

**STICHTING WATER FOOTPRINT NETWORK  
AT ENSCHEDE**

Report on the financial statements 2015

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## Stichting Water Footprint Network in Enschede

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### 1 DIRECTORS' REPORT

Dear Supervisors,

After several years of rapid growth, 2015 was a year to make two significant investments in the future of Water Footprint Network. As of 01 September, the Water Footprint Network offices were moved from the University of Twente to the International Water House in The Hague. The International Water House is centrally located and provides easy access for partners and other stakeholders. Water Footprint Network is sharing the building with two leading organisations working on water issues internationally: Netherlands Water Partnership and IRC. This move improves Water Footprint Network's accessibility to Dutch and international visitors, which creates a fertile ground for new forms of collaboration.

The second significant investment in 2015 was in developing a 2016-2020 Strategic Plan for the organisation. The six-month planning process was facilitated by a consultancy with support from C&A Foundation and included interviews of partners and key stakeholders and involvement of staff, the Management Team, and Supervisory Council. The Strategic Plan sets out the aims, principles, plans and priorities for the Water Footprint Network for the period 2016 - 2020. The plan builds upon the experience of the first seven years of operation and an assessment of upcoming opportunities in order to define the future direction for the organisation. The Strategic Plan was approved by the Supervisory Council on 22 December.

Income for 2015 did not meet initial projections due to several unavoidable factors, specifically, C&A Foundation delayed the full grant of core support until the 2016-2020 Strategic Plan was completed and approved; the kick-off of the Horizon 2020 funded project IMPREX was delayed for administrative reasons; and the second phase of the Bangladesh Partnership for Cleaner Textile was delayed until 2016 for budgetary reasons.

Income from partner contributions, elearning and face-to-face training, and projects decreased compared to 2014. Personnel and operating expenses both increased in 2015 over the previous year. The end result was an investment of €138.000 from the operating reserve. The expectation is that the investments made in 2015 in the move to the International Water House and the 2016-2020 Strategic Plan will begin to show benefits in the latter half of 2016 and more strongly in 2017.

With its new location, 2016-2020 Strategic Plan and mature staff, Water Footprint Network is in a stronger position than ever to pursue and develop new opportunities that will lead to greater impact as it work's toward fair and smart use of the world's fresh water.

Enschede, April 8, 2016

R.E. Mathews, Executive director

## **FINANCIAL STATEMENTS**

**Balance sheet as per December 31, 2015**

**Profit & loss account for 2015**

**Cash flow statement for the year ended 2015**

**Notes to the Statements**

**Notes to the balance sheet as of December 31, 2015**

**Notes to the profit & loss account for 2015**

## Stichting Water Footprint Network in Enschede

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### 1 BALANCE SHEET AS OF DECEMBER 31, 2015

	December 31, 2015		December 31, 2014	
	€	€	€	€
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
<b>Intangible fixed assets</b>	(1)	52,516		58,351
<b>Tangible fixed assets</b>	(2)			
Investments in buildings rented		2,733		0
Other operating assets		6,471		3,945
			9,204	3,945
<b>CURRENT ASSETS</b>				
<b>Receivables, prepayments and accrued income</b>	(3)			
Trade receivables		57,029		29,516
Other receivables, deferred assets		47,054		2,000
			104,083	31,516
<b>Cash and cash equivalents</b>	(4)		201,374	312,877
			<u>367,177</u>	<u>406,689</u>

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		December 31, 2015		December 31, 2014	
		€	€	€	€
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
		(5)			
Reserves			143,730		281,634
<b>CURRENT LIABILITIES</b>					
		(6)			
Accounts payable		1,926		2,814	
Taxes and social security charges		14,307		13,323	
Other liabilities and accruals and deferred income		207,214		108,918	
		<u>207,214</u>		<u>108,918</u>	
			223,447		125,055
			<u><u>367,177</u></u>		<u><u>406,689</u></u>

## Stichting Water Footprint Network in Enschede

### 2 PROFIT AND LOSS ACCOUNT 2015

		2015		2014	
		€	€	€	€
<b>Net turnover</b>	(7,8)		781,107		791,695
<b>Expenses</b>					
Expenditure of income	(9)	109,905		63,008	
Wages and salaries	(10)	460,881		415,624	
Social security charges	(11)	58,704		54,621	
Other personnel expenses	(12)	165,383		162,205	
Amortisation of intangible fixed assets		5,835		0	
Depreciation of tangible fixed assets		1,938		1,650	
Operating expenses	(13)	113,692		88,692	
			916,338		785,800
<b>Operating result</b>			(135,231)		5,895
Interest expenses and similar charges	(14)		(2,673)		(1,493)
<b>Result from general operations</b>			(137,904)		4,402
Taxation on ordinary activities			0		0
<b>Result</b>			(137,904)		4,402

## Stichting Water Footprint Network in Enschede

### 3 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

The cash flow statement has been prepared using the indirect method.

	2015		2014	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Operating result	(135,231)		5,895	
Adjustments for:				
Amortisation and depreciation	7,773		1,650	
Movement of working capital:				
Movements in operating accounts receivable	(72,567)		80,062	
Movement of short-term liabilities	98,392		(113,354)	
Cash flow from operating activities		(101,633)		(25,747)
Interest paid		(2,673)		(1,493)
Cash flow from operating activities		(104,306)		(27,240)
<b>Cash flow from investment activities</b>				
Investments in intangible fixed assets	0		(11,655)	
Investments in tangible fixed assets	(7,197)		(822)	
Cash flow from investment activities		(7,197)		(12,477)
		(111,503)		(39,717)
<b>Compilation of cash</b>				
	2015		2014	
	€	€	€	€
Cash and cash equivalents as at January 1		312,877		352,594
Movement of cash and cash equivalents		(111,503)		(39,717)
Cash and cash equivalents as at December 31		201,374		312,877



**4 NOTES TO THE FINANCIAL STATEMENTS 2015**

**Activities**

Stichting Water Footprint Network undertakes the following activities:

1. developing standards (methods, guidelines, criteria) for water footprint accounting, water footprint impact assessment and the reduction and offsetting of the negative impacts of water footprints;
2. developing practical tools to support people and organizations interested in water footprint accounting, impact assessment and water footprint reduction and offsetting;
3. providing for, or arranging for third parties to provide for, meetings, publications, education, research and development with regard to the water footprint concept;
4. promoting the exchange, communication and dissemination of knowledge about water footprint;
5. supporting government bodies, international institutions, non-governmental organizations, businesses and other organizations in implementing water footprint accounting and developing a sustainable and fair water policy; and
6. providing advice on the application of the water footprint and by checking and certifying the use of the water footprint.

**GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS**

The financial statements have been prepared in accordance with "Richtlijnen voor de Jaarverslaggeving voor kleine Organisaties-zonder-winststreven".

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

**Translation of foreign currency**

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

**PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES**

**Intangible fixed assets**

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet.

**Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

**Receivables**

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Any provision for doubtful accounts deemed necessary is deducted. These provisions are determined by individual assessment of the receivables.

**PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

**Determination of result**

The result is determined as the difference between the net turnover and the costs and other expenses taking into account the accounting principles mentioned before. Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

**Net turnover**

Net turnover represents amounts invoiced for goods and services rendered during the financial year reported on, net of discounts and value added taxes.

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

**Financial income and expenses**

Financial income and expenses represents the to the reporting period relating interest income and expenses of issued and received loans.

## **Stichting Water Footprint Network in Enschede**

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### **PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT**

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

## Stichting Water Footprint Network in Enschede

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### 5 NOTES TO THE BALANCE SHEET AS AT DECEMBER 31, 2015

#### FIXED ASSETS

##### 1. Intangible fixed assets

	Website
	€
<i>Book value as at January 1, 2015</i>	
Accumulated cost	58,351
Accumulated amortisation and other impairments in value	0
	<u>58,351</u>
<i>Changes during the year</i>	
Amortisation	<u>(5,835)</u>
<i>Book value as at December 31, 2015</i>	
Accumulated cost	58,351
Accumulated amortisation and other impairments in value	(5,835)
	<u>52,516</u>
<i>Amortisation percentage</i>	
	%
Website	20

## Stichting Water Footprint Network in Enschede

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### 2. Tangible fixed assets

	Investments in buildings rented	Other operating assets	Total
	€	€	€
<i>Book value as at January 1, 2015</i>			
Accumulated cost	0	8,660	8,660
Accumulated depreciation and other impairments in value	0	(4,715)	(4,715)
	<u>0</u>	<u>3,945</u>	<u>3,945</u>
<i>Changes during the year</i>			
Acquisitions	2,779	4,418	7,197
Depreciation	(46)	(1,892)	(1,938)
	<u>2,733</u>	<u>2,526</u>	<u>5,259</u>
<i>Book value as at December 31, 2015</i>			
Accumulated cost	2,779	13,078	15,857
Accumulated depreciation and other impairments in value	(46)	(6,607)	(6,653)
	<u>2,733</u>	<u>6,471</u>	<u>9,204</u>
<i>Depreciation percentage</i>			
			%
Investments in buildings rented			20
Other operating assets			20

## CURRENT ASSETS

### 3. Receivables, prepayments and accrued income

Included are receivables and accrued assets with a maturity of less than one year.

	<u>12/31/2015</u>	<u>12/31/2014</u>
	€	€
<b>Trade receivables</b>		
Receivables	71,029	41,516
Doubtful debts	(14,000)	(12,000)
	<u>57,029</u>	<u>29,516</u>
<b>Other receivables</b>		
Projects	45,054	0
Partner fee	2,000	2,000
	<u>47,054</u>	<u>2,000</u>
<b>4. Cash and cash equivalents</b>		
Paypal	15,636	11,684
Triodos bank rendementsrekening	91,794	281,052
Triodos bank	93,944	20,141
	<u>201,374</u>	<u>312,877</u>

## 5. EQUITY

	2015	2014
	€	€
<b>Reserves</b>		
Balance as at January 1	281,634	277,232
Appropriation of result for the year	(137,904)	4,402
Balance as at December 31	<u>143,730</u>	<u>281,634</u>

## 6. CURRENT LIABILITIES

	12/31/2015	12/31/2014
	€	€
<b>Taxes and social security charges</b>		
Payroll taxes	<u>14,307</u>	<u>13,323</u>

## Other liabilities and accruals and deferred income

### Accruals and deferred income

Holiday bonus	23,290	20,367
Audit costs	11,500	11,500
Hiring employees	8,907	17,542
Advanced payments on fee's	400	400
Remaining balance R&D fund	1,500	1,500
Projects invoiced in advance	161,617	22,447
Rent	0	18,177
Travelling expenses	0	13,059
Other	0	3,926
	<u>207,214</u>	<u>108,918</u>

## OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

### Contingent assets and liabilities

#### *Bank guarantee*

As at December 31, 2015 the company has granted guarantees amounting to € 8,500.

### Long-term financial obligations

#### *Lease obligations for property*

Annual lease obligations entered into with third parties in respect of property amount to € 105,000 in total. The remaining term of the lease contract is 1 year and 7 months.

Of this amount € 66,000 is due after one year and € 0 is due after five years.



## Stichting Water Footprint Network in Enschede

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### 6 NOTES TO THE PROFIT AND LOSS ACCOUNT 2015

#### 7. Net turnover

The revenues decreased in 2015 compared to 2014 with 1.3 %.

	2015	2014
	€	€
<b>8. Net turnover</b>		
Partner contributions	112,013	131,625
E-learning	5,419	19,390
Travel reimbursement	5,247	2,416
Projects	448,909	612,062
Training fee	26,488	28,122
Donations	51	195
Core funding	196,882	20,000
Credit invoices	(13,902)	(22,115)
	<u>781,107</u>	<u>791,695</u>

#### 9. Expenditure of income

Project costs	63,714	55,613
Training costs	21,191	7,395
Costs of research and development	25,000	0
	<u>109,905</u>	<u>63,008</u>

#### Wages, salaries and social security charges

#### 10. Wages and salaries

Gross wages	370,502	327,362
30% rule	90,379	88,262
	<u>460,881</u>	<u>415,624</u>

#### 11. Social security charges

Social security charges	<u>58,704</u>	<u>54,621</u>
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## Stichting Water Footprint Network in Enschede

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	2015	2014
	€	€
<b>12. Other personnel expenses</b>		
Education allowance and training costs	452	188
Staff costs University Twente	13,603	11,608
Relocation costs	7,594	3,000
Travel interview costs	0	934
Consultancy costs	143,224	145,105
Other personnel expenses	510	1,370
	<u>165,383</u>	<u>162,205</u>

### Remuneration of (former) directors and supervisory directors

No remuneration of directors and supervisory directors is stated, as the report can be reduced to a single individual.

### Staff

During the financial year 2015, the average number of employees of the group, converted into full-time equivalents, amounted to 7 (2014: 7).

### Amortisation and depreciation

#### *Amortisation of intangible fixed assets*

Website	5,835	0
	<u>5,835</u>	<u>0</u>

#### *Depreciation of tangible fixed assets*

Investments in buildings rented	46	0
Other operating assets	1,892	1,650
	<u>1,938</u>	<u>1,650</u>

## Stichting Water Footprint Network in Enschede

	2015	2014
	€	€
<b>13. Operating expenses</b>		
Meetings and travel costs	22,561	27,006
Accommodation expenses	49,920	36,418
Office expenses	19,206	8,244
General expenses	22,005	17,024
	<u>113,692</u>	<u>88,692</u>
<i>Meetings and travel costs</i>		
Meetings and travel costs	16,567	15,625
Stockholm Water Week	5,994	11,381
	<u>22,561</u>	<u>27,006</u>
<i>Accommodation expenses</i>		
Rent	<u>49,920</u>	<u>36,418</u>
<i>Office expenses</i>		
Telephone/computer	3,700	3,387
Postage	51	63
Contributions	0	2,484
Website costs	2,182	875
IT costs	13,104	1,435
Other office expenses	169	0
	<u>19,206</u>	<u>8,244</u>
<i>General expenses</i>		
Fees audit and other accountancy costs	16,941	18,668
Legal fees	0	74
Insurance	2,539	728
Mutation doubtful debts	0	(3,000)
Other general expenses	2,525	554
	<u>22,005</u>	<u>17,024</u>

## Stichting Water Footprint Network in Enschede

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### Financial income and expenses

	2015	2014
	€	€
<b>14</b> <i>Interest expenses and similar charges</i>		
Triodos bank costs	388	454
Payment differences	2,285	1,039
	<u>2,673</u>	<u>1,493</u>

### Signing of the financial statements

Enschede, April 8, 2016

R.E. Mathews, Executive director

## **OTHER INFORMATION**

**OTHER INFORMATION**

**1 Adjustments when financial statements were prepared in accordance with IFRS**

The financial statements have been prepared in accordance with Dutch GAAP ("Richtlijnen voor de jaarverslaggeving voor kleine Organisaties-zonder-winststreven"). If the financial statements were prepared in accordance with IFRS, this would not lead to adjustments in the figures presented in this set of financial statements. Adjustment would have been made to the notes of the financial statements.

**2 INDEPENDENT AUDITOR'S REPORT**

To the Supervisory Board of Stichting Water Footprint Network

We have audited the accompanying financial statements 2015 of Stichting Water Footprint Network, Enschede, which comprise the balance sheet as at December 31, 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

**Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with "RJ voor kleine organisaties-zonder-winststreven". Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, 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 Dutch law, including the Dutch Standards on Auditing. This requires 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 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 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 Stichting'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.

## Stichting Water Footprint Network in Enschede

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### **Opinion with respect to the financial statements**

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Water Footprint Network, Enschede, as at December 31, 2015, and of its result for the year then ended in accordance with "RJ voor kleine organisaties-zonder-winststreven".

Enschede, April 8, 2016

KroeseWevers Audit BV

w.s. E.H.A. Hutten RA