

Statement of Income and Expenditure

1 January 2013 - 31 January 2014 (13 months)



International Alliance of
Patients' Organizations

A global voice for patients

Figures are stated in Pounds (£)

Foreign Exchange Rates

Euro per Pound

1.22

Dollar per Pound

1.65

Rates At 31st January 2014

Incoming Resources

Item	Unrestricted Funds (1)	Restricted Funds (2)	2013/14 Income (13 months)	2012 Income (12 months)
Membership Fees (3)	14,019	-	14,019	12,601
Healthcare Industry Partners (4)	322,909	-	322,909	313,658
Project Funding (5)	-	229,068	229,068	121,693
Global Patients Congress (6)	-	-	-	167,590
Briefing Paper Sales (7)	8	-	8	30
Other income (8)	6,424	-	6,424	5,386
Total Incoming Resources	343,359	229,068	572,428	620,957

Resources Expended

Item	Staff Costs (9)	Office Costs (10)	Other Costs (11)	2013/14 Total Costs	2012 Total Costs
Mission Part 1: Realizing active partnerships with patients' organizations, maximising their impact through capacity building (11)	49,890	23,252	9,485	82,627	64,220
Mission Part 2: Advocating internationally with a strong patients' voice on relevant aspects of healthcare policy, with the aim of influencing international, regional and national health agendas and policies (12)	26,348	22,430	9,148	57,927	46,109
Mission Part 3: Building cross-sector alliances and working collaboratively with like-minded medical and health professionals, policy makers, academics, researchers and industry representatives (13)	41,517	21,914	5,493	68,925	51,057
Organization Administration, Governance & Development (14)	89,483	1,664	110,223	201,370	118,543
Global Patients Congress (15)	-	-	-	-	197,466
Project Funding (16)	110,406	10,198	126,855	247,459	94,367
Total Resources Expended	317,644	79,459	261,205	658,307	571,761

The Numbers in brackets on this page by each item refer to Notes to the Annual Financial Report which provide further detail

International Alliance of Patients Organizations

Balance Sheet At 31 January 2014

	31.1.14 (£)	31.12.12 (restated in £)
Fixed assets	1,857	-
Current assets		
Debtors	8,719	61,502
Prepayments	48,614	-
Cash at Bank and In Hand	608,780	542,906
	<u>666,113</u>	<u>604,407</u>
Creditors		
Accruals	-28,695	-19,294
Deferred Income		
- Healthcare Industry Partners	-106,830	-107,628
- Global Patients Congress	-25,923	-
- Projects	-112,564	-
- Deferred membership fees	-9,112	-6,760
	<u>- 283,123</u>	<u>-133,681</u>
Net current assets and net assets	<u>384,847</u>	<u>470,726</u>
Funds		
Designated Fund - Sustainability Fund	166,054	166,054
Unrestricted Fund	218,793	304,672
Total funds	<u>384,847</u>	<u>470,726</u>

The accompanying notes form part of these financial statements.

The financial statements for the year ended 31 January 2014 were approved and authorised for issue by the Board of Trustees on 28 March 2014:-

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BOARD OF THE INTERNATIONAL ALLIANCE OF PATIENTS' ORGANIZATIONS

We have audited the financial statements of The International Alliance of Patients' Organizations for the period ended 31st January 2014 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the organization's Governing Board and members, as a body. Our audit work has been undertaken so that we may state to the Governing Board and members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Governing Board and members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNING BOARD AND AUDITORS

The Governing Board is responsible for preparing the financial statements in accordance with applicable law and United Kingdom standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared. We also report to you if, in our opinion, if the organization has not kept proper records, and we have not received all the information and explanations we require for audit.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the organization's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Board; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS


In our opinion the financial statements:

- give a true and fair view of the state of the organization's affairs as at 31st January 2014 and of its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where , in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Knox Cropper
Chartered Accountants
Statutory Auditor

8-9 Well Court
London, EC4M 9DN

28th March 2014

Notes to the Annual Financial Report

These notes briefly explain items within the Annual Financial Report. References to "2013/14" refer to the extended 13 month period ended on 31st January 2014 and references to "2012" refer to a 12 month year ended on 31st December 2012. The financial year end for 2013 was changed to January 2014 to align with the registration date of IAPO as a UK charity. These are the last accounts that will be produced for IAPO as an association registered in the Netherlands; from financial year ending December 2014, accounts will be produced for the UK charity.

In previous years the accounts have been prepared in US dollars (\$) to reflect the fact that the majority of the organisations income has been received in this currency. In the current year, the accounts have been prepared in pounds sterling (£) because the organisation's office and accounting function is based in the UK and this is therefore the functional currency. The prior year figures have been restated using the closing exchange rate as at 31st December 2012.

For further financial and funding information please see: www.patientsorganizations.org/finances and www.patientsorganizations.org/partners.

Income (Page 1)

- 1. Unrestricted Funds:** These are core funds that are not restricted to particular projects.
- 2. Restricted Funds:** This is income that has been secured for particular projects and funds for the project can only be expended on that particular project. Restricted funds were £nil at the period end.
- 3. Membership Fees:** Membership fee income in 2013 is £14,019 compared to £12,601 in 2012. Membership fees range from \$50 to \$500 depending on annual income¹.
- 4. Healthcare Industry Partners:** IAPO's Industry Partners are companies, foundations and associations who commit to providing various levels of unrestricted financial support each period, contributing to IAPO's core costs. IAPO's Partners Framework provides a framework for IAPO and industry stakeholders to interact and collaborate in a transparent and accountable way².

¹ Further information about membership is available online at: www.patientsorganizations.org/membership

² In 2013, healthcare industry partners at the gold level (contributing \$50,000) were: Amgen; Eli Lilly; GlaxoSmithKline (GSK); the Medtronic Foundation; Merck Serono; Novartis; Pfizer; the Pharmaceutical Research and Manufacturers of America (PhRMA) and Sanofi. Silver level partners (contributing \$25,000) were Janssen and Novo Nordisk. The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) was a bronze level partner (contributing \$10,000).

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- 5. Project Funding:** In 2013 IAPO received restricted funding for the following projects: The PROTECT Project³; IAPO's Latin American Regional Programme⁴; IAPO's Workshop on Biosimilar Medicines⁵; Innovation Paper⁶; and IAPO's South-East Asia Regional Programme⁷.
- 6. Global Patients Congress 2014:** The biennial 2014 conference will take place in the UK. Congress income includes grants, sponsorship and delegate registration fees, all of which are deferred to the 2014 accounting period end. Further information about the Congress including details of sponsors and supporters is available online at: www.globalpatientscongress.org.
- 7. Briefing Paper Sales:** Briefing paper sales of £8 were received in 2013 (2012: £30).
- 8. Other Income:** Other income includes "In Kind" support, which comprises financial support and reimbursement provided to IAPO to attend conferences and meetings around the world.

Expenditure

- 9. Staff costs:** Staff costs is comprised of seven full-time staff members plus additional temporary and contract staff recruited where necessary and as funds permitted.
- 10. Office costs:** Includes the costs of renting IAPO's office, maintaining and developing IT equipment and purchasing stationary and project specific costs.
- 11. Mission Part 1:** Comprises IAPO's work to support and build the capacity of its member organizations. Mission Part 1 also includes administration and development of the membership scheme.
- 12. Mission Part 2:** Encompasses IAPO's policy activities including those that are IAPO-initiated (e.g. developing policy statements) and involvement in external initiatives (e.g. World Health Organization Patient Safety Programme).
- 13. Mission Part 3:** Includes cross-sector alliances and external relations, such as developing effective relationships with the World Health Organization, the International Hospital Federation and the World Health Professions Alliance.

³ Funded by a grant from the Innovative Medicines Initiative (IMI). Further information is available at www.imi-protect.eu

⁴ Funded by Abbie, Novartis and PhRMA

⁵ Funded by Merck Serono and PhRMA

⁶ Funded by PhRMA and Janssen

⁷ Funded by PhRMA and Eli Lilly

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14. Organization Administration, Governance and Development: This includes expenses for IAPO's Board Meetings and general administration including financial administration costs that cannot be categorised as expenditure for a particular area of activity.

15. Global Patients Congress: Expenditure for the bi-ennial Global Patients Congress is recognised in the period the Congress took place.

16. Project Funding: Expenditure for special projects in 2013/14 was £229,068 compared to £121,693 in 2012.

Balance Sheet

The funds on 31 January 2014 that IAPO held were £384,847. Some of this includes prepayments and deferrals of income relevant to different periods.

Current Assets

Cash at Bank: These are the funds that are held in IAPO's bank account.

Prepayments: These are costs that were expended in 2013 but relate to projects in 2014.

Debtors: These are debtors that owe IAPO money and also relates to travel card loans that are provided to staff as a benefit and are paid back to IAPO in twelve monthly instalments.

Cash in Hand: This is the amount held in petty cash.

Current Liabilities

Creditors: These are services or products that IAPO purchased in 2013 and for which payment is outstanding.

Deferred Income: Deferred income includes 2014 membership fees, 2014 Healthcare Industry Partners and income for 2014 projects.

Accruals: This is expenditure yet to be incurred relating to 2013.

Funds

At 31 January 2014, IAPO had a deficit for the period of £85,879, largely as a result of timing differences between income and future expenditure relating to the 2014 Congress. The Board has deemed it important for IAPO to build up a reserve to cover a period of running costs should there be difficulty obtaining funding in future. Unrestricted reserves at the end of 2013 were £218,793. The (unrestricted designated) Sustainability Fund is maintained at £166,054 (based on \$270,000).