. Staff numbers and costs

The average number of employees of the group for the year was 264 (2009: 300). The aggregate costs of these staff were as follows:

	2010 Group \$000	2009 Group \$000
Salaries	11,363	11,733
Social security costs	804	905
Pension costs	528	963
	<b>12,695</b>	<b>13,601</b>

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

	2010 Group number	2010 Charity number	2009 Group number	2009 Charity number
\$160,000 - \$169,999	1	1	1	1
\$150,000 - \$159,999	1	-	-	-
\$140,000 - \$149,999	1	1	-	-
\$130,000 - \$139,999	-	-	3	2
\$120,000 - \$129,999	1	-	-	-
\$110,000 - \$119,999	3	3	1	1
\$100,000 - \$109,999	2	2	4	4
\$90,000 - \$99,999	5	5	4	4
Total pension costs for these employees were	<b>\$87,000</b>	<b>\$61,000</b>	<b>\$96,000</b>	<b>\$80,000</b>

**9. Tangible fixed assets**

	Furniture and fixtures	Computer equipment and software	Office equipment	Motor vehicles	Total
<b>GROUP</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cost at 1 January 2010	812	1,266	519	290	2,887
Additions for the year	4	84	8	–	96
Disposals for the year	–	(3)	(1)	–	(4)
Cost at 31 December 2010	<u>816</u>	<u>1,347</u>	<u>526</u>	<u>290</u>	<u>2,979</u>
Accumulated depreciation at 1 January 2010	365	1,017	517	290	2,189
Depreciation for the year	142	185	10	–	337
Depreciation on disposals	–	(3)	(1)	–	(4)
Accumulated depreciation at 31 December 2010	<u>507</u>	<u>1,199</u>	<u>526</u>	<u>290</u>	<u>2,522</u>
<b>Net book value at 31 December 2010</b>	<u><b>309</b></u>	<u><b>148</b></u>	<u><b>–</b></u>	<u><b>–</b></u>	<u><b>457</b></u>
<b>Net book value at 31 December 2009</b>	<u><b>447</b></u>	<u><b>249</b></u>	<u><b>2</b></u>	<u><b>–</b></u>	<u><b>698</b></u>
<b>CHARITY</b>					
Cost at 1 January 2010	706	1,001	218	290	2,215
Additions for the year	–	69	–	–	69
Disposals for the year	–	(3)	(1)	–	(4)
Cost at 31 December 2010	<u>706</u>	<u>1,067</u>	<u>217</u>	<u>290</u>	<u>2,280</u>
Accumulated depreciation at 1 January 2010	259	752	216	290	1,517
Depreciation for the year	137	171	2	–	310
Depreciation on disposals	–	(3)	(1)	–	(4)
Accumulated depreciation at 31 December 2010	<u>396</u>	<u>920</u>	<u>217</u>	<u>290</u>	<u>1,823</u>
<b>Net book value at 31 December 2010</b>	<u><b>310</b></u>	<u><b>147</b></u>	<u><b>–</b></u>	<u><b>–</b></u>	<u><b>457</b></u>
Net book value at 31 December 2009	<u>447</u>	<u>249</u>	<u>2</u>	<u>–</u>	<u>698</u>

All fixed assets are held for charitable use.

**10. Investments – Charity****Fixed asset investments**

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

2010	2009
\$	\$
<u>1</u>	<u>1</u>

## 11. Subsidiary undertakings

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

Country	Name of subsidiary	Date of incorporation	Year end
India	India HIV/AIDS Alliance	25 February 1999	31 March
USA	International HIV/AIDS Alliance (USA), Inc. International HIV/AIDS Alliance Inc.	2 May 2003 10 June 2003	31 December 31 December
Zambia	Alliance for Community Action on HIV and AIDS	27 November 2008	31 December
Uganda	Community Health Alliance Uganda Limited	12 October 2010	31 December

International HIV/AIDS Alliance (USA), Inc was wound up on 31 December 2010, and from that date all the business of the Alliance in the USA will be undertaken through International HIV/AIDS Alliance, Inc. The transition of Alliance Zambia to a Linking Organisation, previously planned to take place during 2010, is now on hold pending a strategic review. The transition of Alliance Uganda to a Linking Organisation is planned to take place during 2011. The assets, liabilities and operations of Alliance Uganda (the present branch of the Charity in Uganda) will transfer to Community Health Alliance Uganda Limited (CHAU). CHAU will then be handed over to the control of a local board and will become an independent Linking Organisation. At the balance sheet date, CHAU existed only as a shell company, and had no transactions during the year.

The income and expenditure of these subsidiaries are:

Name of subsidiary	Income \$000	Expenditure \$000
India HIV/AIDS Alliance	8,551	8,551
International HIV/AIDS Alliance (USA), Inc	804	807
International HIV/AIDS Alliance, Inc	720	720
Alliance for Community Action on HIV and AIDS	2,146	2,146
Community Health Alliance Uganda Limited	-	-

The net reserves of these subsidiaries was \$3,818 as at 31 December 2010.

The incoming resources of the parent charity were \$36,075,000 with resources expended of \$36,403,000.

**12. Debtors**

	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Due from donors, including accrued income	4,215	4,215	3,870	3,839
Amount due from subsidiary companies	–	511	–	1,340
Advances to partner organisations	452	414	1,612	1,435
Other debtors	854	325	1,214	225
Prepayments	303	254	243	236
	<u>5,824</u>	<u>5,719</u>	<u>6,939</u>	<u>7,075</u>

**13. Cash at bank and in hand**

Balances held by subsidiaries	1,943	–	1,144	–
Balances held by Country Office branches	603	603	845	845
Balances held by the Secretariat	8,389	8,389	12,762	12,762
	<u>10,935</u>	<u>8,992</u>	<u>14,751</u>	<u>13,607</u>

**14. Creditors falling due within one year**

Trade creditors	387	369	413	413
Due to partner organisations	353	353	–	–
Due to subsidiaries	–	117	–	44
Other creditors	518	295	456	402
Tax & social security	425	397	455	433
Accruals & deferred income	8,782	6,889	13,982	13,012
	<u>10,465</u>	<u>8,420</u>	<u>15,306</u>	<u>14,304</u>

**15. Deferred Income**

	<b>Group</b>	<b>Charity</b>
	<b>\$000</b>	<b>\$000</b>
Balance at 1 January 2010	12,763	11,818
Amount released to incoming resources	(12,763)	(11,818)
Amount deferred in the year	8,239	6,368
Balance at 31 December 2010	<u>8,239</u>	<u>6,368</u>

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

**16. Provisions for liabilities and charges**

A provision was made in previous years for amounts potentially payable for dilapidations under the obligations of the lease on the Charity's former offices at Queensberry House, Brighton. A settlement was reached with the landlord in January 2010. The amounts payable under the settlement, including costs, have been charged against the provision, and the balance has been released to the Statement of Financial Activities as an exceptional item.

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Balance at 1 January	–	1,300
Costs charged against the provision	–	(398)
Released to SOFA during year	–	(902)
Balance at 31 December	<u>–</u>	<u>–</u>

**17. Trustees' emoluments and reimbursed expenses**

No fees were paid to the Trustees.

Travelling and accommodation expenses for 10 Trustees for attendance at meetings amounted to \$35,265 (2009: \$53,176). The reduction in cost compared to 2009 was mainly because the April 2010 Trustees' meeting was held by teleconference, because of the Icelandic volcanic ash disruption to travel. No other transactions were entered into with the Trustees.

**18. Indemnity insurance**

The Charity maintains a directors' and officers' insurance policy both to protect itself and indemnify the Trustees from the consequences of any neglect or default on the part of the Trustees, employees or agents of the Charity. The cost of such insurance amounted to \$5,336 in 2010 (2009: \$3,651).

## 19. Auditors' remuneration

	2010	2009
	\$	\$
Fee for the statutory audit	56,032	55,748
Fees for other services:		
Grant audits	9,281	6,371
Country Office audit	–	–
	<u>–</u>	<u>–</u>
Total fees, excluding VAT	<u>65,313</u>	<u>62,119</u>

## 20. Analysis of net assets between funds

Fund balances at 31 December 2010 are represented by:

### GROUP

	Restricted \$000	Unrestricted \$000	Total \$000
Tangible fixed assets	–	457	457
Investments	–	–	–
Net current assets	–	6,294	6,294
Provisions	–	–	–
<b>Total net assets</b>	<u>–</u>	<u>6,748</u>	<u>6,748</u>

### CHARITY

Tangible fixed assets	–	457	457
Investments	–	–	–
Net current assets	–	6,291	6,291
Provisions	–	–	–
<b>Total net assets</b>	<u>–</u>	<u>6,748</u>	<u>6,748</u>

## 21. Limited liability

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

## 22. Taxation

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

## 23. Obligations under operating leases

At 31 December 2010 the group had non-cancellable lease commitments as shown below:

	2010 \$000	2009 \$000
Land and buildings	51	60
Within one year	578	385
Within one and five years	–	–
After five years	<u>–</u>	<u>–</u>

## 24. Note to the cash flow statement

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

	2010 \$000	2009 \$000
Net (outgoing) resources for the year	(331)	(3,363)
Unrealised exchange gains/(losses)	–	(120)
Less: investment income and interest receivable	(46)	(132)
Add back: depreciation charges (non-cash)	337	372
Add back: release of provision (non-cash)	–	(902)
Movements in working capital (see detail below)	(3,726)	(2,265)
Use of provisions	–	(398)
Loss on disposal of fixed assets	–	–
	<u>(3,766)</u>	<u>(6,808)</u>

Movements in working capital are as follows:

	Total 2010 \$000	Total 2009 \$000
Decrease/(increase) in stock	–	373
(Increase)/decrease in debtors	1,115	6,194
Increase/(decrease) in creditors	(4,841)	–
	<u>(3,726)</u>	<u>6,567</u>

## 25. Specific donor disclosures

### 25.1 Australian government: AusAID agreement 49083

The Charity received a total of AUS\$ 642,933 from the Australian government for the project *Quality technical support for civil society organisations working to mitigate the impact of HIV in the Asia Pacific Region*. The project ran from 15 March 2009 to 30 November 2010. Interest of US\$ 742 in total across financial years 2009 and 2010, equivalent to AUS\$ 864, was allocated to the fund. The table below shows the original budget and the actual costs in both the Australian dollar values reported to the donor and the equivalent US dollar values included within the Charity's financial statements. US\$ 195,094 of expenditure was incurred on the project in the year ended 31 December 2009 and US\$ 340,785 was incurred in the year ended 31 December 2010. Including the AUS\$ 864 of interest, there is a balance of AUS\$ 5,018 repayable to the Australian government.

	Australian Dollars AU\$		US Dollars USD	
	Budget AU\$	Actual AU\$	Budget US\$	Actual US\$
Objective 1: To establish an effective mechanism to provide timely, appropriate and meaningful technical support services to hub clients.	220,496	234,459	183,746	207,844
Objective 2: To build the capacity of a new cadre of technical support providers equipped to provide quality and comprehensive support.	151,297	108,941	126,081	73,373
Objective 3: To provide high quality technical support to targeted civil society organisations in the Asia Pacific region, with a focus on AusAID priority countries	245,661	193,944	204,717	175,523
Objective 4: To establish a regional platform/mechanism where the expertise of the Alliance and its partners can be synthesised and shared regionally (documentation and knowledge management)	25,480	101,436	21,234	79,139
	<u>642,934</u>	<u>638,780</u>	<u>535,778</u>	<u>535,879</u>

### 25.2 UK government Department for International Development: Poverty Impact Fund Grant PIF002

The Charity received GB£ 799,951 from the UK government's Department for International Development as the first instalment of a grant for the project *Reducing HIV-related maternal mortality in Kenya, South Sudan, Uganda and Kenya*. The project started on 1 October 2010 and runs until 30 September 2011. Interest of US\$ 632, equivalent to GB£ 400, was allocated to the fund. In the year ended 31 December 2010 US\$ 50,502 of expenditure, equivalent to GB£ 31,977, was incurred on the project.

# THANK YOU

The Alliance receives support from many contributors and would like particularly to thank the following:

## THE GOVERNMENTS OF:

United States (USAID)

United Kingdom (UKaid from the Department for International Development)

Sweden (Sida)

Netherlands (BUZA)

Norway (Norad)

Denmark (Danida)

Ireland (Irish Aid)

Australia (AusAID)

Switzerland (SDC)

## ALSO:

3 Diseases Fund

Big Lottery Fund

Bill and Melinda Gates Foundation

Commonwealth Foundation

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

European Commission

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Levi Strauss Foundation

MAC AIDS Fund

UNAIDS

UNFPA

United Nations Foundation

ViiV Healthcare Positive Action Programme

World Bank

World Health Organisation



A global partnership:  
**International HIV/AIDS Alliance**  
 Supporting community action on AIDS in developing countries



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## The Alliance is a global partnership that includes 37 Linking Organisations and Country Offices, seven Technical Support Hubs and an International Secretariat.

### Bangladesh

HIV/AIDS & STD Alliance  
 Bangladesh (HASAB)  
 hasab@bmail.net  
 www.hasab.org

### Belgium

Stop AIDS Alliance (Brussels)  
 mhart@aidsalliance.org  
 www.stopaidsalliance.org

### Bolivia

Instituto para el Desarrollo Humano (IDH)  
 idh@supernet.com.bo  
 www.idhbolivia.org

### Botswana\*\*

Botswana Network on Ethics, Law and HIV/AIDS (BONELA)  
 bonela@bonela.org  
 www.bonela.org

### Burkina Faso\*

Initiative Privée et Communautaire de Lutte Contre le VIH/SIDA au Burkina Faso (IPC)  
 ipcbf@ipc.bf

### Burundi

Alliance Burundaise Contre le SIDA (ABS)  
 allianceburundi@yahoo.fr

### Cambodia\*

KHANA  
 khana@khana.org.kh  
 osopheap@khana.org.kh  
 www.khana.org.kh

### Caribbean\*

Caribbean HIV/AIDS Alliance (CHAA)  
 bwilliams@alliancecarib.org.tt  
 www.caribbeanhivaidsalliance.org

### China

International HIV/AIDS Alliance in China  
 info@alliancechina.org  
 www.alliancechina.org

### Côte d'Ivoire

Alliance Nationale Contre le SIDA en Côte d'Ivoire (ANS-CI)  
 sdougrou@alliancecotedivoire.org  
 www.alliancecotedivoire.org

### Ecuador

Corporación Kimirina  
 kmontalvo@kimirina.org  
 www.kimirina.org

### El Salvador

Asociacion Atlacatl Vivo Positivo (Atlacatl)  
 info@atlacatl.org.sv  
 www.atlacatl.org.sv

### Haiti

Promoteurs Objectif Zerosida (POZ)  
 myrna.eustache@pozsida.org

### India\*

International HIV/AIDS Alliance – India Secretariat (New Delhi)  
 allianceindia@vsnl.com  
 jrobertson@allianceindia.org  
 www.allianceindia.org

The Humsafar Trust  
 humsafar@vsnl.com  
 www.humsafar.org

LEPRA Society  
 rangnadh@leprahealthinaction.in  
 www.leprahealthinaction.org

MAMTA Health Institute for Mother and Child  
 mamta@ndf.vsnl.net.in  
 www.mamta-himc.org

Palmyrah Workers Development Society (PWDS)  
 pwdscare@vsnl.net  
 www.pwds.org

Vasavya Mahila Mandali (VMM)  
 vasavya@cityonlines.com  
 www.vasavya.com

### Indonesia

Rumah Cemara (RC)  
 adit@rumahcemara.org  
 www.rumahcemara.org

### Kenya\*

Kenya AIDS NGO Consortium (KANCO)  
 aragi@kanco.org  
 www.kanco.org

### Kyrgyzstan

Anti-AIDS Association (AAA)  
 volvoxinkg@yandex.ru  
 chbakirova@gmail.com

### Malaysia

Malaysian AIDS Council (MAC)  
 contactus@mac.org.my  
 www.mac.org.my

### Mexico

Colectivo Sol  
 juanjacobo.hernandez@gmail.com  
 www.colectivosol.org

### Mongolia

National AIDS Foundation (NAF)  
 info@naf.org.mn  
 www.naf.org.mn

### Morocco

Association Marocaine de Solidarité et Développement (AMSED)  
 kademoumane@yahoo.fr  
 amsed.sante@hotmail.com  
 http://amsed.mtlds.com

### Mozambique

Mozambican Network of AIDS Service Organisations (MONASO)  
 monasosede@monaso.co.mz  
 www.monaso.org.mz

### Myanmar

International HIV/AIDS Alliance in Myanmar  
 aidsalliance@myanmar.com.mm

### Nigeria

Network on Ethics, Law, HIV/AIDS Prevention, Support and Care (NELA)  
 femisoyinka@yahoo.com  
 nelakasora@yahoo.com  
 www.nelanigeria.org

### Peru\*

Via Libre  
 vialibre@vialibre.org.pe  
 www.vialibre.org.pe

### Philippines

Philippines NGO Support Program (PHANSuP)  
 phansup@phansup.org  
 www.phansup.org

### Senegal

Alliance Nationale Contre le SIDA (ANCS)  
 ancs@ancs.sn  
 www.ancs.sn

### South Africa\*\*

The AIDS Consortium  
 info@aidsconsortium.org.za  
 www.aidsconsortium.org.za

### South Sudan

International HIV/AIDS Alliance in South Sudan  
 fbayoa@aidsalliance.org

### Switzerland

Stop AIDS Alliance (Geneva)  
 bjnieuwenhuys@stopaidsalliance.org  
 www.stopaidsalliance.org

### Uganda

Community Health Alliance Uganda (CHAU)  
 leonard.okello@allianceuganda.org

### Ukraine\*

International HIV/AIDS Alliance in Ukraine  
 office@aidsalliance.org.ua  
 www.aidsalliance.kiev.ua

### United Kingdom

International HIV/AIDS Alliance (International Secretariat)  
 mail@aidsalliance.org  
 www.aidsalliance.org

### USA

International HIV/AIDS Alliance (Washington)  
 nsakolsky@aidsalliance.org

### Vietnam\*\*

Supporting Community Development Initiatives (SCDI)  
 oanhkhuat@scdi.org.vn  
 www.scdi.org.vn

### Zambia

The Alliance for Community Action on Health in Zambia  
 jillianj@alliancezambia.org.zm

### Zimbabwe

The Zimbabwe AIDS Network (ZAN)  
 info@zan.co.zw  
 www.zan.co.zw

\*Regional Technical Support Hubs hosted here



For more information please contact [tshubs@aidsalliance.org](mailto:tshubs@aidsalliance.org)

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\*\* Joined in 2011