

21st EUA GENERAL ASSEMBLY

Thursday 11 April 2019
10.00-13.00

EUA 2018 FINANCIAL REPORT AND ACCOUNTS: EXPLANATORY NOTE

For approval

PROFIT AND LOSS ACCOUNTS

Overview

This combined statement includes Income and Expenses for the Brussels Office as well as for Geneva. As expected in the 2018 budget, the result for the year shows a deficit of €163,958, which is slightly lower than expected. That deficit is to be covered by the project reserves established in 2016 as a result of the budget surplus incurred in the past three years. The overall income and expenses are close to the budget forecast.

Income

1. The total income amounts to €5.121 million which is slightly lower (€52.000) than the budget forecast (€5.173 million)
2. Membership fees received are higher than the budget despite the small decrease of the numbers of EUA members in 2018. This is due to a higher rate of collection of fees (+/-98%) than forecast (96.5%)
3. Projects income is lower than expected (€1.138 million actual vs €1.290 million budgeted).
 - EC projects (EFFECT & USTREAM) income lower than budget due to extension of the eligibility period without increase of the projects budget.
 - IEP income is slightly higher than the budget. This mainly concerns the coordinated evaluations which came to an end in 2018.
 - Other projects income is slightly higher than budget due to higher income from EUA Events and projects¹ which include participation, as a partner, in projects managed by EUA members.
4. Other income is higher than budgeted. This item mainly includes financial income, refunded expenses and fees received for EUA staff participating at external events.

Expenses

1. The total expenses amount to €5.285 million before withdrawal from the project reserve.
2. Project expenses are lower than €2 million budget and are in line with the project revenues. The decrease mainly concerns projects financed by the EC. Revenues from EUA services and other projects are slightly higher than budgeted.
3. Staff expenses are higher than budget figures (€3.915 million actual vs €3.822 million budget). We had a higher occupancy rate than expected. All positions in the EUA were filled without significant interruption in 2018.

¹ EUA Events (QA Forum, T&L Forum, Annual Conference) – Participation in projects run by EUA members (HERE2, TRUNAK, YEBO!, TanDEM, DEQAR, AR-net, FAIRsFAIR) – Other activities (Open Science Research, T&L Initiative, INVITED)

4. Communication expenses are lower than expected as part of the implementation costs of new communication tools have been capitalised in the balance sheet in order to comply with the association's depreciation rules.
5. Office Costs are slightly higher than budgeted and results from renovations and upgrading of the technical infrastructure in the Brussels offices.
6. Administrative Expenses are slightly over the budget mainly due to more travel expenses.
7. Depreciation expenses are lower than budget while financial expenses are higher.
8. Recharged administrative costs to projects are in line with the projects activity.

BALANCE SHEET

Overview

The balance sheet total is over €9.5 million. It shows the consolidated assets and liabilities for the Brussels and Geneva offices.

Assets

1. The building is the main Fixed Asset. Office equipment has increased in 2018 due to the capitalisation of the implementation costs of new communication tools.
2. Receivables represents:
 - Membership fees from 2018 and previous years which are still due at the end of the tax year.
 - Debtors (mainly project income and advance payments made to project partners)
 - Inter Company account.
3. Cash flow is high but needed to pre-finance activities, mainly as the result of the 2019 membership fees received in advance in Geneva and pre-financing received from projects in Brussels. In 2018 the amount of cash long term investment has increased by 300.000€ resulting from an investment in a portfolio of funds.
4. Prepaid expenses/Income receivable accounts for ongoing projects to be finalised in future tax years.

Liabilities

1. Own funds have decreased over last year due to the withdrawal from the projects reserve in order to cover the 2018 deficit.
2. Provisions is in line with estimated upcoming charges.
3. Payables represents:
 - Advance payments received from EC for ongoing projects (EFFECT & USTREAM)
 - Payables (mainly suppliers, experts and advance payments received for other ongoing projects)
 - Inter Company account.
4. Accrued expenses accounts for ongoing projects to be finalised in future tax years.
5. Income fee received in advance represents:
 - Membership Fees to be recognised in the following tax year.
 - Deferred income received from EUA activities

Brussels, April 2019