



INQAAHE ACCOUNTS 2018

Issued by INQAAHE Secretariat, Barcelona (Spain)

March 2019

Company Directory

As at December 31, 2018

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.

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 2018

Issued by INQAAHE Secretariat, Barcelona (Spain) on March 2019

GENERAL INFORMATION

The financial statement includes the transactions and balances for the financial year from January 1, 2018 until December 31, 2018.

BALANCE SHEET

BALANCE SHEET			
For the period between January and December 2018			
	NOTE	2018	2017
		USD	USD
Balance at Bank	3	533,209	506,516
Receivables	4	87,290	55,689
Fixed assets	5	640	1,121
Intangible assets	6	6,947	11,986
Total assets		628,086	575,312
<i>Less</i>			
Payables	7	3,942	4,135
Total liabilities		3,942	4,135
Net assets (liabilities)		624,145	571,178
Equity	2	571,178	479,210
Result for the year	1	52,967	91,967
Equity	2	624,145	571,178

BALANCE SHEET

For the period between January and December 2018

	NOTE	2018 USD	2017 USD
Balance at Bank	3	533,209	506,516
570/ Cash		520	520
572/ Bank accounts EURO	3	6,911	1,118
573/ Bank account USD	3	525,778	504,878
Receivables	4	87,290	55,689
440/ Accounts receivable	4	129,494	76,012
490/ Provision doubtful debtors	4	(42,204)	(20,323)
Fixed assets	5	640	1,121
217/ Computer Hardware	5	1,921	1,921.08
281/ Accumulated depreciation computer hardware	5	(1,281)	(800)
Intangible assets	6	6,947	11,986
206/ Computer software	6	19,614	19,614
209/ Construction in Progress of Intangible assets	6	1,499	-
280/ Accumulated depreciation computer software	6	(14,166)	(7,628)
Total assets		628,086	575,312
Less			
Payables	7	3,942	4,135
410/ Accounts payable	7	2,276	2,469
448/ Deferred income /advanced debtors	7	1,666	1,666
Total liabilities		3,942	4,135
Net assets (liabilities)		624,145	571,178
Equity	2	571,178	479,210
Result for the year	1	52,967	91,967
Equity	2	624,145	571,178

PROFIT & LOSS

PROFIT & LOSS							
For the period between January and December 2018							
		Actual 2018 Full Year	Budget 2018 Full year	Actual 2018 vs. Budget Deviation	Actual 2017 Full Year	Budget 2017 Full year	
	NOTE	USD	USD	USD	USD	USD	
INCOME							
P1	Membership fees	10	204,734	179,000	25,734	190,261	179,000
P2	Income from events	11	13,408	10,000	3,408	55,785	50,000
P4	GGP reviews	12	-	15,000	(15,000)	22,500	30,000
	Total income	9	218,142	204,000	14,142	268,545	259,000
EXPENSES							
P5	Project related costs	14	41,397	59,500	(18,103)	62,939	79,000
P6	Organisational costs	15-25	124,045	131,000	(6,955)	112,752	136,000
	Total expenses	13	165,442	190,500	(25,058)	175,691	215,000
	Loss/surplus before result on foreign exchange	8	52,700	13,500	39,200	92,854	44,000
P7	Loss/Gain on foreign exchange	26	267	(3,000)	3,267	(887)	(3,000)
	Net loss/surplus for reporting period	1	52,967	10,500	42,467	91,967	41,000

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

- **Income / P1-P4:** Membership subscriptions, Contribution from events, Incomes from grants and GGP reviews,
Incomes from grants are not shown in P&L as no income from grants was received during 2016, 2017 nor 2018.
- **Expenses/ P5-P6:** Project related costs and organizational costs, and
- **Results on Foreign Exchange / P7:** Gain or loss on foreign exchange.

PROFIT & LOSS

For the period between January and December 2018

Details on Income (ref P1-P4)

		Actual 2018 Full Year	Budget 2018 Full year	Actual 2018 vs. Budget Deviation	Actual 2017 Full Year	Budget 2017 Full year
	NOTE	USD	USD	USD	USD	USD
P1	<u>Membership fees</u>					
P1.01.1	Membership fees for reporting year	222,299	182,500	39,799	194,896	182,200
P1.01.2	Membership fees for reporting year LCD/LIC members	4,317	2,500	1,817	3,453	2,800
P1.02	Membership fees for previous year	-	-	-	691	-
P1.04	Provision doubtful debtors	(21,882)	(6,000)	(15,882)	(8,779)	(6,000)
	Total Membership fees	204,734	179,000	25,734	190,261	179,000
P2	<u>Income from events</u>					
P2.01	Income Conference/Forum	13,408	10,000	3,408	55,785	50,000
	Total Income from events	13,408	10,000	3,408	55,785	50,000
P4	<u>GGP reviews</u>					
P4.01	Assessing agency alignment	-	15,000	(15,000)	22,500	30,000
	Total GGP Reviews	-	15,000	(15,000)	22,500	30,000
	Total income	218,142	204,000	14,142	268,545	259,000

Details on Costs (ref P5-P6)

		Actual 2018 Full Year	Budget 2018 Full year	Actual 2018 vs. Budget Deviation	Actual 2017 Full Year	Budget 2017 Full year
	NOTE	USD	USD	USD	USD	USD
P5	<u>Project related costs</u>					
P5.01	QA Graduate Program (QAP)	4,400	10,000	(5,600)	10,000	10,000
P5.05	Assessing Agency Alignment (GGP)	-	9,500	(9,500)	19,200	19,000
P5.06	Support to attend conference/forum	13,496	15,000	(1,504)	21,239	15,000
P5.07	Other activities	1,000	5,000	(4,000)	12,500	5,000
P5.08	New project initiatives	22,500	20,000	2,500	-	30,000
	Total Project related costs	41,397	59,500	(18,103)	62,939	79,000
P6	<u>Organisational costs</u>					
P6.01	Fee to secretariat	62,000	62,000	-	62,000	62,000
P6.02	Journal	-	11,000	(11,000)	8,629	11,000
P6.03	Printing	-	1,000	(1,000)	-	1,000
P6.04 /05	Website hosting & development	203	3,000	(2,797)	1,157	8,000
P6.06	Secretarial travel expenses	5,903	10,000	(4,097)	5,044	10,000
P6.07	Expenses for Board members	32,759	25,000	7,759	16,804	25,000
P6.08	Bank & credit card charges	9,586	7,000	2,586	5,598	7,000
P6.09	IT software & support	1,264	2,000	(736)	1,014	2,000
P6.10	Sundry Expenses	5,311	1,000	4,311	2,704	1,000
P6.11	Audit Services	-	-	-	2,784	-
P6.12	Depreciation provision	7,018	9,000	(1,982)	7,018	9,000
	Total Organisational costs	124,045	131,000	(6,955)	112,752	136,000
	Total costs	165,442	190,500	(25,058)	175,691	215,000
	Net loss/surplus for reporting period	52,700	13,500	39,200	92,854	44,000
P7	Loss/Gain on foreign exchange	267	(3,000)	3,267	(887)	(3,000)
	Net loss /surplus for reporting period	52,967	10,500	42,467	91,967	41,000

CASH FLOW

INQAAHE CASH FLOW 2018

Starting date	01/01/2018
Closing date	31/12/2018
Currency	USD

	Total
Cash on hand (beginning of period)	506,410
Cash on hand (end of period)	533,755
Collections on accounts receivable	180,508
Assessing agency alignment	-
Interest, other income	14,085
Gain on foreign exchange	-
TOTAL CASH RECEIPTS*	194,704
Total cash available	701,115
CASH PAID OUT	
QA Graduate Program (QAP)	4,448
Assessing Agency Alignment (GGP)	-
Support to attend conference/forum	14,645
Other activities	2,587
Fee to secretariat	62,000
Journal	-
Website development & hosting	1,683
Secretarial travel expenses	6,034
Expenses for Board members	32,103
Bank & credit card charges	9,167
IT expenses	1,264
New initiatives	20,045
Audit services	-
Loss on foreign exchange	-
Others	13,383
TOTAL CASH PAID OUT	167,359
Net cash from operating activities (end of period)	533,209
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	533,209

NOTES TO THE FINANCIAL STATEMENTS

RESULT – NET LOSS/SURPLUS FOR REPORTING PERIOD

The report is based on USD realised figures for the period ending December 31, 2018.

The total income for the year 2018 amounts to **52,967 USD** representing a decrease of approximately 42.4% from income of 91,967 USD for the year 2017 due to a decrease in income. This decrease is a consequence of no income being perceived from GGP Reviews, a lower revenue from INQAAHE Forum 2018 in Mauritius compared to the profit from INQAAHE Conference 2017 in Bahrain and a higher provision for doubtful debtors compared to 2017.

EQUITY

The period ends with a positive result and an equity of **624,145 USD**.

Statement of Movements in Equity For the period ended December 31 2018

<u>USD</u>	<u>2018</u>	<u>2017</u>
General Fund	571,178	479,210
Development Fund		
Equity as of January 1	571,178	479,210
Result based on December 31	52,967	91,967
	624,145	571,178

BALANCE AT BANK

INQAAHE is in good financial situation as current bank accounts keep on increasing:

	<u>Dec-18</u>	<u>Dec-17</u>	<u>Dec-16</u>	<u>Dec-15</u>
	USD	USD	USD	USD
Balance at Bank	533,209	506,516	437,884	389,514
570/ Cash	520	520		
572/ Bank accounts EURO	6,911	1,118	14,913	65,370
573/ Bank account USD	525,778	504,878	422,971	324,144

RECEIVABLES

Receivables raised to **129,494 USD**, higher than in 2017 (**76,012 USD**). A reminder of outstanding invoices was sent in summer. Still, no INQAAHE membership was discontinued due to payment of fees being in arrears for more than two years. Four cancellation requests were registered.

FIXED ASSETS

Computer hardware equipment was purchased in 2016 for **1,921 USD**.

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 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
- Accumulated depreciation = 320.18 + 480.27 + 480.27 = **1,280.72 USD**

INTANGIBLE ASSETS

The new INQAAHE website, purchased for **19,614 USD**, 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 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

- Accumulated depreciation = 1,089.68 + 6,538.09 + 6,538.09 = **14,165.86 USD**

PAYABLES

The balance of accounts payable **3,942 USD** decreased if compared to 2017 (**4,135 USD**) due to a better management of INQAAHE's obligation to settle its debts to creditors and/or suppliers.

LOSS/SURPLUS BEFORE RESULT ON FOREIGN EXCHANGE

During 2018 there has been a small profit in foreign exchange of **267 USD** due to the EUR/USD exchange rate fluctuation during 2018.

TOTAL INCOME

INQAAHE incomes are classified in four types: membership subscriptions, events (conferences or forums), grants and GGP Reviews.

The total 2018 income, **218,142 USD**, decreased compared to 2017 (**268,545 USD**). This is mainly caused by the decline in the income from the INQAAHE Forum 2018 (**13,408 USD**) compared to the income perceived by INQAAHE Conference 2017 (**55,785 USD**). This is understandably due to the fact that forums usually generates less income than conferences.

In 2018 no income was accounted for as GGP Reviews.

MEMBERSHIP SUBSCRIPTIONS

Regular 2018 Membership fee = 690.65 USD

LDC/LIC countries 2018 Membership fee = 345.33 USD

The reported total membership fees of 204,734 USD includes membership fees of 226,616 USD (**222,299 USD** + 4,317 USD) for the reporting year 2018, higher than the amount projected.

Provision of doubtful debtors 2018:

Provision of doubtful debtors has been calculated on December 31, 2018 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.

The provision of doubtful debtors amounts to **21,882 USD** negative, higher than what was previously budgeted (**6,000 USD**). The calculation goes as follows:

Account	Open balance 01/01	Closing balance 31/12 before revision	Close balance 31/12
490/ Provision doubtful debtors	20,322	20,322	42,204

Surplus 2018 before provision 74,849

Additional shortfall -21,882

Surplus 2018 after provision 52,967

CONTRIBUTIONS FROM EVENTS

INQAAHE Forum 2018 registration fees, hosted by Tertiary Education Commission (TEC) in Mauritius, were transferred directly to INQAAHE bank account in April 2018 and amounted to **13,408 USD**.

GGP REVIEWS

There has been no income collection from GGP Reviews/Alignments as none were scheduled in 2018.

TOTAL COSTS

The costs of **165,442 USD** are slightly lower if compared to 2017 (**175,691 USD**). This change is mainly due to no expenditure related to GGP being executed.

PROJECT RELATED COSTS

The expense of **41,397 USD** is lower than 2017 (**62,939 USD**) as there were no GGP-related costs.

FEE TO SECRETARIAT

The annual fee INQAAHE pays to AQU Catalunya as host of INQAAHE Secretariat, **62,000 USD**, was settled in two transfers, one ordered in January 2018 and a second one in August 2018.

JOURNAL

The costs for the Journal vary from year to year depending on the number of INQAAHE members and the exact currency exchange GBP/USD (invoices are always issued in GBP).

Taylor & Francis, the publishing company in charge of distribution, did not issue an invoice for 2018 delivery services so no expense was executed.

PRINTING

No expense was executed in 2018.

WEBSITE HOSTING & DEVELOPMENT

All developments related to the new INQAAHE website are being registered in the intangible assets balance. 2018 expense amounted to **203 USD**, drastically lower than **1,157 USD** in 2017 and it exclusively refers to hosting.

SECRETARIAL TRAVEL EXPENSES

The expense executed was **5,903 USD**, lower than what was initially budgeted (**10,000 USD**). They referred to the expenses of INQAAHE Secretariat staff (two people) when attending INQAAHE Forum 2018 in Mauritius which included their flights, travel insurance, accommodation and daily expenses throughout the event.

EXPENSES FOR BOARD MEMBERS

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

The expense executed is **32,759 USD**, higher than in 2017 (**16,804 USD**). This increase is due to the fact that INQAAHE funded both the former Board and the new one that stepped in in Mauritius. This was an exceptional fact as only one Board at a time is usually funded when attending an INQAAHE event.

As previously mentioned, all expenses related to INQAAHE representation throughout any international event are also included in this account. In 2018, three INQAAHE representatives were funded to attend the International Conference on Diversity, Quality and Improvement in Chile (January 8-10); another representative was funded to attend the EHEA Ministerial Conference and Bologna Policy Forum in Paris (May 22-25); one last representative was funded to attend the UNESCO Global Convention Meeting in Paris (December 5-7).

BANK & CREDIT CARD CHARGES

Expenses executed in 2018 were **9,586 USD** versus **5,598 USD** executed in year 2017. This amount is the result of taking into account all bank expenses during 2018. Banking costs include wire transfers and POS fees, mainly. These charges vary depending on the amount paid/received and the conditions of every bank that operates with INQAAHE's.

IT SOFTWARE & SUPPPORT

This small expense, lower than what was budgeted (**2,000 USD**), includes software licenses valid for 2018.

SUNDRY EXPENSES

These expenses include a new set of business cards for the President, gifts to be given to all attendees during INQAAHE Forum 2018 in Mauritius and courier expenses related to these gifts.

These expenses experienced an increase compared to 2017 due to the exceptional trophies that were handed to the host and keynote speakers during INQAAHE Forum 2018 in Mauritius.

LOSS / GAIN ON FOREIGN EXCHANGE

The gain on foreign exchange in 2018 has been of **267 USD** versus the loss on foreign exchange in 2017 (**887 USD**).

We have applied the gain/loss at the currency exchange of 31/12/2018 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>).