

Chairman's Letter

DEAR
STAKEHOLDER

Aurum has a unique position in medical research and treatment in South Africa.

Two of our most important research and treatment endeavours revolve around HIV/AIDS and tuberculosis (TB). Aurum's first year as an independent, public benefit, research and treatment organisation saw the recruitment of close to 5,000 participants at the first sites for the Thibela TB study and the expansion of HIV and TB patients under our Care programme, with more than 19,000 people having received voluntary, counselling and testing and over 10,000 patients placed on anti-retroviral therapy (ART), all under strict quality and treatment control protocols.

Our programme initiatives now include:

- A collaboration with the Nthabiseng Adult HIV Treatment Clinic and the TB Care Centre at the Chris Hani Baragwanath Hospital, as well as a staff assistance programme for the Chris Hani Baragwanath palliative care team.
- Supporting the HIV care of some 19,000 prisoners in partnership with Johannesburg Correctional Services.
- The establishment of a general practitioner (GP) network involving 40 practitioners to provide HIV treatment and counselling services to patients close to their residences, delivering quality outcomes equalling those of recognised international treatment centres.
- The HVTN 204 HIV candidate vaccine programme in Klerksdorp, which has completed enrolment and is now in its follow-up phase.
- The Thibela TB Research study at two AngloGold Ashanti mines, TauTona and Great Nologwa, with preparations well advanced to start in Harmony and Gold Fields mines early in 2007.

Our ratio of expenditure on treatment to research is 51%:49% while our staff complement has risen from 114 to 183, an increase of 60%. Our overall revenue has risen by 182%, from R37 million to R109 million in the past year.

Research published during the year includes six original peer-reviewed articles which appeared in the Lancet, British Medical Journal, Science, International Journal of TB and Lung Disease, and the Journal of Occupational and Environmental Medicine. Also published was a chapter on 'TB control in mines' by Prof Gavin Churchyard and Dr Liz Corbett in 'Tuberculosis, a Comprehensive International Approach', published by the World Health Organization (WHO), and a number of opinion publications, review articles and operational editorials. In addition, our scientists and support staff attended and contributed to several international congresses and symposia over the year. Aurum initiated an urgent, well attended colloquium on extreme drug-resistant (XDR) TB, which brought the WHO, the national Department of Health and the mining industry together for the first time on this crucial issue.

We are grateful for the support and active engagement of our project sponsors, CREATE, PEPFAR, GlaxoSmithKline, Anglo American South Africa, and AngloGold Ashanti Limited, and are ever mindful of the trust they have placed in us to deliver responsibly on our undertakings to them.

Rapid growth is risky for any organisation and this is especially so for Aurum. Our Board is determined to ensure that proper governance and accountability of the organisation is maintained and strengthened during this growth phase.

The appointments of Mr Les Lloyd and Prof Max Price to the Board and Mr Mike Nayler as the company secretary have added experience and ability to that of incumbents Dr Fazel Randera, Dr Lyn Horn, Prof Gavin Churchyard and Dr Dave Clark. The recruitment of a senior scientist to support and complement Gavin Churchyard is a high priority. Dr Mary Latka (PhD) has been appointed, jointly with Columbia University NY, as Programme Director: HIV Prevention, and she is responsible for all the vaccine programmes and will be the principal investigator in trials and other scientific projects.





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Internal capacity development and financial stability are driven by the Board and senior management. We operate on an overhead margin of 8.3% as a percentage of total cost, consequently an amount of R9.1 million is available for all central overhead costs which include all support services, systems, and governance functions. This is far too lean for an organisation that is committed to deliver quality, accountable, and 'on-schedule' programmes. At present our capacity can only be meaningfully increased by the employment of more scientists and senior managers. Nonetheless, additional financial accounting and management staff and improved management systems have assisted us in keeping pace with the demands of growth. We have a greater understanding of the complexity and costs around projects in their planning stages which will help smooth the implementation of new projects. We are committed to transforming the organisation to reflect the demographics of our country and we have chosen to do this by expanding rather than replacing staff.

To be able to maintain growth and deliver on our commitments, an increase in the value and number of the projects on the one hand, and the raising of a significant endowment fund over the next five years on the other, are the only mechanisms available to us to bring short-to medium-term relief in the face of the low overhead contribution margins allowed by most funders. We are not alone in this quest – this problem bedevils most research and treatment organisations. Aurum is a little more vulnerable because it is private, not-for-profit and independent. South African research and treatment institutions compete with each other for the same funding opportunities.

'Catch 22' scenarios of capacity development versus funding availability for that development and misconceptions about our sector's needs abound. It is time for determined lobbying of overseas funders by all of us in the sector in a co-ordinated campaign. The Anglo American Chairman's Fund and the AngloGold Ashanti Fund have understood Aurum's needs as an independent research organisation and responded positively by donating R6 million and R1 million respectively for HIV vaccine and core funding. We are grateful for the insight and support of Dr Brian Brink, Mr Tony Trahar and Mr Bobby Godsell. In a significant gesture of support in the fight against TB, Sanofi-Aventis Pharmaceuticals generously donated their drug Isoniazid for the Thibela project. These donations will help to create the conditions necessary for our stability and growth over the next two years and will give us the space to put in place our endowment, corporate support and advancement programmes.

We have deepened our relationships with the CREATE consortium, The Bill and Melinda Gates Foundation, the Centre for the AIDS Programme of Research in South Africa, the National Union of Mineworkers, Prof Tony Mbewu and the Medical Research Council, the Minister of Minerals and Energy, the Hon Buyelwa Sonjica and her department, the Mine Health and Safety Council, and particularly the Department of Health through the Deputy Director General, Ms Nthari Matsau. We are also grateful to and acknowledge the HIV Vaccine Trials Network and the South African AIDS Vaccine Initiative for their funding and support of the vaccine centre and programmes at Aurum. On behalf of Aurum, I thank them all for their recognition, support and assistance for our programmes.



We are the recipients of the goodwill and support of the faculties of health sciences of the Universities of KwaZulu-Natal, the Witwatersrand and Cape Town, Johns Hopkins University and the London School of Tropical Medicine and Hygiene and Columbia University, New York. We will continue to work to increase dialogue, exchanges, synergies and reciprocal support with these organisations.

I believe that the PEPFAR initiative of the US Government has had the greatest impact, both directly and indirectly, on the increase in the number of people taking anti-retrovirals in a controlled medical milieu in South Africa. Its singular objective and the creative and positive manner in which it is administered and managed has created more access opportunities, provided more care, and stimulated more action in the treatment of HIV/AIDS than any other intervention in our country so far. It meaningfully complements the activities of both the State, civil society and the private sector in addressing this scourge. It is gratifying to note that the National HIV/AIDS Strategic Plan 2007-2011 embraces these types of initiatives and partnerships in a comprehensive attack on this disease which threatens our people. Prospects for the future include the expansion of the correctional services initiative to other prisons, which has been made possible by a significant increase in our PEPFAR grant from \$5.3 million to \$12.5 million in 2007. Aurum is grateful to the Congress, the Senate, the Office of the President and the people of the United States for the continuation of this potent initiative.

The understanding and collaboration gained from the general practitioner programme, and from the Baragwanath AIDS and TB programmes which were set up as pilot sites, make it now possible for their expansion and duplication. Trials for a new drug and candidate vaccine against TB are in the planning stages. Our health economics department has been awarded new contracts to expand the economic analysis of the impacts of HIV/AIDS and TB in the workplace.

Aurum is blessed with a committed and dedicated group of exceptional people, working on meaningful projects whose aim is to deepen our understanding of disease to prevent and relieve suffering. I extend my grateful thanks to you all.

Dr Paul Davis
Chairman

