

INDEPTH NETWORK
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
31 DECEMBER 2014

INDEPTH NETWORK*(A Company Limited by Guarantee)***ANNUAL REPORTS AND FINANCIAL STATEMENTS****I N D E X**

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INDEPTH NETWORK

(A Company Limited by Guarantee)

CORPORATE INFORMATION

BOARD OF TRUSTEES

Prof. Marcel Tanner	Chair
Prof. Catherine Kyobutungi	Vice Chair (<i>Appointed: October 2014</i>)
Prof. Osman Sankoh	Executive Director
Dr. Kofi Baku	Board Secretary
Prof. Peter Byass	Member
Dr. Timothy Evans	Member
Prof. Hans-Olov Adam	Member
Dr. Abdramane Soura	Member
Dr. Frank Odhiambo	Member
Dr. Walter Otieno	Member (<i>Appointed: October 2014</i>)
Prof. Abhitjit Chowdhury	Member (<i>Appointed: October 2014</i>)
Prof. Nguyen Chuc Nguyen	Member (<i>Appointed: October 2014</i>)
Dr. Eusebio Macete	Vice Chair (<i>Resigned: October 2014</i>)
Dr. Momodou Jasseh	Member (<i>Resigned: October 2014</i>)
Dr. Bich Huu Tran	Member (<i>Resigned: October 2014</i>)

AUDITORS

KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P O Box GP 242
Accra

REGISTERED OFFICE

INDEPTH Network
No.38 & 40 Mensah Wood Street
East Legon
P.O. Box KD 213, Kanda
Accra, Ghana

SOLICITOR

Dr. Kofi Baku
P.O. Box LG. 12
University of Ghana
Legon

BANKERS

Barclays Bank of Ghana Limited
GCB Bank Limited
Guaranty Trust Bank Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
UBS International, USA

**REPORT OF THE TRUSTEES
TO THE MEMBERS OF
INDEPTH NETWORK**

The Trustees present their report and financial statements of INDEPTH Network for the year ended 31 December 2014.

TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's Board of Trustees is responsible for the preparation and fair presentation of these financial statements comprising the statement of financial position at 31 December 2014, the statement of financial performance, the statement of changes in net asset and the statement of cash flow for the year then ended, and the note to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Companies Act 1963, (Act 179) and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Trustees have made an assessment of the ability of the Network secretariat to continue as a going concern and have no reason to believe the organisation will not be a going concern in the year ahead.

INCORPORATION AND PRINCIPAL ACTIVITIES

INDEPTH Network is an international organisation for the demographic evaluation of populations and their health in developing countries. It is a not-for-profit organisation that currently consists of 45 member centres running 52 Health and Demographic Surveillance System (HDSS) in Africa, Asia and Oceania. It was established in 1998 and incorporated in Ghana as a company limited by guarantee in 2002 under the Companies Act, 1963 (Act 179).

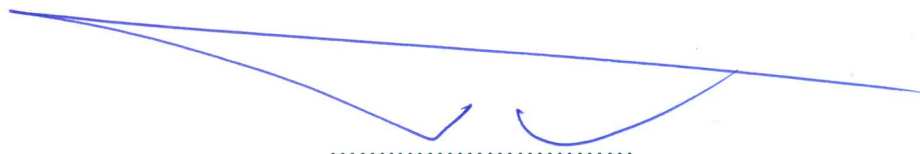
The main activities of the Organisation are to conduct longitudinal health and demographic evaluation of populations in low and middle income countries, strengthen global capacity for Health and Demographic Surveillance System (HDSS), co-ordinate and mount cross-national research, and disseminate health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

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Network as indicated above were approved by the Board of Trustees on 3/7/....., 2015 and are signed on their behalf by:



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TRUSTEE



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TRUSTEE

INDEPTH Network
Prof. Osman Sankoh
EXECUTIVE DIRECTOR

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
INDEPTH NETWORK**

Report on the Financial Statements

We have audited the financial statements of INDEPTH Network which comprise the statements of financial position at 31 December 2014, the statement of financial performance, statement of changes in net assets and cash flow for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 22.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and in the manner required by the Companies Act 1963, (Act 179) and for such internal control as the 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 these 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 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 judgment, 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 and fair presentation of the financial statements 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 management, 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the statement of financial position of INDEPTH Network Secretariat at 31 December 2014, statement of financial performance, statements of changes in net assets and cash flows for the year ended in accordance with International Public Sector Accounting Standards and the Companies Act 1963, (Act 179).

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
INDEPTH NETWORK (CONT'D)**

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 and fifth Schedule of the Companies Act 1963, (Act 179)

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept and the statement of financial position and statement of financial performance are in agreement with the books of accounts.

KPMG

Signed by: Nathaniel D. Harlley (ICAG/P/1056)

For and on behalf of:

KPMG: (ICAG/F/2015/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

P O BOX GP 242

ACCRA

3 July

..... 2015

3/7/15

INDEPTH NETWORK

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 US\$	2013 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	16	47,118	86,378
Current assets			
Cash and cash equivalents	17(a)	4,659,456	7,197,914
Short term investment	17(b)	1,386,942	1,375,567
Recoverable from non-exchange transactions	18	845,171	1,571,045
Receivables from exchange transactions	19	20,633	17,472
Prepayment	20	103,168	16,936
Total current assets		<u>7,015,370</u>	<u>10,178,934</u>
Total assets		<u><u>7,062,488</u></u>	<u><u>10,265,312</u></u>
LIABILITIES			
Current liabilities			
Accrued expenses and payables	21	98,234	100,800
Committed grants deferred	29	4,378,634	7,777,907
Total liabilities		<u>4,476,868</u>	<u>7,878,707</u>
Net assets		<u><u>2,585,620</u></u>	<u><u>2,386,605</u></u>
Financed by:			
Endowment fund	22	1,386,942	1,375,567
Accumulated Surplus		1,198,678	1,011,038
		<u>2,585,620</u>	<u>2,386,605</u>



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TRUSTEE



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TRUSTEE

The financial statements were signed on 3/7/, 2015.

The notes on pages 11 to 22 are an integral part of these financial statements.

INDEPTH NETWORK
(A Company Limited by Guarantee)
STATEMENT OF FINANCIAL PERFORMANCE
AT 31 DECEMBER 2014

	Note	2014 US\$	Restated 2013 US\$
Revenue			
Funds received from donors			
Secretariat-core activities	5	1,982,385	1,374,925
Programmes	6	7,215,719	4,372,107
		-----	-----
Sub-total		9,198,104	5,747,032
		-----	-----
Other revenue	7	46,635	361,646
		-----	-----
Total revenue		9,244,739	6,108,678
		-----	-----
Governance meeting expenses	8	183,849	157,679
Scientific workshop and coordination expense	9	3,324,355	3,713,403
Capacity strengthening workshop expenses	10	581,703	470,769
Annual general and scientific meetings	11	78,713	271,374
Sub grants to member centres	12	3,993,272	2,397,054
General secretariat running costs	13	842,524	774,919
		-----	-----
Total expenditure		9,004,416	7,785,198
		-----	-----
Surplus/(Deficit) before financial income and expense		240,323	(1,676,520)
		-----	-----
Financial income	14	11,898	22,102
Financial expense	15	(53,206)	(69,672)
		-----	-----
Net financial expense		(41,308)	(47,570)
		-----	-----
Surplus/ (Deficit) after financial income and expense		199,015	(1,724,090)
		=====	=====

The notes on pages 11 to 22 are an integral part of these financial statements.

INDEPTH NETWORK
(A Company Limited by Guarantee)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Accumulated fund US\$	Endowment fund US\$	Total US\$
2014				
Balance at 1 January		1,011,038	1,375,567	2,386,605
Change in net assets during the year		199,015	-	199,015
Transfer	22	(11,375)	11,375	-
Balance at 31 December		<u>1,198,678</u>	<u>1,386,942</u>	<u>2,585,620</u>
2013				
Balance at 1 January		4,110,695	-	4,110,695
Change in net assets during the year		(1,724,090)	-	(1,724,090)
Transfer	22	(1,375,567)	1,375,567	-
Balance at 31 December		<u>1,011,038</u>	<u>1,375,567</u>	<u>2,386,605</u>

The notes on pages 11 to 22 are an integral part of these financial statements.

INDEPTH NETWORK
(A Company Limited by Guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 US\$	2013 US\$
Surplus/(Deficit) for the year		199,015	(1,724,090)
Depreciation for the year		48,475	39,481
Interest income		(11,898)	(22,102)
Decrease/(Increase) in receivables from non-exchange transactions		725,874	(152,955)
(Increase)/decrease in receivables from exchange transactions		(3,161)	22,752
(Increase)/decrease in prepayments		(86,232)	43,199
Decrease in payables		(2,566)	(147,451)
Change in net deferred grants		(3,399,273)	(3,186,088)
Loss on disposal of plant and equipment		-	12,552
		-----	-----
Net cash flow (used in) operating activities		(2,529,766)	(5,114,702)
		-----	-----
Cash flows used in investing activities			
Acquisition of property, plant and equipment	16	(9,215)	(41,918)
Proceeds from disposal of plant and equipment		-	7,664
Interest received		11,898	22,102
		-----	-----
Net cash generated from/(used in) investing activities		2,683	(12,152)
		-----	-----
Net decrease in cash and cash equivalents		(2,527,083)	(5,126,854)
		=====	=====
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		8,573,481	13,700,335
Net cash (outflow)		(2,527,083)	(5,126,854)
		-----	-----
Cash and cash equivalents at end of the year		6,046,398	8,573,481
		=====	=====
Analysis of Cash and Cash Equivalent			
Cash at Bank		4,659,456	7,197,914
Short term investment (T-Bills)		1,386,942	1,375,567
		-----	-----
		6,046,398	8,573,481
		=====	=====

The notes on pages 11 to 22 are an integral part of these financial statements.

INDEPTH NETWORK

(A Company Limited by Guarantee)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 31 DECEMBER 2014

Budget for the period under review

The budget and actual analysis provide the key projects undertaken by INDEPTH Network. These projects drive the business of the Organisation

	2014	2014		
	Annual Budget	Expenditure	Budget Variance	Variance %
	US\$	US\$	US\$	
Bill and Melinda Gates Foundation -INESS	8,053,677	5,284,825	2,768,852	34
Hewlett Foundation-Sexual Reproductive Health	187,453	169,851	17,602	9
EU/ Umea University - INTREC	287,939	96,173	191,766	67
Sida Research Cooperation	2,328,220	1,783,489	544,731	23
Hewlett Foundation - Core Support	350,000	338,855	11,145	3
Hewlett Foundation-Organisational Effectiveness	87,500	64,594	22,906	26
Rockefeller Foundation - Health Systems	30,000	30,000	-	-
SSI/DANIDA – Vaccination & Child Survival	288,100	71,419	216,681	75
ICF Macro International	85,616	86,548	(932)	-1
EU/Heidelberg University- IDAMS	10,213	-	10,213	100
GlaxoSmithKline- GSK	43,657	43,724	(67)	-0.15
Global Alliance for Vaccines & Immunization	94,300	69,846	24,454	26
NIH/Wits Health Consortium - Awi-gen Project	186,353	165,526	20,827	11
Doris Duke Charitable Foundation/ COHRED	91,974	62,334	29,640	32
Wellcome Trust/University of Kwazulu Natal	547,194	411,398	135,796	25
Population council- Evidence Project	20,432	20,604	(172)	-1
Bill and Melinda Gates Foundation – IHOPE Project	1,632,386	27,662	1,609,782	99
WHO/INDEPTH ALPHA Collaboration	30,819	30,819	-	-
INDEPTH Core	251,480	251,480	-	-
Total	14,607,313	9,009,147	5,603,224	

The notes on pages 11 to 23 are an integral part of these financial statements.

Additional information about the budget and a reconciliation of amounts as per the above statement and the actual amounts in the statement of cash flows is disclosed in note 4 to the financial statements.

Budget compared to actual spend is only required to be disclosed by IPSAS 24 when budgets are publically available. INDEPTH Network has chosen to disclose this information voluntarily to enhance the transparency of its financial statements and the accountability of management for delivering the INDEPTH Network Secretariat services.

INDEPTH NETWORK

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****1 GENERAL INFORMATION**

INDEPTH Network is a Company registered and domiciled in Ghana. The address of the Company's registered office can be found on page 2 of the annual report. 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.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**a. Statement of compliance**

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and its interpretations adopted by the International Accounting Standards Board (IASB) and the rules of the Network.

b. Basis of preparation

The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below. The financial statements are prepared on an accrual basis. The cashflow statement is prepared using the indirect method. The accounting policies have been consistently applied to all the years presented.

The financial statements are presented in US dollars (US\$), which is the company's functional and presentational currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. Use of estimates and judgement

The preparation of financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key estimates management has made in preparing the financial statements concerns the lives of intangible assets and property, plant and equipment which are at least that set out in the relevant notes.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

b. Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States Dollars which is the functional currency.

Transactions and balances

Transactions during the year in currencies other than the reporting currency are converted into United States Dollars at the approximate rates of exchange prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than US\$ at the reporting date are translated into US Dollars at the rates of exchange ruling as at that date. The resulting gains or losses are recognised in the statement of financial performance.

c. Intangible asset

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of 3 years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

d. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day-to-day maintenance, repair and servicing expenditures incurred on property and equipment are recognised in profit or loss.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. No depreciation is charged in the year of disposal. The annual rates generally in use for the current and comparative periods are as follows

Computers	33.33%
Furniture and fittings	20%
Office equipment	20%
Motor vehicles	25%

Depreciation on additions to property, plant and equipment is charged on pro-rata basis from date of assets purchase or becomes ready for use.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in profit or loss as other income

e. Cash and cash equivalents

INDEPTH Network's cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

f. Receivables from exchange and non-exchange transactions

Accounts receivable represent receivables from exchange transactions and recoverable from non-exchange transactions.

Recoverable from non-exchange transactions

Salary advances/staff loans outstanding as at the end of the reporting period are treated as receivables in the statement of financial position.

Receivables/recoverable are recorded at their estimated realizable value after providing for doubtful and uncollectible debts.

g. Payables

Payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

h. Revenue

Revenue arises from non-exchange transactions such as grants from various institutional donors. Grants represent cash remittances from institutional donors. Income is recognised when funds are transmitted and received except for specific grant income which may be recognised on accrual or other basis due to the terms and conditions of the grant agreement. Such grants are reviewed on a case by case basis and income recognised based on their terms and conditions.

i. Expenditure

Network expenditure is recognised on accrual basis.

j. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases such as rentals are charged to the statement of financial performance on a straight-line basis over the period of the lease. INDEPTH Network does not have any finance leases

k. Employee benefits

INDEPTH Network has defined contribution plans. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions. Obligations for contributions to defined contribution schemes are recognised as an expense in profit or loss in periods during which services are rendered by employees.

l. Events after the reporting period

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material

m. Financial instruments

INDEPTH Network seeks to minimise its exposure to financial risk. It uses only non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, certificates of deposit, accounts receivable and accounts payable.

All financial instruments are recognised in the statement of financial position at their fair values.

4 NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

a. Basis of Preparation

The budget information has been prepared on a cash basis since it is the policy of INDEPTH to apply the cash basis of accounting for its budgets during the fiscal year. The financial statements however, are prepared on an accrual basis of accounting. The accrual basis of accounting is one under which transactions, other events and conditions are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the concept recognizes revenue when earned and expenses when incurred.

b. Key assumptions include:

- Networking available throughout the periods
- Donors interest in sponsoring specific site activities

c. Budget approval

The INDEPTH Network is a non-profit public international institution registered in accordance with the Companies Act 1963 (Act 179) and regulations governing NGOs in Ghana.

INDEPTH Network is governed by the General Assembly whose functions and power among others include: “to approve and ratify agreements, contracts, policies, programmes, new members, protocols, by-laws, budgets, financial statements, audit reports and election of Board Members”.

The functioning of the Network is entrusted to an elected Board of Trustees whose functions include:

“Recommend for approval or ratification by the General Assembly, policies, programmes, budgets, financial statements, audit reports, agreements and contract”. The Board of Trustees also reviews, approves and establishes the annual plan of work while the Secretariat (through its Executive Director) drafts an annual work plan and associated budget and report on progress made to the Board of Trustees and as appropriate to the General Assembly during the Annual General Meeting.

The approval of the Budget by the General Assembly (through the Board of Trustees) empowers the Secretariat (through the Executive Director), subject to any special conditions to:

- Commit and authorises expenditure and to make all payments to be borne by the Organisation, for the purposes assigned and within the limits of the appropriations and the commitment authority, as the case may be;
- Ensure approval is obtained from Board for any activity outside the network; and
- Provide the Board with quarterly budget and variance for review and approval.

d. Comparison of budget and actual on a high level and also at the level of projects

Introduction

INDEPTH Network entity wide financial statements are on an accrual basis whilst the project specific reporting is on cash basis. The budget for the entity is usually linked to specific projects which are implemented by sub-grantees. The Statement of Financial position, Statements of Financial Performance, Statements of Changes in Nets Assets and Statements of Cash Flow are prepared on a full accrual basis. INDEPTH Network budget and entity-wide financial statements are therefore prepared using different bases.

To enable users and Networkers to derive the needed benefit and make this presentation useful, management has decided to present the comparison by project which is on a cash basis. This form of presentation as indicated is to ensure management achieves the reporting requirement of IPSAS 24 and also meets the needs of stakeholders within the Network for effective decision making.

The approved budget for each of the projects outlined below covers the fiscal period 1 January to 31 December 2014 and includes all sub-grantees implementing the projects across the 52 sites in Africa, Asia and Oceania.

e. Explanations of key deviations

- i. Bill and Melinda Gates - INESS Project: The INESS project received an amount of US\$819,247 in 2014 as additional funds to add to the remaining balance (US\$7,234,430) on the anti-malarial Euratesim Study. The project was actively implemented in 2014 with the purchase of anti-malaria drugs (Euratesim) due to its limited implementation period remaining. It is also worth noting that the 5 year INESS project came to an end in October 2012. However, a 'no cost extension' was granted to the project to implement the Euratesim study up to June 2015. The balance remaining on the project will be used for the implementation of the project.
- ii. Bill and Melinda Gates – IHOPE Project: This is a 3 year research study on out of pocket expenses on health which started in November 2014. The project received 70% of the funds during the year 2014 though not much activities were undertaken because of the late arrival of the funds. The balance remaining will be used to finance the project in the subsequent years.
- iii. SIDA/Research Cooperation Core support:-This was a 4 year core support funding received from SIDA. The balance remaining is a committed fund to be used to support PhD students, accredited Indepth centres to enable them host MSc students from Vits University in South Africa.
- iv. Wellcome Trust/ University of Kwazulu Natal – These are committed funds for Ishare2 project which is ongoing.
- v. Umea University/EU: These funds were earmarked for the training of scientist at the INDEPTH training centres and the remaining balance is committed towards the final Stakeholders meeting in Accra to wrap up activities on the INDEPTH training and Research Centres of Excellent (INTREC) in May 2015.
- vi. SSI/DANIDA - Vaccination & Child Survival: These funds were committed funds for child survival and vaccination with INDEPTH Centres.

DONOR GRANTS – SECRETARIAT CORE ACTIVITIES

	2014 US\$	2013 US\$
Sida/Research Cooperation Unit	1,632,386	1,124,925
Hewlett Foundation- Core	350,000	250,000
	-----	-----
	<u>1,982,386</u>	<u>1,374,925</u>

5 DONOR GRANTS – PROGRAMME ACTIVITIES

	2014 US\$	2013 US\$
Bill and Melinda Gates Foundation - INESS	819,247	-
EU/Umea University - INTREC	231,250	-
Welcome Trust/University of Kwazulu Natal	361,633	436,055
SSI/DANIDA – Vaccination and Child Health	214,539	206,324
UNESCO Pilot Study on migration & Climate change	-	79,903
ICF Macro International	85,616	-
WHO/HMN – INDEPTH-ALPHA Collaboration	-	133,626
GlaxoSmithKline- GSK	43,657	-
Global Alliance for Vaccines & Immunization - GAVI	94,300	-
EU/Umea	-	10,213
Doris Duke Charitable Foundation/COHRED	91,975	-
Save the Children – Newborn	-	65,000
Rockefeller Foundation - Health Systems	-	118,152
EU/University of Heidelberg – IDAMS	-	23,056
NIH/Wits Health Consortium – Awi-gen Project	186,353	38,690
Population council - Evidence Project	20,432	-
Bill and Melinda Gates Foundation – IHOPE Project	1,637,444	-
Hewlett Foundation - Organisational Effectiveness	30,000	75,000
	<u>3,816,446</u>	<u>1,186,019</u>
Net change in deferred grant (<i>Note 29</i>)	3,399,273	3,186,088
	<u><u>7,215,719</u></u>	<u><u>4,372,107</u></u>

6 OTHER REVENUE

Sundry income	46,635	136,677
Ghana Health Services	-	224,969
	<u>46,635</u>	<u>361,646</u>

7 GOVERNANCE MEETING EXPENSES

INDEPTH Core	162,374	157,679
INESS Project	21,475	-
	<u>183,849</u>	<u>157,679</u>

8 SCIENTIFIC WORKSHOPS AND COORDINATION EXPENSES

INDEPTH Core	2,032,075	2,740,484
INESS Project	1,292,280	972,919
	<u>3,324,355</u>	<u>3,713,403</u>

**9 CAPACITY STRENGTHENING
WORKSHOP EXPENSES**

	2014 US\$	2013 US\$
INDEPTH Core	468,773	470,769
INESS Project	112,930	-
	<u>581,703</u>	<u>470,769</u>

**10 ANNUAL GENERAL AND SCIENTIFIC
MEETINGS**

Air tickets	-	133,281
Conference package and other costs	78,713	138,093
	<u>78,713</u>	<u>271,374</u>

11 SUB GRANTS TO MEMBER CENTRES

INDEPTH Core	377,155	1,914,454
INESS Project	3,616,117	482,600
	<u>3,993,272</u>	<u>2,397,054</u>

12 GENERAL SECRETARIAT RUNNING COST

INDEPTH Core	600,501	774,919
INESS	242,023	-
	<u>842,524</u>	<u>774,919</u>

*This includes:

Audit fees	<u>40,000</u>	<u>36,000</u>
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13 FINANCIAL INCOME

Interest income	<u>11,898</u>	<u>22,102</u>
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14 FINANCIAL EXPENSE

	2014 US\$	2013 US\$
Bank charges	53,206	69,672

15 PROPERTY AND EQUIPMENT

2014	Computers US\$	Furniture & fittings US\$	Office Equipment US\$	Motor Vehicles US\$	Total US\$
Cost					
At 1 January	96,600	5,715	98,789	56,060	257,164
Additions	8,096	1,119	-	-	9,215
	-----	-----	-----	-----	-----
At 31 December	104,696	6,834	98,789	56,060	266,379
	=====	=====	=====	=====	=====
Accumulated depreciation					
At 1 January	83,602	4,167	61,995	21,022	170,786
Charge for the year	5,344	811	21,284	21,036	48,475
	-----	-----	-----	-----	-----
At 31 December	88,946	4,978	83,279	42,058	219,261
	=====	=====	=====	=====	=====
Net carrying amounts					
At 31/12/14	15,750	1,856	15,510	14,002	47,118
	=====	=====	=====	=====	=====
2013					
Cost					
At 1 January	97,789	5,715	106,672	191,973	402,149
Additions	6,866	-	7,052	28,000	41,918
Disposals/write offs	(8,055)	-	(14,935)	(163,913)	(186,903)
	-----	-----	-----	-----	-----
At 31 December	96,600	5,715	98,789	56,060	257,164
	=====	=====	=====	=====	=====
Accumulated depreciation					
At 1 January	86,496	3,583	57,204	150,709	297,992
Charge for the year	5,161	584	19,726	14,010	39,481
Release on disposals/write offs	(8,055)	-	(14,935)	(143,697)	(166,687)
	-----	-----	-----	-----	-----
At 31 December	83,602	4,167	61,995	21,022	170,786
	=====	=====	=====	=====	=====

15 PROPERTY AND EQUIPMENT (CONT'D)

2013	Computers US\$	Furniture & fittings US\$	Office Equipment US\$	Motor Vehicles US\$	Total US\$
Net carrying amounts					
At 31/12/13	12,998	1,548	36,794	35,038	86,378
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

(b) Disposal/write off Property and Equipment

	2014 US\$	2013 US\$
Cost of assets	-	186,903
Accumulated depreciation	-	(166,687)
Net book value	-	20,216
Proceeds	-	(7,664)
Loss on disposal	-	12,552
	<u>=====</u>	<u>=====</u>

16a CASH AND CASH EQUIVALENTS

Cash at bank	4,615,470	7,159,232
Cash in hand	43,986	38,682
	<u>=====</u>	<u>=====</u>
	4,659,456	7,197,914
	<u>=====</u>	<u>=====</u>

16b SHORT TERMS INVESTMENTS

These funds have been set aside as endowment fund and has been invested in a 91 day bills with GCB Bank Limited.

17 RECOVERABLE FROM NON-EXCHANGE TRANSACTIONS

	2014 US\$	2013 US\$
INESS	-	972,498
INDEPTH Core	845,171	598,547
	<u>=====</u>	<u>=====</u>
	845,171	1,571,045
	<u>=====</u>	<u>=====</u>

These are receivables from Grant Partners.

18 RECEIVABLES FROM EXCHANGE TRANSACTIONS

This comprises advances given to staff which were outstanding as at the end of the period.

19 PREPAYMENT

INDEPTH Network rents office space in Accra, under tenancy agreements which terminate in March 2017. Included in the tenancy agreement is a requirement to pay the landlord in advance for the entire period, which is expensed annually on a pro-rata basis.

20 ACCRUED EXPENSES AND PAYABLES

	2014 US\$	2013 US\$
<u>Accrued expenses</u>		
Auditor's remuneration	40,000	36,000
Other accrued expenses	58,234	64,800
	-----	-----
	98,234	100,800
	=====	=====

21 ENDOWMENT FUND

The endowment fund was set up in 2013 as a non-distributable reserve to broaden and stabilize the financial base of the Network.

The fund has been invested in a 91 day T-bills with GCB Bank Limited. The Network will continue with the endowment fund through the support of donor agencies and corporations within and outside Africa.

22 FINANCIAL INSTRUMENTS

All financial instruments to which INDEPTH Network is a party are recognized in the financial statements.

Credit risk

In the normal course of business, INDEPTH Network incurs credit risk from accounts receivable and transactions with banking institutions. INDEPTH Network manages its exposure to credit risk by:

- Holding bank balances and short-term deposits (demand deposits) with Ghanaian and United States-registered banking institutions; and
- Maintaining credit control procedures over accounts receivable.

As at 31 December 2014, the total amount of cash and cash equivalents was US\$6,046,398 (2013: US\$8,573,481). Out of this amount, US\$2,561,764 representing 42% of cash and cash equivalents was held with UBS International in the United States in the form of demand deposits, whilst the remaining amount of US\$3,484,634 representing 58% was held with reputable banks in Ghana listed on page 1 of this report. Recoverable from non-exchange transaction, receivable from exchange transactions and prepayments as at 31 December 2014 totalled US\$968,972 (2013: US\$1,605,453).

22 FINANCIAL INSTRUMENTS (CONT'D)

The maximum exposure as at 31 December 2014 was equal to the total amount of bank balances, short-term deposits, and receivables disclosed in the statement of financial position.

INDEPTH Network does not require any collateral or security to support financial instruments and other receivables it holds due to low risk associated with the realization of these instruments.

Foreign currency exchange rate risk

INDEPTH Network operates separate bank accounts in Euro and Ghana Cedi. INDEPTH Network incurs currency risk as a result of the conversion of foreign currency balances held in these bank accounts to United States dollars at period end. The currency risk associated with this balance is considered minimal and therefore INDEPTH Network does not hedge its foreign currency exposure.

Foreign currency transactions are translated to United States dollars at exchange rates at the dates of the transactions.

Fair values

As at 31 December 2014, the carrying amounts approximate the fair values for all financial instruments held by INDEPTH Network.

23 EMPLOYEE BENEFITS

a) Staff costs

The total staff costs for the period under review amounted to US\$1,280,616 (2013: US\$1,128,595). This cost has been allocated under the following expenditure lines: Scientific workshops and coordination, Capacity strengthening workshops and General secretariat running costs.

b) Social Security Contributions

Under the National Pension Scheme, the INDEPTH Network contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The company's obligation is limited to the relevant contributions, which were settled on the due dates. The pension liability and obligations rest with SSNIT.

c) Provident Fund

INDEPTH Network has a provident Network scheme for staff under which it contributes 10% of staff basic salary. INDEPTH Network obligation under the plan is limited to the relevant contributions and these are settled on due dates to an independent Fund manager.

24 RELATED PARTY TRANSACTIONS

INDEPTH Network is governed by the Board of Trustees whose members are entitled to payment of honoraria and other travel related expenses when participating in INDEPTH Network meetings or any other INDEPTH business. The list of trustees during the year under review is shown on page 1 of this report.

Except for the Executive Director, who is remunerated by the organisation, no other board member received any remuneration or loans other than the entitlements indicated above during the year under review. For the year under review, the Executive Director's total emoluments were US\$189,047 (2013: US\$187,687).

Key management staff

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly including any Director (whether executive or otherwise) of the Company.

Key management personnel compensation included the following:

	2014 US\$	2013 US\$
Short term benefits	289,047	212,500

25 COMMITMENTS

There were no outstanding commitments at 31 December 2014 (2013: Nil).

26 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2014 (2013: Nil).

27 EVENTS AFTER THE REPORTING DATE

Events subsequent to the reporting date are reflected only to the extent that they relate to the financial statements and the effect is material

28 NET MOVEMENTS IN COMMITTED FUNDS DEFERRED GRANTS

	Committed Grants Deferred at 1 January 2014	Committed Grants Deferred at 31 December 2014	Net change in Committed Grants for the year
	US\$	US\$	US\$
Non-Core Activities			
Bill and Melinda Gates Foundation -INESS	7,234,430	2,768,852	(4,465,578)
Hewlett Foundation-Sexual Reproductive Health	187,453	-	(187,453)
EU/Umea University-INTREC	56,689	-	(56,689)
Rockefeller Foundation - Health Systems	30,000	-	(30,000)
SSI/DANIDA – Vaccination & Child Survival	73,561	-	(73,561)
EU/Heidelberg University – IDAMS	10,213	-	(10,213)
Welcome Trust/University of Kwazulu Natal	185,561	-	(185,561)
Bill and Melinda Gates Foundation – iHOPE Project	-	1,609,782	1,609,782
Total	7,777,907	4,378,634	(3,399,273)

Deferred grants represent the best estimate of the amount required to settle the present obligation for on-going programmes which had not been completed as at the end of the year.