



INQAAHE ACCOUNTS 2017

**Issued by INQAAHE Secretariat, Barcelona (Spain),
April 2018**

Company Directory

As at December 31 2017

Nature of Business	Non-profit association
Registered office	Registrar of Incorporated Societies New Zealand
Incorporation Number	AK / 937808
Accountants	INQAAHE Secretariat-AQU Catalunya
Bankers	BBVA S.A. (CatalunyaCaixa bank merger in September 12,2016)

Appointed Auditors

PLETA AUDITORES, S.L.P. C/ Muntaner 479, Ent. 4-6 08021 Barcelona (Spain)

Statement of accounting policies

Foreign currencies

Foreign currency transactions are translated to United States Dollars (USD) at the exchange rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to USD at the foreign exchange rate ruling at the date. Foreign exchange differences arising on their translation are recognised in the statement of profit & loss statement.

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REPORT / FINANCIAL STATEMENTS 2017
Issued by INQAAHE Secretariat, Barcelona (Spain) on March 2018

1. GENERAL INFORMATION

Generally, INQAAHE has a small budget, good income and low expenses.

The financial statement includes the transactions and balances for the financial year 1st January 2017 to 31st December 2017.

2. BALANCE SHEET

BALANCE SHEET			
For the period ended December 31 2017			
	NOTE	Dec-17	Dec-16
		\$ (USD)	\$ (USD)
Balance at Bank	3	506,516	437,884
Receivables	4	55,689	47,384
Fixed assets	5	1,121	1,601
Intangible assets	6	11,986	18,524
Total assets		575,312	505,393
<i>Less</i>			
Payables	7	4,135	26,183
Total liabilities		4,135	26,183
Net assets (liabilities)		571,178	479,210
Equity	2	479,210	452,751
Result for the year	1	91,967	26,459
Equity	2	571,178	479,210

BALANCE SHEET
For the period ended December 31 2017

	NOTE	Dec-17	Dec-16
		\$ (USD)	\$ (USD)
Balance at Bank	3	506,516	437,884
570/ Cash	3	520	-
572/ Bank accounts EURO	3	1,118	14,913
573/ Bank account USD	3	504,878	422,971
Receivables	4	55,689	47,384
440/ Accounts receivable	4	76,012	54,812
4409/ Receivables, pending invoices	4	-	4,806
490/ Provision doubtful debtors	4	(20,322)	(12,234)
Fixed assets	5	1,121	1,601
217/ Computer Hardware	5	1,921	1,921
281/ Accumulated depreciation computer hardware	5	(800)	(320)
Intangible assets	6	11,986	18,524
206/ Computer software	6	19,614	19,614
280/ Accumulated depreciation computer software	6	(7,628)	(1,090)
Total assets		575,312	505,393
Less			
Payables	7	4,135	26,183
410/ Accounts payable	7	2,469	144
448/ Deferred income /advanced debtors	7	1,666	26,039
Total liabilities		4,135	26,183
Net assets (liabilities)		571,178	479,210
Equity	2	479,210	452,751
Result for the year	1	91,967	26,459
Equity	2	571,178	479,210

3. PROFIT & LOSS

PROFIT & LOSS							
For the period ended December 31 2017							
Ref.	NOTE	Actual 2017 Full Year USD	Budget 2017 Full year USD	Actual 2017 vs. Budget Deviation USD	Actual 2016 Full Year USD	Budget 2016 Full Year USD	
INCOME							
P1	Membership fees	10	190,261	179,000	20,040	179,506	175,000
P2	Income from events	11	55,785	50,000	5,785	6,318	9,000
P4	GGP reviews	12	22,500	30,000	(7,500)	15,000	45,000
	Total income	9	268,545	259,000	18,324	200,824	229,000
EXPENSES							
P5	Project related costs	14	62,939	79,000	(16,061)	60,563	127,000
P6	Organisational costs	15-25	112,752	136,000	(23,248)	111,453	141,000
	Total expenses	13	175,691	215,000	(39,309)	172,016	268,000
	Loss/surplus before result on foreign exchange	8	92,854	44,000	57,633	28,808	(39,000)
P7	Loss/Gain on foreign exchange	26	(887)	(3,000)	2,113	(2,349)	(10,000)
	Net loss/surplus for reporting period	1	91,967	41,000	59,746	26,459	(49,000)

Generally, INQAAHE has good incomes and low expenses.

INQAAHE P&L is detailed in seven areas gathered in the categories of Incomes, Expenses and Results on Foreign Exchange.

- **Income / P1-P4:** Membership subscriptions, Contribution from events, Incomes from grants and GGP reviews,
Incomes from grants not shown in the P&L (no income from grants in years 2017&2016)
- **Expenses/ P5-P6:** Project related costs and organizational costs
- **Results on Foreign Exchange / P7:** Gain or loss on foreign exchange

PROFIT & LOSS
For the period ended December 31 2017

Details on Income (ref P1-P4)

		Actual 2017 Full Year	Budget 2017 Full year	Actual 2017 vs. Budget Deviation	Actual 2016 Full Year	Budget 2016 Full Year
NOTE		USD	USD	USD	USD	USD
P1	<u>Membership fees</u>					
P1.01.1	Membership fees for reporting year	194,896	182,200	12,696	186,639	180,000
P1.01.2	Membership fees for reporting year (LCD/LIC)	3,453	2,800	653	-	-
P1.02	Membership fees for previous year	691	-	691	-	-
P1.04	Provision doubtful debtors	(8,779)	(6,000)	6,000	(7,133)	(5,000)
	Total Membership fees	190,261	179,000	20,040	179,506	175,000
P2	<u>Income from events</u>					
P2.01	Income Conference/Forum	55,785	50,000	5,785	6,318	9,000
	Total Income from events	55,785	50,000	5,785	6,318	9,000
P4	<u>GGP reviews</u>					
P4.01	Assessing agency alignment	22,500	30,000	(7,500)	15,000	45,000
	Total GGP Reviews	22,500	30,000	(7,500)	15,000	45,000
	Total income	268,545	259,000	18,324	200,824	229,000

Details on Costs (ref P5-P6)

		Actual 2017 Full Year	Budget 2017 Full year	Actual 2017 vs. Budget Deviation	Actual 2016 Full Year	Budget 2016 Full Year
NOTE		USD	USD	USD	USD	USD
P5	<u>Project related costs</u>					
P5.01	QA Graduate Program (QAP)	10,000	10,000	-	15,000	15,000
P5.05	Assessing Agency Alignment (GGP)	19,200	19,000	200	9,644	28,500
P5.06	Support to attend conference/forum	21,239	15,000	6,239	18,788	26,000
P5.07	Research activities	12,500	5,000	7,500	7,500	7,500
P5.08	New project initiatives	-	30,000	(30,000)	9,631	50,000
	Total Project related costs	62,939	79,000	(16,061)	60,563	127,000
P6	<u>Organisational costs</u>					
P6.01	Fee to secretariat	62,000	62,000	-	62,000	62,000
P6.02	Journal	8,629	11,000	(2,371)	7,168	11,000
P6.03	Printing	-	1,000	(1,000)	-	1,000
P6.04 /05	Website hosting & development	1,157	8,000	(6,843)	1,602	22,000
P6.06	Secretarial travel expenses	5,044	10,000	(4,956)	7,856	10,000
P6.07	Expenses for Board members	16,804	25,000	(8,196)	20,119	25,000
P6.08	Bank & credit card charges	5,598	7,000	(1,402)	6,857	7,000
P6.09	IT software & support	1,014	2,000	(986)	1,313	2,000
P6.10	Sundry Expenses	2,704	1,000	1,704	-	1,000
P6.11	Audit Services	2,784	-	2,784	4,538	-
P6.12	Depreciation provision	7,018	9,000	(1,982)	-	-
	Total Organisational costs	112,752	136,000	(23,248)	111,453	141,000
	Total costs	175,691	215,000	(39,309)	172,016	268,000

Net loss/surplus for reporting period	8	92,854	44,000	57,633	28,808	(39,000)
P7	Loss/Gain on foreign exchange	(887)	(3,000)	2,113	(2,349)	(10,000)
Net loss /surplus for reporting period	1	91,967	41,000	59,746	26,459	(49,000)

4. CASH FLOW

INQAAHE CASH FLOW 2017

Starting date	01/01/2017
Closing date	31/12/2017
Currency	\$ (USD)

	Total
Cash on hand (beginning of period)	437,883.58
Cash on hand (end of period)	506,410.41
Collections on accounts receivable	238,397.08
Assessing agency alignment	-
Interest, other income	3,517.85
Gain on foreign exchange	83.93
TOTAL CASH RECEIPTS*	241,998.86
Total cash available	679,882.44

CASH PAID OUT	
Cash receipts	480.00
QA Graduate Program (QAP)	10,000.00
Assessing Agency Alignment (GGP)	22,700.00
Support to attend conference/forum	18,770.12
Research activities	-
Fee to secretariat	62,000.00
Journal	8,629.48
Website development & hosting	-
Secretarial travel expenses	3,252.78
Expenses for Board members	18,740.32
Bank & credit card charges	5,598.34
IT expenses	2,239.21
New initiatives	1,303.43
Audit services	2,784.16
Capacity Building	15,000.00
Loss on foreign exchange	1,026.46
Others	947.73
TOTAL CASH PAID OUT	173,472.03
Net cash from operating activities (end of period)	506,410.41

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	506,410.41
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5. NOTES TO THE FINANCIAL STATEMENTS

1 RESULT – NET LOSS/SURPLUS FOR REPORTING PERIOD

The report is based on USD realized figures for the period ended in December 31st 2017.

The total result of the year 2017 amounts to **\$91,967** positive vs budget amount **\$41,000** positive and higher than 2016, which resulted in **\$26,459**.

2 EQUITY

Positive result of the period and the amount of Equity raised to the amount of **\$571,178**.

Statement of Movements in Equity For the period ended December 31 2017

<u>\$ (USD)</u>	<u>2017</u>	<u>2016</u>
General Fund	479,210	452,751
Development Fund		
Equity as at January 1	479,210	452,751
Result based on December 31	91,967	26,459
	571,178	479,210

3 BALANCE AT BANK

INQAAHE is in good financial situation, Current bank accounts continue to be at high level:

	<u>Dec-17</u>	<u>Dec-16</u>	<u>Dec-15</u>	<u>Dec-14</u>
	\$ (USD)	\$ (USD)	\$ (USD)	\$ (USD)
Balance at Bank	506,516	437,884	389,514	318,110
570/Cash	520			
572/ Bank accounts EURO	1,118	14,913	65,370	35,062
573/ Bank account USD	504,878	422,971	324,144	283,048

4 RECEIVABLES

Receivables **\$76,012**, higher than in 2016 **\$54,812**.

Receivables have increased so much due to new members during 2017.

Reminder of outstanding invoices was sent together with INQAAHE membership fee 2017 invoice on March 2017 and several reminders during the year. The INQAAHE membership of institutions and individuals whose subscriptions were more than one year in arrears,

was cancelled, as we did not receive any answer from them after our several claims. We also registered nine membership cancellation requests.

5 FIXED ASSETS

Computer hardware equipment was purchased in 2016 for the INQAAHE Secretariat for the amount of **\$1,921**.

The depreciation of fixed assets is calculated using the straight-line method over their estimated useful lives for the assets concerned, based on the actual decline in value caused by wear and tear, being the period time **four years** after the asset is brought into operation.

The amount allocated for depreciation was registered on December 31. Depreciation is calculated as follows:

- Active value: \$1,921,08
- Provision years: 4 (\$480.27/year)
- Provision 2016: 8 months (Invoice date: May 3 2016) = \$320,18
- Provision 2017: \$480.27
- Accumulated depreciation= 320.18+480.27 = **\$800.45**

6 INTANGIBLE ASSETS

Development of new website during years 2015 and 2016, considered as construction in progress of intangible asset for the total amount to **\$19,614** until website launch.

The new INQAAHE website was operative on November 18, 2016.

The depreciation of intangible fixed assets is calculated using the straight-line method over their estimated useful lives for the assets concerned, based on the actual decline in value, being the period time **three years** after the asset is brought into operation.

The amount allocated for depreciation was registered on December 31. Depreciation is calculated as follows:

- Active value: \$19,614,26
- Provision years: 3 (6,538.09\$ /year)
- Provision 2016: 2 months (Launch date: Nov 18 2016) = \$1,089.68
- Provision 2017: 6,538.09\$
- Accumulated depreciation = 1,089.68+6,538.09 = **\$7,627.77**

7 PAYABLES

Accounts Payable **\$4,135** have been decreased vs same period in 2016 **\$26,183** mainly due to deferred incomes 2016 (**\$26,039**). 2017 payables are a sum of accounts payable (\$2,469) plus deferred income/advanced debtors (\$1,666).

Deferred income/advanced payments have decreased from to **\$26,039** to **\$1,666**, mainly due to the INQAAHE GGP review fees have been realized and moved to the income for the year:

- GGP reviews 2017 for the amount of \$22,500 (CNA Colombia \$15,000, CNA Chile \$7,500- 1st instalment (50%)) → \$22,500 by the end of 2016 and \$0 by the end of 2017
- Advanced membership fees 2018 for the amount of \$1,666.18.

8 LOSS/SURPLUS BEFORE RESULT ON FOREIGN EXCHANGE

During 2017 there has been a small loss in foreign exchange of \$887 mainly due to the depreciation of the EUR bank account due to the low exchange of EUR vs USD during 2017.

9 TOTAL INCOME

INQAAHE incomes are classified in four types:

Membership subscriptions, Contribution from events, Incomes from grants and GGP Reviews.

The total income amounting to **\$268,545** increases compared to 2016, **\$200,824**. This is mainly caused by the income from the Conferences and Forums (**\$55,785**), which is much higher than 2016's (**\$6,318**).

10 MEMBERSHIP SUBSCRIPTIONS

Membership fee 2017 = 690.65 USD

Membership fee for LDC/LIC countries 2017= 345.33 USD

The total income for the amount of **\$194,896**, higher than the amount projected (**\$182,200**), is due to the invoiced regular membership fees for the reporting year 2017.

Provision of doubtful debtors 2017:

Provision of doubtful debtors has been calculated on December 31, 2017 listing all members with outstanding balances giving each a percentage of the probability of collection and accumulating the balances to get the ending balance of the provision account.

In the income statement it is stated the provision of doubtful account for the amount of **\$8,779** negative, higher than budget, **\$6,000**.

The calculation goes as follows:

Account	Open balance 01/01	Closing balance 31/12 before revision	Close balance 31/12
490/ Provision doubtful debtors	12,234	11,543	20,322

Surplus 2017 before provision

100,746

Additional shortfall

-8,779

Surplus 2017 after provision

91,967

11 CONTRIBUTIONS FROM EVENTS

INQAAHE Conference registration fees host BQA, Bahrain paid directly to INQAAHE bank account \$50,433 in April 2017. Also, on January 2017, an amount of \$4,455.77 was received from FHEC, Fiji regarding Forum 2016 registration fees.

12 GGP REVIEWS

GGP review CAN Chile process started and cashed the total amount of \$7,500 in April 2017.

Experts were reimbursed after presentation of the external review within September-November.

CNA Colombia agreed paid an amount of \$15,000 in January 2017.

13 TOTAL COSTS

The costs of **\$175,691** were slightly higher in comparison to 2016, **\$172,016** mainly due to expenditure related to research activities and GGP costs.

14 PROJECT RELATED COSTS

The expense of **\$62,939** is higher than 2016, **\$60,563** as there was higher GGP cost, higher cost in supporting to attend Conferences/Forums and higher research activities in 2017.

15 FEE TO SECRETARIAT

The amount of **\$62,000** has been settled in 2 transfers, one in February and the second in July 2017.

16 JOURNAL

The costs for the Journal vary from year to year depending on the number of members and currency exchange (invoices issued in GBP). The expense increased from **\$7,168** to **\$8,629**.

17 PRINTING

No expense executed.

18 WEBSITE HOSTING & DEVELOPMENT

All developments of new website are being registered in the intangible assets balance. The new INQAAHE website was operative on November 18 2016.

The whole expense for the amount of **\$1,157** is lower than **\$1,602** in 2016 and include the depreciation costs of the website.

19 SECRETARIAL TRAVEL EXPENSES

The expense executed is **\$5,044**, lower than in budget, **\$10,000**.

The expenses correspond to the Secretariat staff attending INQAAHE Conference in Bahrain.

The travel expenses are calculated in a basis of two people in the Secretariat.

20 EXPENSES FOR BOARD MEMBERS

Upon the proposal of the Board Meeting in Tallinn (May 2014) it was agreed to allocate **\$1,500** to each participant in the Board meetings as a contribution towards the costs for participating in the annual INQAAHE Board meeting and sundry expenses of the board members for his participation in the Board during the year.

The expense executed is **\$16,804**, lower than in 2016 **\$20,119**.

There were 11 Board members attending Board Meetings 2017 in Bahrain and one INQAAHE representative in Paris for an UNESCO event.

21 BANK & CREDIT CARD CHARGES

Expenses executed in 2017 were **\$5,598** vs, **\$6,857** executed in year 2016.

This amount is the result of taking into account all bank expenses during 2017. Banking costs include wire transfers and POS fees, mainly. These charges vary depending on the amount paid/received and the conditions of each bank that operates with ours.

22 IT SOFTWARE & SUPPORT

Small expense for the amount of **\$1,014**, lower than in budget, **\$2,000**, This expense include mainly software licenses valid for a period of one year, training costs like ODOO/OPEN ERP finance training and depreciation costs of new hardware equipment.

23 SUNDRY EXPENSES

This expenses include the following costs:

- Official translation of INQAAHE and Secretariat agreements and original documents from New Zealand auditors for the bank, \$1,589.38
- Courier expenses, \$185
- INQAAHE stamp, \$33.66
- Other sundry expenses \$895.69

24 AUDIT SERVICES

PLETA AUDITORES, S.L.P., was the appointed auditing company of INQAAHE accounts of years of 2014, 2015 and 2016. The invoice was paid in February 2017: **\$2,784**.

25 LOSS / GAIN ON FOREIGN EXCHANGE

The loss on foreign exchange has been **\$887** negative vs, the loss on foreign exchange in 2016 for the amount of **\$2,349** negative.

We have applied the gain/loss at the currency exchange of 30/12/2017 USD/EUR to following EUR monetary accounts: balance at bank account and other registered monetary accounts registered in EUR.

The transactions (incomes and expenses) executed in EUR are being recognised in the functional currency (USD) applying the currency exchange rate published in the incurred data (BOE–Spanish Official Bulletin, <http://boe.es>).