

Company No 1322161
(England and Wales)
Charity No 274260

Healthlink Worldwide
(A company Limited by Guarantee)
Report & Financial Statements
30 September 2004

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Legal and Administrative Details

For the Year Ended 30 September 2004

Status	The Organisation is a charitable company limited by Guarantee, incorporated on 20 July 1977 and registered as a charity on 15 September 1977.	
Governing Document	The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.	
Company Number	1322161 (England and Wales)	
Charity Number	274260	
Registered Office and Operational Address	Development House, 56-64 Leonard Street London EC2A 4JX	
Honorary Officers	Ms. Rebecca Macnair	Chair
	Mr. Prakash Kurup	Treasurer
	Mr. Douglas Soutar	Secretary
Executive Director	Bernard Trude	
Bankers	National Westminster Bank 1 Hatton Garden London EC1M 1DU	
Solicitors	Pitmans 47 Castle Street Reading RG1 7SR	
Auditors	HLB AV Audit PLC 66 Wigmore Street London, W1U 2HQ	

Report of the Council of Management

For the Year Ended 30 September 2004

The Council of Management presents its report and audited financial statements for the year ended 30 September 2004.

Legal and administrative information set out on page 2 also forms part of this report.

Aims and Objectives of the Charity

Healthlink Worldwide is a communication and information organisation that works in partnership with other organisations in developing countries to strengthen the local provision, use and impact of health communication and to support advocacy initiatives to increase participation and inclusion.

Strategic Objectives:

1. To work with partner organisations in developing countries to increase capacity to communicate more effectively concerning issues relating to health and disability and to improve the well-being of poor and vulnerable people.
2. To produce, manage and provide access to information relating to health and well-being of poor and vulnerable people in order to empower front-line workers, influence policy makers and allow Healthlink Worldwide to fulfil its mission.
3. To raise Healthlink Worldwide's public and professional profile by carrying out work which is related to and/or consistent with its mission, vision and values on a fee-paying basis. This should generate funds, which can be used to support areas of Healthlink Worldwide's work that are difficult to finance.
4. To cooperate with other groups and organisations, working to improve the health and well-being of poor and vulnerable people, particularly those involved in communications work.
5. To support and develop Healthlink Worldwide's institutional capacity to achieve strategic objectives 1 to 4.

Organisational Structure

Healthlink Worldwide is an association of its members and is governed by Council of Management, elected from amongst the members of the association.

The number of members of the Council of Management is between five (minimum) and fifteen (maximum). A third of the members of the Council of Management in any year will constitute a quorum at Council meetings held quarterly, unless otherwise determined.

Report of the Council of Management

For the Year Ended 30 September 2004

Council members are elected by the members of the Association at the AGM, including the election of the Council members to replace those retiring. One fifth of the members of the Council of Management retire at each Annual General Meeting. Retiring members are also eligible for re-election.

Members of the Council of Management

Members of the Council of Management, who are also trustees under charity law and who served during the year and up to the date of this report, are as follows:

Ms Rebecca Macnair	Mr Youssef Hajar (elected 3 June 2004)
Mr Prakash Kurup	Ms Liz Barnet (elected 3 June 2004)
Mr Douglas Soutar	Mr Christopher Zielinski (resigned 3 June 2004)
Mr Tim Martineau	Lord Nicolas Rea (resigned 3 June 2004)
Ms Mary Tamplin	
Mr Andrew Scheiner	
Ms I Biswas-Benbow	

The officers of the company throughout the year were as follows:

Ms Rebecca Macnair	Chair
Mr Prakash Kurup	Treasurer
Mr Douglas Soutar	Secretary

Healthlink Worldwide's staff are managed by the Executive Director and grouped into teams as follows:

- Programmes (PS)
- Communication, Development and Production (CDP)
- Information and Knowledge Systems (IKS)
- Finance and Administration (F & A)

Healthlink Worldwide also hosts and helps manage the Exchange Programme, a networking and learning programme on health communications. The CDP team now manages the consultancy arm of Healthlink Worldwide. A team head manages each team, which together with the Executive Director and the Director of the Exchange Programme form the senior management team.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees as at 30 September 2004 was 9 (2003 – 10).

Report of the Council of Management

For the Year Ended 30 September 2004

Related Parties and Connected Organisations

Healthlink Worldwide continues to collaborate with a wide range of other organisations pursuing similar goals.

Healthlink Worldwide, the Centre for International Child Health, Exchange and Handicap International are partners in Source – the International Information Support Centre on health and disability.

Healthlink Worldwide continued to sub-let offices to International Family Health and Malaria Consortium. The total amount received in respect of the rent from sub-letting for the year was £53,671.

Healthlink Worldwide's Executive Director is part of a group of 11 other directors of medium-sized international NGOs (DOMINGOS). This group exists for the purpose of exploring ways in which their organisations might work more closely together.

Healthlink Worldwide continues to be a member of the British Overseas NGOs in Development (BOND), the Association of Chief Executives of Voluntary Organisations (ACEVO), International Disability & Development Consortium (IDDC) and UK NGO Aids Consortium.

Review of Activities and Future Developments

Introduction

HLWW had a challenging but very successful year on several levels. The Council of Management approved our new strategy 'Participatory Communication in Action 2004-7'. This strategic framework positions the organisation within the context of communication for social change, participatory communication and the rights approach. It also incorporates a programmatic approach, evidence-based work and a commitment to HLWW becoming a learning organisation. We have a clear organisational focus combined with a substantial programme of work and a skilled and committed staff team. We have started to diversify our funding base although we still carry a low reserve position which still needs to be addressed. Part of the strategy to change our financial base has been to develop a consultancy programme which has already resulted in significant income to cover our core costs and less reliance on grant funding.

Organisational Structure and AGM

- There was a significant restructure to ensure we can deliver the organisational strategy and make the organisation more sustainable which included: restructuring programmes into two teams: Africa and Latin America as one and Asia and Middle East as the other; the creation of a Communication Development & Production (CDP) team, responsible for consultancies, development of communication, production and unrestricted fundraising, and a training programme; the creation of Information & Knowledge Systems (IKS), which emerged from a need to manage the significant developments in information and knowledge management and increased use of HLWW websites, e-forums and electronic materials from Source.

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For the Year Ended 30 September 2004

The structural changes also included the strengthening of a Senior Management Team, which is now actively planning together, introducing systematic processes, and linking strategic and operational planning to income streams.

- There were significant staff changes: the Head of Finance, Office Manger and Administrative Assistant resigned and a Regional Link Coordinator was made redundant. We successfully recruited a temporary Head of Finance and an Office Manager. The new Heads of Programmes for Africa and Asia posts were filled through internal promotions, as were the Head of Information and Knowledge Systems, three Programme Managers and one Programme Officer. A new post of Programme Manager for Africa was recruited externally along with a Training Programme Coordinator and temporary Programme Assistant. A Source Coordinator, full-time Web Communications Coordinator, Disability Policy Officer, Information Systems Assistant and Administrative Assistant were recruited externally and two new roles created – Information Officer and Web Communications Producer (Exchange) – into which existing staff have moved. A Documentation and Learning Coordinator was recruited and based at the SIPAA (Support to International Programme Against AIDS in Africa) regional office in Nairobi, to lead on our input into this consultancy.
- At our AGM this year our keynote speaker came from one of our projects. The speaker, Annet Biryetega, is the Coordinator for The National Community of Women Living with HIV/AIDS (NACWOLA), which is the only organisation in Uganda run by and for women living with HIV/AIDS. The aim of NACWOLA is to improve the quality of the life of HIV-positive women and their families. Annet shared with us some of her experiences.

Programme Development

- There has been significant progress in our HIV/AIDS work. This includes developing child-centred approaches to HIV/AIDS; working with disabled people and HIV/AIDS; working on inclusion, challenging stigmatisation and memory work. There were also many initiatives to promote and build capacity of partners in a range of media and to promote the use of communication for social change and promotion of rights.

A major achievement over the last year was the signing of a £1 million contract over four years with Comic Relief to support the expansion of memory work in Africa – the International Memory Project. This project works directly with NACWOLA in Uganda and will expand their successful 'memory work' to Tanzania, Zimbabwe and Ethiopia, and support learning about the approach in Kenya. The project will work with families where one or more of the parents is living with HIV/AIDS, providing support to parents so they can do the best for their children. Memory work and training includes practical guidance on communication and planning to make the future more secure through: planning to meet basic needs; reinforcing a sense of belonging; identifying guardians; helping ensure the continuity of family history, identification and lineage; the reduction of self-stigma and discrimination; and promoting appropriate distribution of property/assets.

Over the four years, we will be supporting training with partners, working with them to establish the memory project in their communities, and leading on the documentation of learning from the project throughout the region.

Report of the Council of Management

For the Year Ended 30 September 2004

- The four-year Child-centred approaches to HIV/AIDS project came to an end with a successful process of reflection and external evaluation. There were also many initiatives to promote and build capacity of partners in a range of media to use communication more strategically including using communication for social change and promotion of rights.
- Our 'Communicating for Advocacy' programme included working with disabled people's organisations on a range of initiatives, for example in a successful experiential exhibition called 'Seeing in the Dark' in Bangladesh, which resulted in a huge media and a government response. We have also been working with young people on HIV/AIDS and advocating for more effective sexual and reproductive polices and facilities. The innovation in project work has led to independent regional networks emerging especially in the advocacy and disability work, which in turn has resulted in projects gaining momentum and sustainability outside of Healthlink's input.
- Lobbying and advocacy work in the UK was highly successful with the organisation of two MP briefings with partners and significant input from Healthlink Worldwide in collaboration with our Palestinian Partners to the International Development Select Committee Enquiry into aid in Palestine.
- Several Healthlink Worldwide staff attended the International HIV/AIDS Conference in Bangkok and presented a number of abstracts with partners on child-centred approaches to HIV/AIDS, memory work, and disabled people and HIV/AIDS. The trip also involved intensive meetings with representatives from a major consultancy we are working on and identifying potential opportunities for further collaboration. Other networks met and sought to develop understanding of each other's ways of working. The trip also resulted in a successful meeting under the theme '*HIV/AIDS – Communicating our Experience*' with 15 of our partner organisations.
- The Head of Programmes – Africa was elected Chair of the UK Consortium on AIDS and International Development for one year, and other staff are becoming more active in some of the working groups of the Consortium, including the orphans and vulnerable children working group and the HIV mainstreaming working group. Healthlink Worldwide also has representatives on the Health Information Forum, BOND disability group, the Association of Health Information and Libraries Africa and Domingo.

Diversifying the funding base

- To raise funds for core costs and for investing in new areas of work, we embarked on a significant expansion of our consultancy work. In 2003/4 the consultancy programme focused on securing large international consultancies that created opportunities for new and innovative work and funded several posts. This also resulted in the creation of cross-organisational delivery teams. This experience is being used to produce updated consultancy systems and procedures for 2004/5. A challenge is to be able to respond quickly to consultancy opportunities, while ensuring capacity to deliver without disrupting scheduled work. Healthlink is slowly developing a substantial portfolio of consultancy work and developing a good reputation for quality and delivery on time. Two significant consultancies this year include:

The Disability Knowledge & Research Programme, funded by DFID. This consultancy, in collaboration with the University of East Anglia (Overseas Development Group), is designed to generate knowledge

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For the Year Ended 30 September 2004

to support improved disability-related policies and practice, as well as facilitating better methods to increase the influence of poor people on the policy agenda. Healthlink Worldwide has a role in the programme management group, and responsibility for the Disability Policy Project, which included the placement of a Policy development Officer in the London DFID office. Healthlink Worldwide also manages the knowledge and communication component, which includes newsletter production, and managing the website and e-forums with Source overseeing the information and knowledge management. We convened a regional roundtable in Malawi, with a corresponding e-forum, and are planning two more, in India and Cambodia. These will provide a space for discussion and dialogue between policy makers and practitioners, including disabled people's organisations, in identifying gaps in current research. The physical meetings will be supported by further e-forums, hosted by Dgroups. In addition to the work funded through the consultancy, a project was funded from the KaR programme, called *Increasing Access to Disability Information*, designed by Source and jointly managed with Handicap International.

Support to International Partnership against AIDS in Africa (SIPAA) – This programme is managed by ActionAid Africa and funded by DFID as part of the broader support it is giving to the International Partnership against AIDS in Africa (IPAA). IPAA is led by UNAIDS to mobilise and support an 'extraordinary' response to HIV/AIDS in Sub-Saharan Africa. The African countries involved include: Burundi, Ethiopia, Ghana and Rwanda and the more recent additions of Cameroon, Lesotho, Nigeria, Swaziland and Tanzania, with Kenya and Uganda as the key 'learning' countries. Programme activities are being implemented and coordinated within each partner country under the leadership of the National AIDS Councils (NACs).

Healthlink Worldwide was contracted by ActionAid to deliver the documentation and learning component of SIPAA, which includes the following activities, designed to meet country-level needs and build capacity of NAC staff:

- **Information and knowledge management** – including five country-level information needs assessments, technical support in setting up resource centres, one resource centre training for English-speaking participants and one for French-speaking participants .
- **Capacity building in communication** – three workshops were delivered using Quest (see Quest detail below).
- **Support to inter-country learning exchanges** – to develop a learning network that would be supported by a number of learning forums. One issue of a newsletter in French and English was produced and two more newsletters and a learning publication and resource lists on key topic areas are scheduled for 2004/5.

The implementation of Quest, a communication framework and tool

- Healthlink Worldwide has successfully packaged a communication method called Quest, which at its simplest application can be used to build communication capacity, and at its most complex can be used as an organisational development tool. Quest is underpinned by the principles of social justice, equity, local ownership, participation and empowerment.
- During 2003/4, four Quest workshops were delivered: two on developing strategic communication (one in English and one in French), one on resource centre development, and one on newsletter/communications development.

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For the Year Ended 30 September 2004

- The Quest manual and supporting materials called 'How Tos' were produced in December 2003. Since then, different models for translation and adaptation have emerged; in Palestine workshop participants formed a working group and translated it into Arabic, a lead group member in Guatemala secured funding and translated it into Spanish, and a workshop in Burundi highlighted the need to translate key excerpts into French, which has also been completed.
- We also developed a 'lead group' for Quest. This is a team of 15 experienced, international facilitators from Cambodia, Egypt, Gambia, India, Kenya, Nicaragua, Palestine, the Philippines, the UK and Zimbabwe. This group will help guide the strategic development of Quest work in the UK and overseas. A workshop for the lead group, which was funded by the Exchange programme, took place in July 2004 and enabled participants to engage with the framework and investigate new applications of Quest.

Source International Information Support Centre

- Source (www.asksource.info) is the result of collaboration between the Institute for Child Health, Handicap International and Healthlink Worldwide. This year saw Exchange become the fourth member of the Source consortium. Source is a key point of access to up-to-date, relevant information on international health and disability. Through its physical collection and online databases it makes available over 25,000 resources relating to the management, practice and communication of health and disability. Many materials originate from developing countries and include both published materials, and unpublished (grey) materials that are not easily available elsewhere.

Recent developments include Quick Lists, which highlight key resources on central topics such as HIV/AIDS communication, impact assessment, mainstreaming disability, and communicating for advocacy. A redesign of the online databases has resulted in a more dynamic and user-friendly system, and over 1000 new resources have been added, with over half of these available to download in full from the web. The Healthlink Worldwide Resource Centre Manual, which explains how to set up and manage a resource centre, has been updated and the second edition translated into French and Arabic. It has been used as the basis for two SIPAA workshops supporting the development of national and decentralised resource centres in Africa.

Electronic Communication

- Electronic communication is becoming a standard part of the organisation's communication-mix in the form of websites, CD-ROMs, electronic databases, on-line materials and the recent introduction of e-forums. For example, an electronic knowledge hub on HIV/AIDS and early childhood development is designed and hosted by Source and feeds resources identified and reviewed by Exchange from the Source databases directly into the Bernard Van Leer website. An e-communications needs assessment has been carried out working with partners in Kenya and Zimbabwe to help inform how Healthlink Worldwide can best respond to capacity development needs of partners and others in the coming year.

Communication production within Healthlink Worldwide

- There were 28 printed materials produced during the year. These included corporate communication and marketing materials such as the Annual Review and the new Healthlink

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For the Year Ended 30 September 2004

Worldwide services document, materials for the International HIV/AIDS conference including nine poster presentations for Healthlink and partner organisations, and the first edition of the Healthlink/Exchange newsletter *Link*. Other publications were for consultancy programmes including the Disability KaR project newsletters; and a translation of the Resource Centre Manual into French for one of the SIPAA workshops. HLWW continued to support development of partner and grant programme publications, including contracting out work on the Memory Work Trainers Guide, and support to KANCO, one of our NGO partners in Kenya, on the development of their Access to HIV/AIDS Treatment publication.

Finance and Administration

- Finance systems – There has been a great deal of activity during the year in contributing to the development of budgets for grant and consultancy projects, monitoring project budgets to input information onto the system, and assisting in the preparation of financial reports. The Finance team led on designing an internal budget process that provides adequate detail of how income is allocated into each team and against deliverables in order to separate restricted and unrestricted income. We have also introduced a budget review, at the mid-financial year point.
- The office move – We have successfully extracted Healthlink Worldwide from significant liabilities on its lease at Cityside and secured a much improved open plan office accommodation in Development House at Old Street, on a more flexible lease. The office move has also resulted in Healthlink Worldwide joining several other like-minded NGOs who have also moved to the building, which is owned and managed by the Ethical Property Company. We also updated our servers and developed a centralised filing system.

Exchange Programme

Exchange is a networking and learning programme that promotes effective health communication. There is a focus on health communication and it serves as a useful case study and knowledge generator on effective approaches that can be applied to other areas of development communication. The lessons being drawn by the most effective experience in health communication are applicable in many other settings and sectors. The Exchange Programme is hosted by Healthlink Worldwide and funded by DFID.

The past 12 months have been largely a consolidation period, bringing together some of the work of the first phase of operation for the programme and setting out a significant scaling up of activities for the second phase, which both recognises and acknowledges the input from its partners from the South and the North. It has designed a programme that meets the funders' strategic, programme and financial objectives.

Exchange has engaged with many intermediary organisations in the South that reach out to wider networks of health and development communication practitioners and policy makers to stimulate global and local dialogues, and encourage reflection processes and sharing of learning. Local partners have been involved in analysis of effective communication processes, to enable their voices to be more widely heard and their experiences more widely shared in international and national policy dialogues. The following highlight key activities for the year:

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For the Year Ended 30 September 2004

- **Sharing lessons learned** – 10 lunchtime discussions in the UK, reaching some 300 UK-based health communication practitioners; support for the Communication Initiative communication vehicles to reach more than 50,000 development communication practitioners worldwide; new materials in print and on the Exchange website on HIV/AIDS communication, learning processes, culture and communication and partnerships about effective health communication
- **Involving Southern-based organisations** – support for workshops, dialogue and reflection sessions in Burundi, Ethiopia, Ghana, Kenya, South Africa, Thailand, and Zambia; seed grants to Southern organisations in Latin America, Africa and Asia to document learning, increase their reflection and analysis, and share their learning and experience more widely; support to two major African NGOs, KANCO and AfriAfya in Kenya, to improve analysis and understanding of communication activities at grassroots level.
- **Increasing the health communication capacity** – facilitation of a Quest lead group of international facilitators; developing a training manual and improving a WHO sponsored course on community level communication; work with Health Unlimited to strengthen learning processes around their communication and advocacy work with indigenous populations; a joint activity with OneWorld Radio to ensure that radio programming on HIV/AIDS is relevant and reliable.
- **Building strategic approaches** – inputs into UNICEF social change and rights-based communication programmes around HIV/AIDS in Ethiopia and Zambia; advising WHO on communication approaches with its 3x5 programme to roll out antiretroviral therapy; working with Healthlink Worldwide and the Liverpool School of Tropical Medicine's Malaria Knowledge Programme and the Disability Knowledge and Research Programme based at the University of East Anglia to develop strategies for communicating research; consistent inputs into DFID policy discussions and papers, including communication on HIV/AIDS and antiretroviral therapy, impact evaluation, research strategy and approaches for training on communication for development approaches.

Significant organisational learning

- Our experience of consultancy work to date has raised several challenges around being responsive enough and having the capacity to deliver to tight deadlines. Internally we intend to develop criteria for selection of consultancies that recognise the need to generate significant income as well as other strategic reasons for developing particular consultancies. We also need to revise current systems and procedures within the consultancy programme in order to develop project budgeting systems and monitor income and expenditure.
- Healthlink Worldwide needs to take a more critical, longer-term approach to grant funding and plan across three year funding cycles. We need to ensure there is adequate cost breakdown on all activities with accurate reporting on over- and under-spends. We also need to push for full cost recovery wherever possible.
- The changing nature of projects, where Healthlink Worldwide is taking a larger role in the coordination, delivery and capacity development, is having an implication on staffing and resources. In particular, it is raising the need for administrative and logistical to support Programme staff, which increases overheads. We have not resolved this completely but we do have a structure that can accommodate lead and support roles.

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For the Year Ended 30 September 2004

- We are working on methods for a more systematic and robust approach to monitoring, reflection, evaluation and learning, which includes analysing the impact of activities at different levels and then documenting that learning. This is a challenge for partners as well as Healthlink Worldwide because it is a critical point of learning for all parties. It should ultimately generate reflection and better strategic thinking and planning. In our view this can only improve effectiveness and have a greater impact for both parties. It is also critical for us to gather 'evidence' to support our various claims and hypothesis. For example we believe that development practice should become more participatory for the people directly affected by the intervention. We should therefore be able to demonstrate that this is of value and actually happens in our projects. We also have a responsibility to challenge and change ineffective practice and record and promote the things that do work.

Financial Review and Reserves Policy

Total incoming resources rose 22% from the previous year to £2,635,070. Of this, £554,262 was unrestricted, an increase of 87% over 2002/3, largely due to the larger portfolio of consultancy work. Total expenditure was £2,530,233, up 14% from the previous year.

The Council of Management's approved reserves policy is to hold reserves equivalent to three-months'-worth of expenditure with reference to the total recent annual expenditure recorded. Total unrestricted expenditure for the year excluding rental costs received from subletting is £517,243; three months' equivalent will amount to £129,311. The Council of Management considers that this level of reserves will provide sufficient resources to enable the charity to respond to any unexpected adverse changes in the charity's funding or activities.

Total unrestricted reserves as at 30 September 2004 are £13,699 indicating that reserves are below the expected level by 89%. This is primarily due to the cost of the office move and the associated "one-off" costs. The budget for the year to September 2005, projects a surplus of £20,000 largely due to the anticipated increase in consultancy income from less than 20% in 2003/4 to 25% in 2004/5. It is planned to build the proportion of consulting income to 25% to 30% over the next two years to enable Healthlink to attain target reserves by 2007.

Grant Making

Healthlink Worldwide is not a grant-making body. However, it facilitates the transfer of funds from donors to its partners in developing countries. These partners are selected according to a number of criteria, including:

- Matching of mission and values
- Capacity and experience in the activity area
- Track record and reputation
- Availability of time and resources
- Availability of other income sources
- Clear employment policies relating to people from vulnerable groups.

Report of the Council of Management

For the Year Ended 30 September 2004

Joint proposals are made for funds with these partners and subsequent transfers are made to partner organisations according to the terms of funding agreements with donor agencies.

Investment Policy

The existing policy is to invest funds in readily accessible bank deposit accounts so that they are available as and when required. The majority of cash held at year-end relate to restricted funds.

Risk Analysis and Management

The Council of Management is aware of its responsibility to provide a statement outlining the major risks faced by the charity and steps taken to mitigate those risks.

- Healthlink Worldwide has addressed risk analysis to some extent but now needs to take this further. The organisation carried out a comprehensive risk assessment exercise a few years ago. Risk analysis did not become part of the annual review until last year when a risk report was developed stating each risk and what had been done during the year to mitigate against them. We then added a risk scoring system as a way of comparing and weighting the risk. This provided an overview of all the risks facing the organisation and rated their impact.

We are now organising the risk analysis report into four sections, with each section managed by relevant expertise in the organisation, which will provide different perspectives. The four categories are:

1. **Governance:** The risks will be identified and managed by the Board who will review this section of the risk report annually.
2. **Financial:** The risks will be identified and managed by the Treasurer, the Director and the Head of Finance. The quarterly management accounts will include a risk update as well as including the full update in the annual risk report. We will review the financial risks in a larger grouping as part of the annual planning away day.
3. **Strategic:** The risks will be identified and managed by the Director, the senior management team, and one member of the Board. They will be reviewed as part of the strategy away day and will complete this section of the risk report annually.
4. **Operational:** The risks will be identified through the whole staff team and managed by two senior managers who will complete this section of the risk report annually. Part of the review process will include a session at the annual planning away day.

Responsibilities of the Council of Management

Company law requires the Council of Management to prepare Financial Statements for each financial year, which gives a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these Financial Statements the Council of Management are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent

Report of the Council of Management

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- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

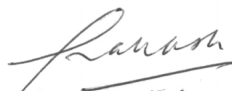
Auditors

HLB AV Audit plc was re-appointed as Healthlink Worldwide's auditors during the year. The company has expressed its willingness to continue to carry out such work in the future. In accordance with section 385 of the Companies Act 1985, a resolution proposing that it will be re-appointed will be put forward at the next Annual General Meeting.

Approved by the Council of Management and signed on its behalf by:



R Macnair
Chair



P Kurup
Treasurer

17 February 2005

Independent Auditors Report

For the Year Ended 30 September 2004

We have audited the financial statements of Healthlink Worldwide for the year ended 30 September 2004, which comprise Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or the opinions we have formed.

Respective Responsibilities of the Council of Management and Auditors

The Council of Management (who are also directors of Healthlink Worldwide for the purpose of company law) carries responsibilities for preparing the Council of Management's Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Council of Management Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Council of Managements' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council of Managements' remuneration and transactions with the company is not disclosed.

We read other information contained in the Council of Managements' report and considered whether it was consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An Audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other

Healthlink Worldwide
(A company limited by guarantee)

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

For the Year Ended 30 September 2004

	Note	Restricted £	Unrestricted £	2004 Total £	2003 Total £
Incoming resources					
Donations	2	-	55,906	55,906	43,459
Programmes/CDP Activities	3	1,604,341		1,604,341	1,352,909
Exchange Programme	3	476,467	-	476,467	519,950
Consultancy		-	397,243	397,243	165,467
Activities for generating funds					
Rental Income		-	53,671	53,671	45,426
Investment Income		-	2,795	2,795	3,447
Other Income		-	44,647	44,647	26,126
Total incoming resources		<u>2,080,808</u>	<u>554,262</u>	<u>2,635,070</u>	<u>2,156,784</u>
Less: Costs of generating funds					
Rental Costs		-	53,671	53,671	45,426
Fundraising Costs		-	28,849	28,849	39,609
Net Incoming Resources available for Charitable application		<u>2,080,808</u>	<u>471,742</u>	<u>2,552,550</u>	<u>2,071,749</u>
Charitable expenditure					
Cost of activities in furtherance of the charity's objects:					
Programmes/CDP Activities		1,389,644	115,672	1,505,316	1,365,902
Exchange Programme		478,247	-	478,247	533,230
Consultancy		-	271,444	271,444	90,034
Support Costs		91,428	60,952	152,380	116,288
Management and Administration		-	40,326	40,326	28,552
Total charitable expenditure	4	<u>1,959,319</u>	<u>488,394</u>	<u>2,447,713</u>	<u>2,134,006</u>
Total resources expended		<u>1,959,319</u>	<u>570,914</u>	<u>2,530,233</u>	<u>2,219,041</u>
Net Movement in funds		121,489	(16,652)	104,837	(62,257)
Funds at 1 October 2003		<u>289,465</u>	<u>30,351</u>	<u>319,816</u>	<u>382,073</u>
Funds at 30 September 2004		<u><u>410,954</u></u>	<u><u>13,699</u></u>	<u><u>424,653</u></u>	<u><u>319,816</u></u>

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Healthlink Worldwide
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Balance Sheet


As at 30 September 2004

	Note	£	2004 £	2003 £
Fixed assets				
Tangible Assets	9		61,987	69,838
Current assets				
Debtors	10	544,126		292,239
Cash at bank and in hand		<u>62,846</u>		<u>121,123</u>
		606,972		413,362
Creditors: amounts falling due within one year	11	<u>(244,306)</u>		<u>(163,384)</u>
Net current assets			362,666	249,978
Net assets			424,653	319,816
Funds				
Restricted funds	12		410,954	289,465
Unrestricted funds				
General funds			<u>13,699</u>	<u>30,351</u>
Total funds	13		424,653	319,816

Approved by the Council of Management on 17 February 2005 and signed on its behalf by



R Macnair
Chair



P Kurup
Treasurer

Notes to the Financial Statements

For the Year Ended 30 September 2004

1. Accounting Policies

a) Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with the statement of Recommended Practice (SORP), Accounting and Reporting by Charities, published in October 2000 and applicable accounting standards.

b) Incoming Resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Volunteer time is not included in the financial statements.

Grants are recognised in full in the statements of Financial Activities in the year in which they are receivable.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.

c) Resources expended

All expenditure is accounted for on an accruals basis. The costs of distributions to partner organisations, costs of generating funds, network and learning, consultancy and administrative costs comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a cost basis.

The costs of generating funds relate to the costs incurred by the charitable company in raising funds for charitable work.

Support costs comprise all services supplied centrally, identifiable as wholly or mainly in support of the charitable objectives, and include an appropriate proportion of general overheads.

Central overheads are allocated to operational fundraising, support costs and administrative functions on the basis of their use of central support services.

Management and administrative costs relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

d) Depreciation is provided on all tangible fixed assets in order to write off the cost, by equal annual instalments over their expected useful lives.

The rates adopted are as follows:

Computer Equipment	20%
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Notes to the Financial Statements

For the Year Ended 30 September 2004

Fixtures and Fittings	10% - 25%
Office Furniture and Equipment	25%

Items of equipment are capitalised where the purchase price exceeds £50.00. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

e) Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund accordingly.

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Council of Management in furtherance of the general charitable objectives.

Designated funds are unrestricted funds that have been put aside at the discretion of the Council of Management for particular purposes.

f) Rentals payable under operating leases are charged against income on straight-line basis over the lease term.

g) The pension costs charged in the financial statements represent the contributions payable by the charity during the year in accordance with FRS 17.

Healthlink Worldwide
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Notes to the Financial Statements

For the Year Ended 30 September 2004

2. Donations

(unrestricted)

	Restricted	Unrestricted	2004 Total	2003 Total
	£	£	£	£
Trusts	-	20,350	20,350	-
Individuals	-	33,896	33,896	42,715
Corporate and other	-	1,660	1,660	744
Total	-	55,906	55,906	43,459

3. Programmes/CDP activities

	Restricted		Unrestricted	2004 Total	2003 Total
	Exchange Programme	Programmes/ CDP Activities		£	£
		£	£	£	£
UK Government (DFID)	476,467	990,950	-	1,467,417	1,267,101
Other UK Agencies	-	379,634	-	379,634	465,645
International Agencies	-	232,534	-	232,534	135,113
Non-UK Government	-	1,223	-	1,223	5,000
	476,467	1,604,341	-	2,080,808	1,872,859

Healthlink Worldwide
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Notes to the Financial Statements
For the Year Ended 30 September 2004

4. Charitable Expenditure

	Partner Support/ Communications Development & Production	Exchange	Consultancy	Support	Management & Administration	2004	2003
	£	£	£	£	£	£	£
Staff and staff related costs (note 7)	261,854	194,730	148,285	113,019	21,993	739,881	636,243
Communications/Information printing and publication, resources	23,302	22,303	20,670	8,698	1,692	76,665	67,071
Travel	6,768	1,957	7,746	3,021	-	19,492	19,199
Distributions to partner organisations (note 5)	38,183	23,735	26,905	3,482	-	92,305	71,545
Project activity costs	1,086,721	166,663	-	-	-	1,253,384	1,065,083
Audit and professional fees	42,085	40,360	41,950	3,607	702	128,704	184,425
Property costs	1,250	-	-	2,383	12,403	16,036	10,396
Depreciation	37,643	24,903	21,487	16,674	3,245	103,952	63,533
	7,510	3,596	4,401	1,496	291	17,294	16,511
Total Charitable Expenditure	1,505,316	478,247	271,444	152,380	40,326	2,447,713	2,134,006

Healthlink Worldwide
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Notes to the Financial Statements
For the Year Ended 30 September 2004

5 Distributions payable to Partner Organisations.

	2004	2003
	£	£
Southern Africa:		
South Africa AIDS Information Dissemination Services	61,299	60,110
SAFOD	30,857	-
Family Aids Caring Trust	92,653	72,768
Other distributions in South Africa and other Regions	60,129	-
East/West Africa:		
Kenya AIDS NGO Consortium	4,780	13,010
AIDS Care Education Training	2,808	4,897
National Community of Women Living with HIV/AIDS	1,701	10,027
National Community of Women Living with HIV/AIDS-Pallisa	7,134	-
Child to Child Trust UK	1,534	9,094
Mother's Welfare Group	38,120	-
Other distributions in East/West Africa	1,478	19,126
Middle East:		
Primary Health Care Course	376,696	342,187
Union of Palestinian Medical Relief Committees	-	5,000
Health Development Information Policy Institute	49,373	28,052
Gaza Community Mental Health Programme	57,261	26,468
South - East Asia:		
Health Action International Network	38,821	15,660
Cambodia Health Media Service	32,962	7,018
Social Assistance and Rehabilitation of the Physically Vulnerable	22,570	13,308
South Asia:		
Amar Jyoti Charitable Trust	-	(2,834)
Christian Medical Ass. Of India (CMAI)	34,566	26,277
Blind People's Association of India	-	(2,833)
CHETNA	1,300	9,920
Latin America:		
Calandria/ABIA	80,419	82,299
Prodesca	90,260	92,870
Stephane Gue	-	16,133
SIDA - STUDI	-	3,746
Alberto Tovas Wertheimer	-	1,187
North America:		
Communication Initiative	37,499	35,000
Europe:		
International Network for Advancement of Scientific Publications	20,000	38,500
Distributions to other institutions	109,164	138,093
Total distributions payable Partner Organisations	1,253,384	1,065,083

Notes to the Financial Statements

For the Year Ended 30 September 2004

6. Net movement in funds

This is stated after charging / crediting:

	2004	2003
	£	£
Depreciation	17,294	16,511
Council of Managements' Reimbursed Expenses	778	280
Auditors' Remuneration:		
Audit (Current year)	6,750	6,000
Under accrued (previous year)	1,228	2,164
Project Audit	1,250	2,232
Operating Lease Rentals:		
Property	93,592	85,976
Other	6,740	6,740
	<u>6,740</u>	<u>6,740</u>

Expenses reimbursed to members of the Council of Management represents the reimbursement of travel costs to 1 member of the Council of Management for attending meetings during the year (2003:1). None of the members of the Council of Management receive any remuneration.

7. Staff Costs and Numbers

Staff costs were as follows:

	2004	2003
	£	£
Salaries and Wages	600,823	518,442
Social Security Costs	62,211	51,594
Pension Contributions *	36,135	32,781
Staff training, recruitment and other staff costs.	40,712	33,425
	<u>739,881</u>	<u>636,242</u>

*

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge shown above represents contributions payable under the scheme by the charity to the fund.

No employee earned more than £50,000 during the year.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2004	2003
	No	No.
Programmes	6	7
Communication, Development and Production	3	2
Information and Knowledge Systems	4	4
Exchange	3	3
Fundraising and Consultancy	3	3
Finance and Administration	5	4
	<u>24</u>	<u>23</u>

8. **Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9. **Tangible Fixed Assets**

	COMPUTER EQUIPMENT £	FIXTURES & FITTINGS £	OFFICE EQUIPMENT £	Total £
COST				
At 1 October 2003	44,999	79,295	15,981	140,275
Additions in Year	<u>7,974</u>	<u>-</u>	<u>1,469</u>	<u>9,443</u>
At 30 September 2004	<u>52,973</u>	<u>79,295</u>	<u>17,450</u>	<u>149,718</u>
DEPRECIATION				
At 1 October 2003	19,207	36,551	14,679	70,437
Charge for the Year	<u>9,378</u>	<u>7,101</u>	<u>815</u>	<u>17,294</u>
At 30 September 2004	<u>28,585</u>	<u>43,652</u>	<u>15,494</u>	<u>87,731</u>
NET BOOK VALUE				
At 30 September 2004	<u>24,388</u>	<u>35,643</u>	<u>1,956</u>	<u>61,987</u>
At 30 September 2003	<u><u>25,792</u></u>	<u><u>42,744</u></u>	<u><u>1,302</u></u>	<u><u>69,838</u></u>

All tangible fixed assets are used to fulfil the objectives of the charity.

10. **Debtors**

	2004 £	2003 £
Project Debtors	387,303	240,690
Consultancy Debtors	141,600	12,728
Other Debtors	12,248	8,131
Prepayments	<u>2,975</u>	<u>30,690</u>
	<u>544,126</u>	<u>292,239</u>

11. **Creditors : Amounts Falling Due Within One Year**

	2004 £	2003 £
Project Creditors	134,705	106,977
Other Taxation & Social Security	29,201	19,730
Accruals	52,377	8,500
Other Creditors	<u>28,023</u>	<u>28,177</u>
	<u>244,306</u>	<u>163,384</u>

12. Restricted Funds

	At 1 October 2003 £	Incoming Resources £	Outgoing Resources £	At 30 September 2004 £
Restricted Funds:				
Programmes/CDP activities				
Enhancing HIV/AIDS Communication	43,076	221,661	191,002	73,735
Inclusive Communication for Disability	17,960	133,334	75,901	75,393
CCATH *	26,005	26,268	33,364	18,909
ICW * (Memory Book Project)	24,100	20,833	22,903	22,030
SFAH - OVC *	-	9,220	8,661	559
SOAK - OVC *	-	55,320	45,514	9,806
PHCM * (Phase 2)	27,361	471,952	421,209	78,104
Strengthening Civil Society in Palestine	14,207	90,438	78,073	26,572
Training to strengthen Civil Society	5,006	69,877	54,869	20,014
Communication for Advocacy	15,886	93,321	108,488	719
Others	10,657	20,000	22,444	8,213
Rural responses to HIV/AIDS	2,937	154,239	151,519	5,657
HIV & Disability	7,322	1,654	7,022	1,954
Strengthening HIV/AIDS Prevention and Care Initiatives (Peru & Brazil).	2,386	81,177	81,522	2,041
Travelling HIV/AIDS Education Circus	7,326	104,197	109,240	2,283
Strengthening the voice of vulnerable groups in India	594	50,850	45,023	6,421
Exchange	84,642	476,467	502,565	58,544
Total Restricted Funds	289,465	2,080,808	1,959,319	410,954

Note:

- * Please refer to Glossary on pages 21 to 22
- Others - refer to smaller amounts received from various sources.
- Outgoing resources above include a proportion of support costs where permitted by the donor

Programmes

The Programmes team is established to work with organisations in developing countries to increase capacity to communicate more effectively, concerning issues relating to the health and well being of poor and vulnerable people.

Communication, Development and Production - Formerly Information, Production and Management.

The CDP team is established to produce, manage and provide access to information relating to the health and well-being of poor and vulnerable people in order to empower frontline workers, influence policy makers and support Healthlink Worldwide to fulfil its mission.

Exchange

The Exchange team is established to co-operate with other groups and organisations working to improve the health and well-being of poor and vulnerable people, particularly those involved in communications work.

13. **Analysis of Net Assets Between Funds**

	Restricted Funds	General Funds	Total Funds
		£	£
Tangible Fixed Assets	-	61,987	61,987
Current Assets	551,098	55,874	606,972
Current Liabilities	(140,144)	(104,162)	(244,306)
Net Assets as at 30 September 2004	<u>410,954</u>	<u>13,699</u>	<u>424,653</u>

14. **Operating Lease Commitments**

The charitable company had annual commitments under operating leases expiring as follows:

	Property		Equipment	
	2004	2003	2004	2003
	£	£	£	£
2 - 5 Years	<u>93592</u>	<u>85,976</u>	<u>-</u>	<u>6,740</u>

Healthlink Worldwide
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GLOSSARY

ACEVO	Association of Chief Executives of Voluntary Organisations
AHRTAG	Appropriate Health Resources and Technologies Action Group
AIDS	Acquired Immunodeficiency Syndrome
BOND	British Overseas NGOs in Development
BPAI	Blind Peoples Association of India
CAF	Charities Aid Foundation
CAFOD	Catholic Fund for Overseas Development
CCATH	Child Centred Approaches to HIV/AIDS
CEDHA	Centre for Educational Development in Health, Arusha
CFA	Communication for Advocacy
CHEMS	Cambodia Health Education Media Service
CHETNA	Centre for Health Education Training & Nutrition Awareness
CHIN	Child In Need Institute
CICH	Centre for International Child Health
CMAI	Christian Medical Association of India
CODEP	Conflict, Development and Peace Network
CSCF	Civil Society Challenge Fund
CWG	Consultancy Working Group
CYP	Commonwealth Youth Programme
DfID	Department for International Development
DOMINGO	Directors of medium-sized International NGOs
ENDA	Environment and Development for the Third World
EU	European Union
EVAG	Evaluation Action Group
FACAPH	Federation d'Afrique Centrale des Personnes Handicapees
FACT	Family Aids Caring Trust
FHI	Family Health International
GCMHP	Gaza Community Mental Health Programme
GIC	Gimlett International Consultants (private consultancy firm)
HAIN	Health Action International Network
HDIP	Health Development & Information Policy Institute
HAD	Health Development Agency
HI	Handicap International
HIF	Health Information Forum
HIV	Human Immunodeficiency Virus
HIVOS	Humanist Institute for Co-operation with Developing Countries
ICASA	International Conference on Aids & Sexual Health in Africa
ICW	International Committee of Women Living with HIV/AIDS
ICPH	Institute of Community & Public Health

Healthlink Worldwide
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Glossary

ICCO	Interchurch Organisation for Development Co-operation
IDDC	International Disability and Development Coalition
IFH	International Family Health
IPHN	International Poverty and Health Network
KaR	Knowledge and Research
LATH	Liverpool Associates in Tropical Health
MKP	Malaria Knowledge Programme
NCA	National Centre for AIDS/STD
NGO	Non-governmental organisation
PHA	People's Health Assembly
PHCM	Primary Health Care Management
SAfAIDS	Southern Africa AIDS Information Dissemination Service
SAFOD	Southern Africa Federation of the Disabled
SCF	Save the Children Fund
SFAH - OVC	Supporting Families Affected by HIV/AIDS in Pallisa, Uganda
SOAK - OVC	Supporting OVC Affected by HIV/AIDS in Kaduna, Nigeria
TALC	Teaching-aids at Low Cost
UNAIDS	United Nations Aids Programme
UPMRC	Union of Palestinian Medical Relief Committee