



# **INQAAHE ACCOUNTS 2019**

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

**March 2020**

## Company Directory

As at December 31, 2019

<b>Nature of Business</b>	Non-profit association
<b>Registered office</b>	Registrar of Incorporated Societies New Zealand
<b>Incorporation Number</b>	AK / 937808
<b>Accountants</b>	INQAAHE Secretariat - AQU Catalunya
<b>Bankers</b>	BBVA S.A.

## 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.

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## REPORT / FINANCIAL STATEMENTS 2019

Issued by INQAAHE Secretariat, Barcelona (Spain) on March 2020

### GENERAL INFORMATION

The financial statement includes the transactions and balances for the financial year from January 1, 2019 until December 31, 2019.

### BALANCE SHEET

<b>BALANCE SHEET</b>			
<b>From January 1, 2019 to December 31, 2019</b>			
	<b>NOTE</b>	<b>2019</b>	<b>2018</b>
		<b>USD</b>	<b>USD</b>
Balance at Bank	3	534,241	533,209
Receivables	4	63,357	87,290
Fixed assets	5	1,217	640
Intangible assets	6	2,444	6,947
<b>Total assets</b>		<b>601,259</b>	<b>628,086</b>
<i>Less</i>			
Payables	7	43,893	3,942
<b>Total liabilities</b>		<b>43,893</b>	<b>3,942</b>
<b>Net assets (liabilities)</b>		<b>557,366</b>	<b>624,145</b>
Equity	2	630,961	571,178
Result for the year	1	(73,595)	52,967
<b>Equity</b>	<b>2</b>	<b>557,366</b>	<b>624,145</b>

**BALANCE SHEET**  
**From January 1, 2019 to December 31, 2019**

	NOTE	2019 USD	2018 USD
<b>Balance at Bank</b>	3	<b>534,241</b>	<b>533,209</b>
570/ Cash		520	520
572/ Bank accounts EURO	3	7,240	6,911
573/ Bank account USD	3	525,445	525,778
55509005/ TPV payments to transfer to USD bank account	3	1,036	0
<b>Receivables</b>	4	<b>63,357</b>	<b>87,290</b>
440/ Accounts receivable	4	85,238	129,494
490/ Provision doubtful debtors	4	(21,882)	(42,204)
<b>Fixed assets</b>	5	<b>1,217</b>	<b>640</b>
217/ Computer Hardware	5	3,024	1,921
281/ Accumulated depreciation computer hardware	5	(1,807)	(1,281)
<b>Intangible assets</b>	6	<b>2,444</b>	<b>6,947</b>
206/ Computer software	6	19,614	19,614
209/ Construction in Progress of Intangible assets	6	2,444	1,499
280/ Accumulated depreciation computer software	6	(19,614)	(14,166)
<b>Total assets</b>		<b>601,259</b>	<b>628,086</b>
Less			
<b>Payables</b>	7	<b>43,893</b>	<b>3,942</b>
142/ Provisions (long term debt)	7	2,000	0
410/ Accounts payable	7	7,293	2,276
448/ Deferred income /advanced debtors	7	0	1,666
588/ Provisions (short term debt)	7	34,600	0
<b>Total liabilities</b>		<b>43,893</b>	<b>3,942</b>
<b>Net assets (liabilities)</b>		<b>557,366</b>	<b>624,145</b>
<b>101/ Equity</b>	2	<b>630,961</b>	<b>571,178</b>
<b>Result for the year</b>	1	<b>(73,595)</b>	<b>52,967</b>
<b>Equity</b>	2	<b>557,366</b>	<b>624,145</b>

## PROFIT & LOSS

PROFIT AND LOSS							
From January 1, 2019 to December 31, 2019							
		Actual 2019 Full Year	Budget 2019 Full year	Actual 2019 vs. Budget Deviation	Actual 2018 Full Year	Budget 2018 Full year	
	NOTE	USD	USD	USD	USD	USD	
<b>INCOME</b>							
P1	<u>Membership fees</u>	10	229,861	179,000	50,861	204,734	179,000
P2	<u>Income from events</u>	11	33,604	10,000	23,604	13,408	10,000
P4	<u>GGP reviews</u>	12	24,000	45,000	(21,000)	-	15,000
P5	<u>Sponsorships</u>	13	5,150	-	5,150	-	-
P6	<u>Chief Executive Officer</u>	14	-	15,000	(15,000)	-	-
	<b>Total income</b>	9	<b>292,615</b>	<b>249,000</b>	<b>43,615</b>	<b>218,142</b>	<b>204,000</b>
<b>EXPENSES</b>							
P7	<u>Project related costs</u>	16	97,863	80,000	17,863	41,397	59,500
P8	<u>Organisational costs</u>	17-27	176,756	131,000	45,756	124,045	131,000
P9	<u>CEO costs</u>	28	94,358	95,000	(642)	-	-
	<b>Total expenses</b>	15	<b>368,978</b>	<b>306,000</b>	<b>62,978</b>	<b>165,442</b>	<b>190,500</b>
	Loss/surplus before result on foreign exchange	8	(76,362)	(57,000)	(19,362)	52,700	13,500
P10	Loss/Gain on foreign exchange	29	2,767	(3,000)	(233)	267	(3,000)
	<b>Net loss/surplus for reporting period</b>	1	<b>(73,595)</b>	<b>(60,000)</b>	<b>(13,595)</b>	<b>52,967</b>	<b>10,500</b>

INQAAHE's P&L is broken down into ten areas which consist of the following categories: Income, Expenses, and Results on Foreign Exchange.

- **Income / P1-P6:** Membership fees, Contribution from events (Conferences or Forums), Income from grants, GGP reviews, Sponsorships and new projects and initiatives.  
*Incomes from grants are not shown in P&L as no income from this source was received during 2018 nor 2019.*
- **Expenses/ P7-P9:** Project related costs, Organizational costs and CEO related costs.
- **Results on Foreign Exchange / P10:** Gain or loss on foreign exchange.

**PROFIT AND LOSS**  
From January 1, 2019 to December 31, 2019

**Details on Income (P1-P5)**

		Actual 2019 Full Year	Budget 2019 Full year	Actual 2019 vs. Budget Deviation	Actual 2018 Full Year	Budget 2018 Full year
	NOTE	USD	USD	USD	USD	USD
<b>P1</b>	<b>Membership fees</b>					
P1.01.1	Membership fees for reporting year	224,336	182,500	41,836	222,299	182,500
P1.01.2	Membership fees for reporting year LDC/LIC members	-	2,500	(2,500)	4,317	2,500
P1.02	Membership fees for previous year	5,525	-	5,525	-	-
P1.04	Provision doubtful debtors	-	-6,000	6,000	(21,882)	(6,000)
	<b>Total Membership fees</b>	<b>229,861</b>	<b>179,000</b>	<b>50,861</b>	<b>204,734</b>	<b>179,000</b>
<b>P2</b>	<b>Income from events</b>					
P2.01	Income from INQAAHE Conference 2019	33,604	10,000	23,604	13,408	10,000
	<b>Total Income from events</b>	<b>33,604</b>	<b>10,000</b>	<b>23,604</b>	<b>13,408</b>	<b>10,000</b>
<b>P4</b>	<b>GGP reviews</b>					
P4.01	Assessing agency alignment	24,000	45,000	(21,000)	-	15,000
	<b>Total GGP Reviews</b>	<b>24,000</b>	<b>45,000</b>	<b>(21,000)</b>	<b>-</b>	<b>15,000</b>
<b>P5</b>	<b>Sponsorships</b>					
P5.01	INQAAHE Quarterly Bulletin/Newsletter	300	-	300	-	-
P5.02	INQAAHE events	4,850	-	4,850	-	-
	<b>Total Sponsorships</b>	<b>5,150</b>	<b>-</b>	<b>5,150</b>	<b>-</b>	<b>-</b>
<b>P6</b>	<b>Chief Executive Officer</b>					
P6.01	Projects and Initiatives	-	15,000	(15,000)	-	-
	<b>Total CEO income</b>	<b>-</b>	<b>15,000</b>	<b>(15,000)</b>	<b>-</b>	<b>-</b>
	<b>Total income</b>	<b>292,615</b>	<b>249,000</b>	<b>43,615</b>	<b>218,142</b>	<b>204,000</b>

**Details on Costs (P6-P8)**

		Actual 2019 Full Year	Budget 2019 Full year	Actual 2019 vs. Budget Deviation	Actual 2018 Full Year	Budget 2018 Full year
	NOTE	USD	USD	USD	USD	USD
<b>P7</b>	<b>Project related costs</b>					
P7.01	QA Graduate Program (QAP)	9,876	10,000	(124)	4,400	10,000
P7.02	Assessing Agency Alignment (GGP)	9,500	30,000	(20,500)	-	9,500
P7.03	Support to attend INQAAHE event/funding for attending	8,988	15,000	(6,012)	13,496	15,000
P7.04	IFS projects	69,500	5,000	64,500	1,000	5,000
P7.05	New project initiatives	-	20,000	(20,000)	22,500	20,000
	<b>Total Project related costs</b>	<b>97,863</b>	<b>80,000</b>	<b>17,863</b>	<b>41,397</b>	<b>59,500</b>
<b>P8</b>	<b>Organisational costs</b>					
P8.01	Fee to secretariat	62,000	62,000	-	62,000	62,000
P8.02	Quality in Higher Education Journal	9,754	11,000	(1,246)	-	11,000
P8.03	Printing	-	1,000	(1,000)	-	1,000
P8.04 /05	Website hosting & development	180	3,000	(2,820)	203	3,000
P8.06	Secretarial travel expenses	4,708	10,000	(5,292)	5,903	10,000
P8.07	Expenses for Board members/Board representation	14,279	25,000	(10,721)	32,759	25,000
P8.08	Bank charges	6,342	7,000	(658)	9,586	7,000
P8.09	IT software & support	1,049	2,000	(951)	1,264	2,000
P8.10	Sundry Expenses	7,048	1,000	6,048	5,311	1,000
P8.11	Audit Services	-	-	-	-	-
P8.12	Depreciation provision	5,975	9,000	(3,025)	7,018	9,000
P8.13	Credit losses (unpaid membership fees)	65,421	-	65,421	-	-
	<b>Total Organisational costs</b>	<b>176,756</b>	<b>131,000</b>	<b>45,756</b>	<b>124,045</b>	<b>131,000</b>
<b>P9</b>	<b>CEO costs</b>					
P9.01	Travel expenses	5,789	10,000	(4,211)	-	-
P9.02	Salary and salary related costs	88,569	85,000	3,569	-	-
	<b>Total CEO costs</b>	<b>94,358</b>	<b>95,000</b>	<b>(642)</b>	<b>-</b>	<b>-</b>
	<b>Total costs</b>	<b>368,978</b>	<b>306,000</b>	<b>62,978</b>	<b>165,442</b>	<b>190,500</b>
	<b>Net loss/surplus for reporting period</b>	<b>(76,362)</b>	<b>(57,000)</b>	<b>(19,362)</b>	<b>52,700</b>	<b>13,500</b>
<b>P10</b>	<b>Loss/Gain on foreign exchange</b>	<b>2,767</b>	<b>(3,000)</b>	<b>(233)</b>	<b>267</b>	<b>(3,000)</b>
	<b>Net loss/surplus for reporting period</b>	<b>(73,595)</b>	<b>(60,000)</b>	<b>(13,595)</b>	<b>52,967</b>	<b>10,500</b>

## CASH FLOW

# INQAAHE CASH FLOW 2019

<b>Starting date</b>	01/01/2019
<b>Closing date</b>	31/12/2019
<b>Currency</b>	USD

	<b>Total</b>
Cash on hand (beginning of period)	<b>525,778</b>
Cash on hand (end of period)	<b>525,445</b>
Collections on accounts receivable	227,644
Assessing agency alignment (GGP)	23,995
Interest, other income	-
Gain on foreign exchange	-
<b>TOTAL CASH RECEIPTS</b>	<b>251,639</b>
Total cash available	<b>777,417</b>

<b>CASH PAID OUT</b>	
Cash receipts	10,020
QA Graduate Program (QAP)	9,920
Assessing Agency Alignment (GGP)	9,544
Support to attend INQAAHE event/funding for attending	9,031
IFS projects	33,050
Fee to secretariat	62,000
Quality in Higher Education Journal	-
Printing	-
Website hosting & development	1,457
Secretarial travel expenses	4,257
Expenses for Board members/Board representation	14,433
Bank charges	2,618
IT software & support	1,115
Sundry Expenses	6,817
CEO Travel expenses	3,429
Salary and salary related costs	84,282
Loss on foreign exchange	-
<b>TOTAL CASH PAID OUT</b>	<b>251,972</b>
Net cash from operating activities (end of period)	<b>525,445</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>525,445</b>



## NOTES TO THE FINANCIAL STATEMENTS

### RESULT – NET LOSS/SURPLUS FOR REPORTING PERIOD

The report is based on USD figures for the period ending on December 31, 2019. An external accountant reviewed the accounts, approved them as they are and also recommended improvements given the transition period the network is going through.

The result for the year 2019 amounts to **73,595 USD** negative, representing a significant loss if compared with the previous year which ended with a positive result of 52,967 USD. This decrease is due to the substantial increase in costs compared to previous year, especially the organisational costs such as Funding Scheme and a write down of bad debt. Also, a new category of employment costs has been added now that INQAAHE has a Chief Executive Officer.

### EQUITY

The period ends with a negative result, and equity of **557,366 USD**.

#### Statement of Movements in Equity From January 1, 2019 to December 31, 2019

<u>USD</u>	<u>2019</u>	<u>2018</u>
General Fund	624,145	571,178
Results pending of application	6,816	0
<u>Equity as of January 1, 2019</u>	<u>624,145</u>	<u>571,178</u>
Result based on December 31, 2019	<u>(73,595)</u>	<u>52,967</u>
	<b>557,366</b>	<b>624,145</b>

In the Balance Sheet, page 4 and 5, the equity before closing 2019 does not match the equity at the end of 2018. During the revision with the accountant, it was brought to our attention that 6,815.98 USD that belonged to results of other years (partial results pending of application) had not been properly distributed to the correct account.

Given that these results were positive, they were added to the equity, as they should have in the corresponding exercise, hence the non-coincidence.

## BALANCE AT BANK

INQAAHE is in a good financial situation. The network's bank accounts have kept on increasing during the last years, even though, in 2019, they experimented a slight increase if compared with 2018:

	Dec-19	Dec-18	Dec-17	Dec-16
	USD	USD	USD	USD
<b>Balance at Bank</b>	<b>534,241</b>	<b>533,209</b>	<b>506,516</b>	<b>437,884</b>
Cash	520	520	520	0
Bank accounts EURO	7,240	6,911	1,118	14,913
Bank account USD	525,445	525,778	504,878	422,971
TPV	1,036	0	0	0

INQAAHE operates in USD. INQAAHE Secretariat manages two different bank accounts established in Spain: one of them in US dollars (main one) and another one in Euros (secondary).

## RECEIVABLES

Receivables amounted to **63,357 USD**, lower than in 2018 (**87,290 USD**). During 2019 an extra effort was made to collect outstanding invoices. A first wave of reminders, via email, was sent in summer. During the second half of the year, several attempts to contact delinquent members, both online and through regular post mail, were also made.

34 members were written off of INQAAHE's membership. 27 of these members had their memberships discontinued due to payment of fees being in arrears for more than two years, following our [financial policy](#). 7 members requested to have their memberships cancelled instead.

## FIXED ASSETS

Computer hardware equipment was purchased in 2016 for **1,921.08 USD**. New computer hardware equipment was purchased at the end of 2019 for **1,103.34 USD**.

The depreciation of fixed assets is calculated using the straight-line method over their estimated useful lives of the assets concerned, based on the actual decline in value caused by wear and tear, being the period of time **four years** after the assets are brought into operation. The amount allocated for depreciation was registered on December 31. Depreciation for both computers is calculated as follows:

### 2016 Computer hardware equipment

- Active value: 1,921.08 USD USD
- Provision years: 4 (480.27 USD/year)
- Provision 2016: 8 months (invoice date May 3, 2016) = 320.18 USD
- Provision 2017: 480.27 USD
- Provision 2018: 480.27 USD
- Provision 2019: **480.27 USD**
- Accumulated depreciation = 320.18 + 480.27 + 480.27 + 480.27 = **1,760.99 USD**

#### 2019 Computer hardware equipment

- Active value: 1,103.34 USD
- Provision years: 4 (275.84 USD/year)
- Provision 2019: 2 months (invoice date October 25, 2019) = **45.97 USD**

### INTANGIBLE ASSETS

The new INQAAHE website, purchased for **19,614 USD**, was operative on November 18, 2016. 2019 will be the last year the website accumulates depreciation.

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 USD
- Provision years: 3 (6,538.09 USD/year)
- Provision 2016: 2 months (launch date: November 18, 2016) = 1,089.68 USD
- Provision 2017: 6,538.09 USD
- Provision 2018: 6,538.09 USD
- Provision 2019: 10 months (end date: November 18, 2019) = 5,448.41 USD
- Accumulated depreciation = 1,089.68 + 6,538.09 + 6,538.09 + 5,448.41 USD = **19,614.27 USD**

### PAYABLES

The balance of accounts payable **43,893 USD** increased considerably if compared to 2018 (**3,942 USD**) mainly due to the addition of provisions (short- and long-term debt) related to INQAAHE Funding Scheme future or pending payables that were granted but never considered, in terms of accounting. They amount to 36,600 USD, 83% of the total payables of the year.

#### LOSS/SURPLUS BEFORE RESULT ON FOREIGN EXCHANGE

During 2019 there has been a gain in foreign exchange of **2,767 USD** due to the EUR/USD exchange rate fluctuation during 2019.

#### TOTAL INCOME

INQAAHE incomes are classified into five types: membership fees, events (INQAAHE Fora – conference or forum), grants received, GGP Reviews and sponsorships.

The total 2019 income, **292,615 USD**, increased compared to 2018 (**218,142 USD**). This is because of the additional income collected by the 3 GGP alignments managed during the year as well as total sponsorships received by members (representing a 79% of all income). Also, compared to last year, no doubtful debtors' provision was estimated for 2019. Also, no income from grants was accounted for in 2019 (nor in 2018 or the previous years). As a novelty, sponsorships were received from members and partners throughout the year and amounted to more than 5,000 USD.

#### MEMBERSHIP FEES

Our annual membership fees have not changed over the past years. Here is a detail of the fees depending on the type of the country of the member:

Regular 2019 Membership fee = 690.65 USD

LDC/LIC countries (as per [The World Bank](#) and [UN](#)) 2019 Membership fee = 345.33 USD

The reported total membership fees of **229,861 USD** include all membership fees (including LDC/LIC countries and the rest) for the reporting year, as well as fees from previous years.

In 2019, no estimation regarding doubtful debtors was estimated (this is, 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). This provision only appears in the Balance Sheet and it is a direct transfer from the one that was calculated in 2018. A removal of bad debt from the receivables is included in the profit and loss and the methodology for calculating the doubtful debtors' predictions will be part of a revision of the accounting structure in 2020.

#### CONTRIBUTIONS FROM EVENTS

INQAAHE Conference 2019 registration fees, hosted by University Grants Commission (UGC) in Sri Lanka, were transferred directly to INQAAHE bank account in June 2019 and amounted to **33,604 USD**.

#### GGP ALIGNMENTS

Income collected from GGP alignments in 2019 (**24,000 USD**) originated from three different agencies seeking alignment.

#### TOTAL COSTS

2019's general costs (**368,978 USD**) are comparatively higher to 2018's (**165,442 USD**).

Organisational costs are relatively higher than last year's (**176,756 USD** in 2019 vs **124,045 USD** in 2018) and add up to 47.9% of the total 2019 costs. A new category was also added during 2019 given the creation of a new position in the network: Chief Executive Officer. This new category represents the 26% of the total costs of the network.

#### PROJECT RELATED COSTS

The expense of **97,863 USD** is higher than 2018 (**41,397 USD**) as all categories included in this class of costs (Funding Scheme grants and costs related to GGP alignments) increased compared to last year except for the funding to attend 2019's INQAAHE Conference in Sri Lanka.

In 2019 INQAAHE Board decided to include debt provisions related to future INQAAHE Funding Scheme projects, this is, account payments that the network had agreed to when Capacity Building or Research and Innovation agreements were previously signed. This raised these costs if compared with what was budgeted and represents a correction in the accounting. Project related costs represent 26.5% of the total costs of the network.

#### FEE TO SECRETARIAT

The annual fee INQAAHE pays to AQU Catalunya to host the network' Secretariat, **62,000 USD**, was settled in two bank transfers, one ordered in March 2019 and a second one in May 2019. This represents 16.8% of the costs of the network.

#### JOURNAL

The cost for the Journal varies from year to year, depending on the number of INQAAHE members and the exact currency exchange between GBP and USD (invoices are always

issued in British Pounds). Taylor & Francis, the publishing company in charge of distribution, issued their 2018 invoice in early 2019 (**9,754 USD**). 2019's invoice is expected to be received in the first months of 2020 and thus, it has not been accounted for in the 2019 statements.

#### WEBSITE HOSTING & DEVELOPMENTS

All developments related to the new INQAAHE website are being registered in the intangible assets balance. 2019 expense amounted to **180 USD**, slightly lower than in 2018 and it exclusively refers to hosting.

#### SECRETARIAL TRAVEL EXPENSES

The expense executed was **4,708 USD**, lower than what was initially budgeted (**10,000 USD**) and was executed in 2018 (**5,903 USD**). They only refer to the expenses of INQAAHE Secretariat staff (two people) when attending INQAAHE Conference 2019 in Sri Lanka. It included their registration fees, flights, travel insurances, accommodation and daily expenses throughout the event.

#### EXPENSES FOR BOARD MEMBERS

Upon the proposal of the Board Meeting in Tallinn (May 2014), Board Director's agencies are provided with **1,000 USD** to be used towards partial reimbursement of travel-related costs to attend the meeting. In addition, each Board Director in attendance receives a **500 USD** personal honorarium.

The expense executed in 2019 is **14,279 USD**, significantly lower than in 2018 (**32,759 USD**) mainly because in 2018, INQAAHE provided both the former Board and the current Board that stepped in in Mauritius with the previously described sum of money.

Any extraordinary expenses related to INQAAHE representation in any international event made by a Board Director were also included in this account. In 2019, only 1 INQAAHE representative was funded to attend EQAF 2019 in Berlin, Germany (**865 USD**).

#### BANK CHARGES

Banking expenses executed in 2019 were **6,342 USD** versus **9,586 USD** executed in 2018. These costs include wire transfers and POS fees, mainly. They vary depending on the amount paid and/or received and the conditions of every bank that operates with INQAAHE's.

#### IT SOFTWARE & SUPPORT

This small expense, **1,049 USD**, lower than in 2018 (**1,264 USD**), includes software licenses valid for 2019, necessary for the usual development of the network such as Microsoft Office and Zoom.

#### SUNDRY EXPENSES

These expenses (**7,048 USD**) include gifts to be given to all attendees during INQAAHE Conference 2019 in Sri Lanka, courier expenses (1,970.31 USD) related to these same gifts (4,698.52 USD), a new print of business cards (114.69 USD), the online voting software (125.75 USD) used during the GAM and Chief Executive Officer's expenses (138.83 USD), mainly.

These expenses increased compared to 2018 (**5,311 USD**) due to the unexpected high cost of transporting gifts to Sri Lanka for the Conference as well as the related courier expenses of this same shipping.

#### CREDIT LOSSES

In 2019 it was decided to write a loss of **65,421 USD** for all the invoices that INQAAHE was sure it would not perceive from its members during 2019, given the amount of time (sometimes years) that had passed. This is a loss that was never been written before and it is why it does not appear in 2018. They represent 37% of the overall organisational costs, and 18% of the overall costs of the network.

#### CEO SALARY, FRINGE AND FEES

This new category has been included now that INQAAHE has a Chief Executive Officer. Under this group are included the CEO' salary, health insurance, workers compensation insurance and retirement contribution. Since April 2019 these costs have amounted to **94,358 USD** which represent a 26% of the total costs.

#### LOSS / GAIN ON FOREIGN EXCHANGE

The gain on foreign exchange in 2019 has been of **2,767 USD** versus last year's (**267 USD** positive).

We have applied the gain/loss at the currency exchange of 31/12/2019 USD/EUR to the following EUR accounts: balance at bank account and other registered monetary accounts registered in EUR. The transactions (incomes and expenses) executed in EUR are always

recognised in the functional currency (USD) by applying the currency exchange rate published in BOE, the Spanish Official Bulletin (<http://boe.es>).