

G: INDEPTH FINANCIAL REPORT

INDEPTH Network

For the year ended 31 December 2012

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees has the pleasure in submitting the report and the audited financial statements of INDEPTH Network for the financial year ended 31 December 2012.

Statement of the Board of Trustees' responsibilities

The Board of Trustees is responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Organisation and of the surplus or deficit and cash flows for that period. In preparing these financial statements, the Board of Trustees has selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Public Sector Accounting Standards (IPSAS).

The Board of Trustees is responsible for ensuring that the Organisation keeps proper books of account and accounting records that disclose with reasonable accuracy at any time the financial position of the Organisation. The Board is also responsible for safeguarding the assets of the Organisation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The main activities of the Organisation are to conduct longitudinal health and demographic evaluation of populations in low- and middle-income countries, strengthen global capacity for HDSS, co-ordinate and mount cross-national research, and disseminate health information based on up-to-date scientific evidence from different health research centres across the developing world.

Results

The Statement of Financial Performance on page 5 shows a surplus for the year of **US\$6,596,623** (2011 Surplus: US\$1,935,729), whilst the statement of financial position on page 6 shows that **US\$15,074,690** (2011: US\$8,478,067) was carried forward as accumulated fund at the end of the period.

Auditor

PricewaterhouseCoopers has expressed willingness to continue in office as auditor of the Organisation in accordance with Section 134 (5) of the Companies Act, 1963 (Act 179).

BY ORDER OF THE BOARD

Board Chair:

Executive Director:

29.....May 2013

REPORT OF THE INDEPENDENT AUDITOR TO THE GENERAL ASSEMBLY OF INDEPTH NETWORK

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of INDEPTH Network set out on pages 5 to 18. These financial statements comprise the statement of financial position as at 31 December 2012, the statement of financial performance, the cash flow statement and the statement of changes in net assets for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Trustees' responsibility for the financial statements

The Board of Trustees is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards and with the requirements of the Companies Act, 1963 (Act 179) and for such internal control, as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of INDEPTH Network as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179).

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REPORT OF THE INDEPENDENT AUDITOR TO THE GENERAL ASSEMBLY OF INDEPTH NETWORK (CONTINUED)

REPORT ON OTHER LEGAL REQUIREMENTS

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the organisation, so far as appears from our examination of those books; and
- iii) the organisation's statement of financial performance and statement of financial position are in agreement with the books of account.



Signed by: Michael Asiedu-Antwi (ICAG/P/1138)

For and on behalf of:

PricewaterhouseCoopers (ICAG/F/028)

Chartered Accountants

Accra, Ghana

29 May 2013



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Financial Statements

For the year ended 31 December 2012

STATEMENT OF FINANCIAL PERFORMANCE

(All amounts are expressed in US dollars unless otherwise stated)

		<u>Year ended 31 December</u>	
	Notes	2012	2011
Revenue			
Donor Grants			
Secretariat-Core activities	2	2,757,032	3,046,733
Programmes	3	<u>10,812,498</u>	<u>7,609,354</u>
Sub-total		<u>13,569,530</u>	<u>10,656,087</u>
Other revenue	4	<u>73,696</u>	<u>51,519</u>
Total revenue		<u>13,643,226</u>	<u>10,707,606</u>
Governance Meeting expenses	5	164,374	452,917
Scientific workshop and coordination expenses	6	2,781,242	2,823,082
Capacity strengthening workshop expenses	7	434,347	373,807
Annual General and Scientific Meetings	8	178,935	480,399
Sub grants	9	2,801,667	3,651,689
General Secretariat running costs	10	<u>653,341</u>	<u>866,184</u>
Total expenditure		<u>7,013,906</u>	<u>8,648,078</u>
Surplus before financial income and expense		<u>6,629,320</u>	<u>2,059,528</u>
Financial income	11	36,797	6,218
Financial expense	12	<u>(69,494)</u>	<u>(130,017)</u>
Net financial expense		<u>(32,697)</u>	<u>(123,799)</u>
Surplus after financial income and expense		<u>6,596,623</u>	<u>1,935,729</u>

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Financial Statements

For the year ended 31 December 2012

STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in US dollars unless otherwise stated)

		<u>At 31 December</u>	
	Notes	2012	2011
Non-current assets			
Property, plant and equipment	13	104,157	<u>128,227</u>
Current assets			
Cash and cash equivalents	14	13,700,335	7,129,220
Recoverables from non exchange transactions	15	1,418,090	1,482,715
Receivables from exchange transactions	16	40,224	31,300
Prepayment	17	<u>60,135</u>	<u>26,840</u>
Total current assets		15,218,784	8,670,075
Total assets		15,322,941	8,798,302
Current liabilities			
Accrued expenses and payables	18	<u>(248,251)</u>	<u>(320,235)</u>
Net assets		15,074,690	8,478,067
Represented by:			
Accumulated fund (page 8)		15,074,690	8,478,067

The financial statements on pages 5 to 18 were approved by the Board of Trustees on 29.....May 2013 and signed on their behalf by:

Board Chair:



Executive Director:



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Financial Statements

For the year ended 31 December 2012

CASH FLOW STATEMENT

(All amounts are expressed in US dollars unless otherwise stated)

		<u>Year ended 31 December</u>	
		<u>2012</u>	<u>2011</u>
Net cash flows generated from operating activities	18	6,579,338	1,003,624
Cash flows used in investing activities			
Acquisition of property, plant and equipment	12	<u>(8,223)</u>	<u>(47,785)</u>
Increase in cash and cash equivalents		6,571,115	955,839
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		7,129,220	6,173,381
Increase in cash and cash equivalents		<u>6,571,115</u>	<u>955,839</u>
Cash and cash equivalents at end of the year	14	13,700,335	7,129,220