

Statement of Income and Expenditure

1 January - 31 December 2012



International Alliance of
Patients' Organizations

A global voice for patients

Figures are stated in US Dollars

Foreign Exchange Rates

Euro to Dollar

1.32

Pound to Dollar

1.63

Rates At 31st December 2012

Incoming Resources

Item	Unrestricted Funds (1)	Restricted Funds (2)	2012 Total Income	2011 Total Income
Membership Fees (3)	20,489	-	20,489	10,391
Healthcare Industry Partners (4)	510,000	-	510,000	458,686
Project Funding (5)	-	197,870	197,870	255,904
Global Patients Congress (6)	-	272,498	272,498	-
Briefing Paper Sales (7)	48	-	48	201
In Kind Support (8)	-	8,757	8,757	13,770
Total Incoming Resources	530,537	479,124	1,009,661	738,952

Resources Expended

Item	Staff Costs (9)	Office Costs (10)	Other (11)	2012 Total Costs	2011 Total Costs
Mission Part 1: Realizing active partnerships with patients' organizations, maximising their impact through capacity building (12)	-59,954	-14,312	-30,154	-104,420	-78,976
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 (13)	-24,213	-12,176	-38,583	-74,971	-74,638
Mission Part 3: Building cross-sector alliances and working collaboratively with like-minded medical and health professionals, policy makers, academics, researchers and industry representatives (14)	-31,435	-12,382	-39,200	-83,018	-85,633
Organization Administration, Governance & Development (15)	-106,748	-86,426	427	-192,747	-130,196
Global Patients Congress (16)	-161,723	-40,137	-119,215	-321,075	-126,522
Project Funding (17)	-93,911	-11,772	-47,756	-153,439	-242,115
Total Resources Expended	-477,984	-177,205	-274,481	-929,670	-738,080

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

International Alliance of Patients Organizations

Balance Sheet At 31 December 2012

	31.12.12 (\$)	31.12.11 (\$)
Current assets		
Debtors	100,000	28,454
Prepayments	-	15,994
Cash at Bank and In Hand	882,751	907,681
	<u>982,751</u>	<u>952,129</u>
Creditors		
Accruals	-31,371	-42,090
Deferred Income		
- Healthcare Industry Partners	-175,000	-74,988
- Global Patients Congress		-111,313
- Deferred membership fees	-10,991	-38,340
	<u>- 217,362</u>	<u>-266,731</u>
Net current assets and net assets	<u><u>765,389</u></u>	<u><u>685,398</u></u>
Funds		
Designated Fund - IAPO Sustainability Fund	270,000	270,000
Unrestricted Fund	495,389	415,398
Total funds	<u><u>765,389</u></u>	<u><u>685,398</u></u>

The accompanying notes form part of these financial statements.

The financial statements for the year ended 31 December 2012 were approved and authorised for issue by the Board of Trustees on 18/4.13.



Trustee

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 year ended 31st December 2012 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 December 2012 and of its income and expenditure, for the year 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

Date: 18th April 2013

Notes to the Annual Financial Report

These notes briefly explain items within the Annual Financial Report. 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.
- 3. Membership Fees:** Membership fee income in 2012 is \$20,489 compared to 2011 when it was \$10,391 as a result of a more prudent policy on recognition of outstanding membership income in the current economic climate. 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 year, 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.
- 5. Project Funding:** In 2012 IAPO received restricted funding for the following projects: the PROTECT Project³; IAPO's Latin American Regional Programme⁴; IAPO's Briefing Paper on Biosimilar Medicines⁵ and IAPO's Patient-Centred Indicators Report⁶.
- 6. Global Patients Congress 2012:** The bi-annual conference took place in London. Congress income includes sponsorship and delegate registration fees. Further information about the Congress including details of sponsors is available online at: www.globalpatientscongress.org.
- 7. Briefing Paper Sales:** Briefing paper sales of \$48 were received in 2012 (2011: \$201).

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

² In 2012, healthcare industry partners at the gold level (contributing \$50,000) were: Amgen; AstraZeneca; Eli Lilly; GlaxoSmithKline (GSK); the Medtronic Foundation; Novartis; Pfizer; the Pharmaceutical Research and Manufacturers of America (PhRMA) and Sanofi-aventis. 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).

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

⁴ Funded by Eli Lilly, the Partnership for Safe Medicines and the Pharmaceutical Research and Manufacturers of America (PhRMA).

⁵ Funded by Amgen and Eli Lilly

⁶ Funded by Novo Nordisk

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- 8. In Kind Support:** In Kind support comprises of financial support and reimbursement provided to IAPO to attend conferences and meetings around the world.

Expenditure

- 9. Staff costs:** Staff costs is comprised of six 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 our IT equipment and purchasing stationary and project specific costs.
- 11. Other:** Includes postage costs, printing costs and any expenditure related to participating in meetings relating to each activity area. It also includes IAPO Board Meetings expenditure.
- 12. 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.
- 13. 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).
- 14. 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.
- 15. 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.
- 16. Global Patients Congress:** Expenditure for the bi-annual Global Patients Congress is recognised in the period the Congress took place.
- 17. Project Funding:** Expenditure for special projects in 2012 was \$197,870 compared to \$255,904 in 2011.

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Funds as at 31 December 2012 (page 2)

The funds on 31 December 2012 that IAPO held were \$882,751. Some of this includes pre payments and deferrals of income relevant to different periods.

Balance Sheet (page 3)

At the end of 2012, IAPO had a surplus for the year of \$79,991, largely as a result of timing differences between income and future expenditure on a project relating to Biosimilars, increasing reserves at the year end to \$765,389. 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. The (unrestricted designated) Sustainability Fund is maintained at \$270,000.

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 2012 but relate to projects in 2013.

Trade Debtors: These are debtors that owe IAPO money. A number of these are for items that were invoiced in 2012 but relate to 2013 as outlined under 'Deferred Income' below.

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

Other Debtors: This relates to travel card loans that are provided to staff as a benefit and are paid back to IAPO in twelve monthly instalments.

Current Liabilities

Creditors: These are services or products that IAPO purchased in 2012 and for which payment is outstanding.

Deferred Income: Such as 2013 membership fees, 2013 Healthcare Industry Partners and income for 2013 projects.

Accruals: This is expenditure that is predicted for 2013.