



# IRC

May 2015

## Annual Accounts 2014

IRC

Bezuidenhoutseweg 2  
2594 AV The Hague

Supporting water sanitation  
and hygiene services for life

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## Corporate information

Legal form:	Foundation
Corporate name:	Stichting IRC, International Water and Sanitation Centre
Statutory seat:	The Hague
CEO:	January 1 <sup>st</sup> - December 31 Moriarty, Patrick Barré

Dates of (re)nomination of the Supervisory Board members:

	Accession or reappointment in	Resignation, resp reappointment in
van der Sijp, Regina Nina Maria	2011	2015
van Dord, Hans (Chairman)	2013	2017
van den Top, Gerhard Martin	2011	2015
Cross, Piers Edward Woodward	2013	2017
Bos, Robert	2013	2017
Mehta, Meera	2014	2018
den Boer, Henk	2014	2018

## Report of the Supervisory Board

The Supervisory Board met officially five times during the year 2014 with the presence of the Executive Board. Each meeting began with a half an hour internal meeting with only the Supervisory Board members. There were also informal meetings among Supervisory Board members and the CEO on various topics during the year. Especially in the process of restructuring, there were more informal meetings than expected. The Chair and the dedicated trust person of the Supervisory Board had two meetings with the Works Council; one informal meeting in June and a formal meeting in December 2014. The Supervisory Board consists of 7 members. With the accession of Meera Mehta and Henk den Boer in 2014, who will perform the more financial role, all positions are filled.

During 2014, the Chair and the Treasurer of the Supervisory Board had three different meetings with the Executive Board members in preparation to the formal Supervisory Board meetings. This informal Audit Committee dealt with more financial related issues concerning e.g. the restructuring, four monthly monitoring, the financial outlook and the outstanding settlement of the VAT obligations of former years. Due to the many changes IRC underwent, the Supervisory Board decided to approve the extension with the audit firm PWC for 2014.

As expected, most of the time was invested in the restructuring process which started in design early 2014 and started to be implemented at the end of the year.

Specific issues, such as the restructuring of the organisation, the modulation of the business model and the size of the financial reserves, were other topics of great importance during 2014 and will be on the agenda in 2015 as well.

The Supervisory Board greatly appreciates the transparent way of the different discussions and the work that the Executive Board and staff have done in 2014, not only in the office in The Hague but in the different field offices as well before and during the restructuring process. The Supervisory Board is aware that the coming period will still be intensive for all staff involved, but is convinced that IRC, even with a smaller staff at the moment, will continue realizing the ambition to play every year a more substantial and visible role in the sector.

## Director's statement

*At IRC, we want every person in the world to enjoy their human right to safe water, sanitation and hygiene, now and forever.*

*Our mission is to work with people in the poorest communities in the world, with local and national governments, with non-governmental organisations (NGOs) and with the private sector, to develop water, sanitation and hygiene (WASH) services that last not for years, but forever. We identify the barriers to making this happen and we tackle them. We help people to make the change from short-term interventions to long-term services that will transform their lives and their futures.*

2014, the third year of IRC's 2012-16 business plan was characterised by both change and consolidation as we continued to pursue our mission while adapting to a changing funding environment.

Change was most notable in the form of a major reduction in staffing in the Netherlands, undertaken at the end of 2014 and resulting in a reduction of ~30% (19 fte) staff numbers in the Netherlands. This painful reduction leaves IRC with less financial exposure, with a staffing structure that is more suited to the ongoing process of decentralisation, and with a break even business result (-€ 2,596) in 2014. At the same time, the need to finance the staff reduction ourselves has seriously depleted IRC's free reserves, rebuilding of which becomes a priority.

Consolidation was evident in the form of further embedding and commitment to our newly articulated brand as a think and do tank and to our decentralised way of working in which country programmes become the leading engine for achievement of our vision and mission.

On a positive note, findings from assessments of our DGIS and Bill and Melinda Gates Foundation programmes both confirmed that IRC is a uniquely effective organization punching well above its weight and achieving remarkable impact both globally and in our focus countries. At the same time, both also confirmed that we are not yet telling this story effectively enough – something that will be a focus in 2015.

Much of IRC's recent success has been built on a period of generous and flexible funding from DGIS and the Bill and Melinda Gates Foundation. This has underpinned and sustained the process of change and decentralisation, but is now coming to an end. The future is likely to consist of more and smaller projects - from which effective programs need to be crafted.

To deal with this new reality IRC has identified the need to renew both its organisational structure and business model. The first half of 2014 saw much work done on this, however this was subsequently put on hold during the process of reduction in staff numbers in the second half of 2014. It will be picked up and finalised in 2015.

The outlines of IRC's business model going forward is clear – a set of functionally autonomous business units in the Netherlands, UK (IRC Consult) and focus countries that are connected to each other through resource flows and an internal market for skills. Under this model, each business unit will be responsible for defining and delivering its own programme under the broad guidance of IRC's four strategic goals.

To support this new business model IRC worked on strengthening and professionalising our fund raising during 2014 including through a UK-based fundraising agency. In 2015 this will be continued, with more use made of external support to aggressively pursue new funding opportunities in the Netherlands, our focus countries and beyond.

## Financial report

IRC's total 2014 income of € 10,292,018 in 2014 was 3% higher than the preceding year. This increase in total income of € 300,000 compared to 2013, represents a considerable achievement given the ending of the large Bill and Melinda Gates Foundation funded WASHCost project in 2013, and reduced income from DGIS subsidy in 2014. The total income is more than € 300,000 compared to the budget as well.

During 2014, IRC was also able to further diversify its donor base and to increase the number of running projects, although the average contract volume per project is declining. In 2014 IRC had 87 different projects financed by almost 40 different donors. This means an average of € 120,000 per project.

IRC managed to achieve a break even operating result (-€ 2,596) in its primary business processes. However, it ended the year with a total negative result of € 824,686 due to organizational restructuring and downsizing of staff. These costs – which are partly taken as a provision – include staff redundancy costs and other expenses related to the process of downsizing. The negative result will be deducted from the foundation's reserves.

The fact that IRC is own-risk bearer for unemployment benefits increased the total risk that needed to be provided for: after the implementation of the Social Plan, IRC remains liable for unemployment benefits for 5 departed staff members (out of a total of 19).

Triple-S – the last and largest of two flagship projects funded by the Gates Foundation – stopped doing new field work at the end of 2014 (formal closure will take place in 2015). IRC has achieved a significant positive exchange rate result on the back of the Triple-S project (a total of ca. € 2,900,000), which will be used under a budget neutral extension of the grant to fund future programmatic activities directly related to the project's main objective: the delivery of Sustainable Services at Scale.

During 2014, IRC used a total of € 2,468,769 of core programmatic funding from DGIS (24% of total income). This is part of IRC's five year "subsidy agreement" with DGIS for a total of € 9,670,000 during the period 2012-2016. From this total, € 1,825,091 remains available for 2015 and 2016. In the period 2015/16 the remaining DGIS funding will be used alongside the exchange rate gains from the Triple-S project to support IRC's core programme.

IRC's liquidity position is lower than in previous year as the DGIS liquidity advance was received after closing the books for 2014 and the Triple-S project is already fully paid out.

## Forward looking statement

2015 is the penultimate year of IRC's current Business Plan and subsidy period with DGIS. IRC is half-way through a planned change process that included the choice to start opening country offices in some of its focus countries (2012), a full rebranding exercise (2013) and a significant costs reduction in its office in the Netherlands (2014). The emphasis in the coming year will be on a further restructuring of the organization, including development of an adjusted Business Model and the strengthening of the ability of country offices to function as autonomous 'business units'.

IRC currently continues to face a rapidly changing business environment, including reduced availability of core programmatic funding from DGIS and the end of major funding from the Bill and Melinda Gates Foundation. While IRC has, and will continue to, diversify its donor base, the end of funding from the Gates Foundation and the reduction of core programmatic funding from DGIS nevertheless poses a major challenge.

Against this background IRC initiated a restructuring process in 2014 that included a ~30% staff reduction in its office in The Netherlands. The total planned IRC formation in 2015 will be ca. 70-75 FTE, of which half will be based in one of IRC's six focus countries. This compares with approximately 120 contract or project staff in 2012.

The total budget for 2015 is € 7,018,266: almost €3 million lower than the budget for 2014. This budget includes € 1,800,000 of core programmatic funding, for a large part sourced from DGIS. In addition to this, IRC received substantial exchange rate gains from its Triple-S project, which will be used in 2015 and 2016 to supplement DGIS funding in delivering IRC's core programme. Identification of new sources of un-earmarked funding for its core programme post-2016 is a primary focus of IRC's Business Development Unit.

The budgeted target for project funding (i.e. additional to core programmatic funding) for 2015 was € 5,118,266, of which € 5,647,500 (110%) has already been contracted. This includes new projects funded by the Conrad Hilton Foundation (Ghana), European Union (Burkina Faso) and DFID (Ethiopia).

The total budget target for the 2015 Annual Plan has, thus, already been achieved. What is more, the total volume in the pipeline of projects for which proposals are being elaborated stood at € 1,204,000 in February 2015. Applying historically justified success rates implies that these can be expected to yield approximately € 500,000 worth of new project income. Based on these considerations, the ambition for 2015 has been increased to € 8,500,000: a reduction of 15% from 2014 levels (as opposed to the 30% foreseen in the 2015 budget).

Nevertheless, despite these positive signals, it is noted that it remains challenging for IRC to optimize the use of project budgets to fully recover its indirect costs. The revision of the Business Model, including a new Cost & Revenue Model, is essential to solve this long-standing problem. Additionally, IRC may well run into capacity constraints considering the work acquired so far, rather full pipeline and reduced staff capacity. IRC will however be conservative in growing its staff size in the Netherlands, and will seek wherever possible to meet these constraints through country positions, or the use of associates or other similarly flexible approaches.

In conclusion, IRC is clearly a 'going concern' for 2015, even though it will need to look carefully into its indirect costs recovery and to strengthen the level of its own reserves.

For 2016, IRC has the ambition to grow its total budget to € 10,000,000 – of which ca. 65% has already been contracted. An important new activity for the years 2016-2020 is the DGIS funded WASH IT! consortium of which IRC is the lead, and that has been provisionally awarded an annual grant of € 3,270,000 to be shared amongst the four consortium partners.

During the restructuring IRC reserves have decreased substantially. It will be a challenge for IRC to rebuild these reserves to the necessary level. The renewed structure is more focused on making profit than in the past.

#### Acknowledgements

IRC is very grateful to the Dutch government for its continued support and thanks the Ministry of Foreign Affairs. Without this support IRC would not have been able to reach the unique position it now occupies in the sector, as witnessed by the great interest from the sector.

We are grateful that many other donors, almost 40, have funded our work. The interest of all those donors in the concepts that IRC develops, can be reflected as spin-off of all the years the Dutch government has invested in IRC. We will continue on this way forward.

Last but not least, I would like to thank, also on behalf of the Supervisory Board, the national and international staff of IRC, for their great commitment with which they again dedicated themselves in 2014.

With the new direction IRC will continue to make a positive contribution in the future, to the improvement of the living conditions of the poorest in developing countries.

The Hague, 18 May 2015  
Patrick Moriarty,  
Director

## Balance Sheet as at 31 December 2014

(After profit appropriation)

(For further explanation please see chapter "Notes to the balance sheet")

		<u>31 December 2014</u>		<u>31 December 2013</u>	
		€	€	€	€
<b><u>ASSETS</u></b>					
<b>Non-current Assets</b>					
Tangible fixed assets	1	<u>161,451</u>		<u>188,748</u>	
			161,451		188,748
<b>Current assets</b>					
Accounts receivable services	2	384,321		698,277	
VAT receivable	3	2,841		74,714	
DGIS subsidy	4	252,181		233,813	
Other receivables	5	182,302		204,708	
Cash and cash equivalents	6	<u>5,701,078</u>		<u>7,980,264</u>	
			6,522,723		9,191,776
<b>Total assets</b>		<u><b>6,684,174</b></u>		<u><b>9,380,524</b></u>	
<b><u>LIABILITIES</u></b>					
<b>Reserves</b>					
Foundation's general reserves	7	1,530,234		2,190,301	
Result current financial year		<u>-824,686</u>		<u>-660,067</u>	
			705,548		1,530,234
<b>Provisions</b>					
Sabbatical leave provision	8	0		3,987	
Jubilee provision	9	38,011		51,101	
Redundancy costs staff	10	684,411		325,624	
Other staff related provisions	11	234,489		196,977	
VAT previous years	12	<u>0</u>		<u>334,942</u>	
			956,911		912,631
<b>Current liabilities</b>					
Short term net balance Gates Foundation	13	2,531,079		2,943,007	
Short term net balance other projects	13	1,848,891		3,144,298	
Tax and Pension premiums payable	14	100,516		129,238	
Creditors services	15	185,006		405,754	
Other current liabilities	16	<u>356,222</u>		<u>315,362</u>	
			5,021,714		6,937,659
<b>Total liabilities</b>		<u><b>6,684,174</b></u>		<u><b>9,380,524</b></u>	

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## INCOME STATEMENT FOR 2014

(For further explanation please see chapter "Notes to the income statement")

	2014 Actual €	2014 Budget €	2013 Actual €	2013 Budget €
<b><u>INCOME</u></b>				
17 Core program funding	2,468,769	2,498,500	2,958,088	3,063,600
18 Other project funding	7,823,249	7,464,500	6,971,956	7,741,300
<b>Total</b>	<b>10,292,018</b>	<b>9,963,000</b>	<b>9,930,044</b>	<b>10,804,900</b>
<b><u>EXPENSES</u></b>				
20 Staff related costs	4,408,712	4,773,000	5,022,296	5,332,000
21 Other project related costs	5,428,767	4,939,200	4,926,575	5,028,200
22 General & administrative expenses	457,135	545,000	397,119	495,000
<b>Subtotal</b>	<b>10,294,614</b>	<b>10,257,200</b>	<b>10,345,990</b>	<b>10,855,200</b>
<b>Operating result</b>	<b>-2,596</b>	<b>-294,200</b>	<b>-415,946</b>	<b>-50,300</b>
23 Financial income and expenditures +/-	90,393	20,000	42,394	65,000
24 VAT related costs 2009-2013 -/-	74,786	0	286,515	0
25 Restructuring costs -/-	837,697	0	0	0
<b>Annual result</b>	<b>-824,686</b>	<b>-274,200</b>	<b>-660,067</b>	<b>14,700</b>

  
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## CASH FLOW STATEMENT FOR 2014

	2014		2013	
	€	€	€	€
<b>Cash flows from operating activities</b>				
Annual result		-824,686		-660,067
<b>Adjustments for:</b>				
Depreciation	73,047		45,112	
Movement in provisions	875,209		858,455	
Bad debts accrual	8,324		-50,733	
Interest income	<u>-45,021</u>		<u>-39,255</u>	
		911,559		813,579
<b>Changes in working capital</b>				
Short-term net balance	-1,707,335		-2,450,878	
Receivables	347,927		-361,681	
Provisions	-830,929		-83,384	
Current liabilities	<u>-208,609</u>		<u>-1,525,765</u>	
<b>Cash used in operations</b>		-2,398,946		-4,421,708
Interest received	<u>78,637</u>		<u>33,783</u>	
		78,637		33,783
<b>Net cash used in operating activities</b>		<u><u>-2,233,436</u></u>		<u><u>-4,234,413</u></u>
<b>Cash flows from investing activities</b>				
Purchases of assets	<u>-45,750</u>		<u>-121,346</u>	
<b>Net cash used in investing activities</b>		-45,750		-121,346
<b>Net cash flow</b>		<u><u>-2,279,186</u></u>		<u><u>-4,355,759</u></u>
<b>Net decrease in cash &amp; cash equivalents</b>		<u><u>-2,279,186</u></u>		<u><u>-4,355,759</u></u>

Note: Presentation of cash flow statement was changed in 2014 to clearly reflect the adjustment for non-cash items and inclusion of branch offices.

## Basis of the Valuations

### Objective

Our mission is to work with people in the poorest communities in the world, with local and national governments, with non-governmental organisations (NGOs) and with the private sector, to develop water, sanitation and hygiene (WASH) services that last not for years, but forever. We identify the barriers to making this happen and we tackle them. We help people to make the change from short-term interventions to long-term services that will transform their lives and their futures.

To realize its goals, the foundation works together with partner organisations in developing countries as well as other agencies and individuals within and outside the Netherlands that work in the same areas of focus.

### General

The annual accounts have been prepared in accordance with Guideline RJ640.

Assets and liabilities are at face value and all amounts are in Euro (functional currency), unless specified otherwise. If assets and liabilities are expressed in foreign currencies, conversion takes place against the official exchange rate at the balance sheet date. The resulting exchange rate results are included in the income statement.

All current assets and liabilities are due within one year, while all non-current assets and liabilities are due after one year.

The basis for the valuations has not changed in comparison to previous years.

In the appendices separate information is given on branch offices abroad. The financial figures are an integral part of IRC's financial statements, since IRC operates as one entity.

Note: These appendices are not part of this audit and clearly separated behind the audit opinion.

### Going Concern

The present accounting policies of valuation and determination of result are based on the assumption of going concern.

### Tangible fixed assets

The tangible fixed assets are valued at the historic purchase price less straight-line depreciation over the estimated useful economic life. The residual value of the tangible fixed assets is set at zero.

Computer equipment is depreciated over three years.

The telephone switchboard with accessories is depreciated over five years.

Other durable business assets are depreciated over ten years.

No extra-ordinary depreciations or value adjustments have been determined at the balance sheet date.

### Accounts receivable

Receivables are at face value less a provision for possibly uncollectable amounts. The provision for uncollectable amounts is calculated using the static method (expected non-payment per debtor).

### Cash and cash equivalents

Cash and cash equivalents are at face value and at full disposal for IRC to execute its projects and programs. It consists of petty cash and the balances on the ABN AMRO bank accounts. Two types of bank accounts can be distinguished: non-interest bearing current accounts and interest-bearing deposit accounts.

The balances on the bank and deposit accounts are withdrawable on demand, whereas the balances on the deposit accounts have a maximum of one months' interest maturity.

Balances in the foreign currency accounts (U.S. Dollars and British Pounds) have been converted to Euro at the official exchange rate at the balance sheet date.

### Inventory

Inventory of publications is not included in the balance sheet; the production costs of these publications are externally financed or are charged to the income statement in the year of production.

Purchase costs of paper, office supplies, etc. are included in the expenses in the year they were incurred. Any inventory of paper and office supplies at the balance sheet date is valued at zero.

Any other inventory present at the balance sheet date is at face value.

**Provisions**

Provisions are calculated to cover specific risks that exist at the balance sheet date of which the timing is uncertain but the amount can be reasonably estimated.

The provisions are valued at the nominal value of the expected costs.

**Net balance on projects**

The 'pre-invoiced on projects' comprises amounts that were already received or billed to external clients for projects that were not completed at the balance sheet date.

Projects in progress are valued on the basis of the directly attributable salary expenses at the rates applicable for the reporting year, plus other direct expenses.

Project losses/gains are recognised upon completion except for provisions related to expected losses are made at the moment they are foreseeable and are deducted from the work in progress balance.

Work in progress is balanced with the item 'pre-invoiced on projects' and is shown on a net basis in the balance sheet as long as the individual amounts meet the criteria for netting.

**Pension benefits**

IRC operates a defined benefit pension plan at ABP. This provides defined pension benefits to staff upon reaching retirement age.

The amount depends on age, years of service and compensation. IRC has accounted for the multi-employer defined benefit plan as if it was a defined contribution plan. IRC has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods other than higher future contributions.

**Liabilities**

Liabilities are at face value.

**Income from projects**

Income from projects comprises the hours spent per employee on the basis of time registration at the rates applicable in the reporting year, increased by the equipment costs that can be charged to clients. This is consistent with the 'percentage of completion method'.

**Exchange rate results**

The currency used throughout this report is Euro.

Transactions denominated in foreign currency are translated into the relevant functional currency of the company at the exchange rate applying on the transactions date.

Translation gains and losses are recognised in the income statement.

**Cash flow statement**

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

The cash flow is derived from the operating result adjusted for non cash items, for the changes in working capital and the cash generated from investing and financing activities such as purchases of assets, repayment and collection of debts and interest.

The result of the cash flow statement matches the change in the balance of cash and cash equivalents as compared to the previous year.

## Notes to the Balance Sheet

### ASSETS

#### 1 Tangible fixed assets

The movement in the tangible fixed assets can be specified as follows:

	Office Equipment	Computer Equipment	2014	2013
	€	€	€	€
<u>Position as of 1 January</u>				
Purchase price	191,858	313,337	505,195	411,949
Minus: Accumulated depreciation	-114,610	-201,837	-316,447	-299,435
Book value	77,248	111,500	188,748	112,514
<u>Transactions during financial year</u>				
Additions	3,899	41,851	45,750	121,346
Minus: Depreciation	-15,320	-57,727	-73,047	-45,112
Minus: Disposals at cost	-40,839	-46,849	-87,688	-28,100
Plus: Accumulated depreciation disposals	40,839	46,849	87,688	28,100
Total transactions	-11,421	-15,876	-27,297	76,234
<u>Position as of 31 December</u>				
Purchase price	154,918	308,339	463,257	505,195
Minus: Accumulated depreciation	-89,091	-212,715	-301,806	-316,447
<b>Book value December 31</b>	<b>65,827</b>	<b>95,624</b>	<b>161,451</b>	<b>188,748</b>

#### 2 Accounts receivable services

The outstanding balance for accounts receivable amounts to € 384,321 as of 31 December 2014.

For the valuation of the outstanding accounts receivable IRC uses the static method based on the age of outstanding accounts receivable and expected payment per debtor.

The total amount of the provision for uncollectable debts is € 8,324 as of 31 December 2014.

The aging of the outstanding receivables can be specified as follows:

	Original amount	Provision	31 December 2014	31 December 2013
	€	€	€	
Less than 6 months	381,546	0	381,546	683,569
6 to 12 months	11,099	-8,324	2,775	14,708
12 to 18 months	0	0	0	0
More than 18 months	0	0	0	0
<b>Balance December 31</b>	<b>392,645</b>	<b>-8,324</b>	<b>384,321</b>	<b>698,277</b>

At the end of 2013 a provision was not considered necessary.

#### Loans to staff

In 2013 the loans to staff were repaid. During 2014 there were no loans issued. At the 31 December 2014 the amount is zero.

#### 3 VAT receivable

As of 31 December 2014, a VAT amount of € 2,841 can be claimed from the tax authorities. At the end of 2013 the refundable VAT amounted to € 74,714.

The item 'VAT receivable' can be specified as follows:

	2014	2013
	€	€
Position as of 1 January	74,714	74,614
Plus: addition during the year	2,841	-74,614
Minus: used during the year	-74,714	74,714
<b>VAT position December 31</b>	<b>2,841</b>	<b>74,714</b>

The outstanding balance was paid in January to Tax agencies for each year accordingly.

#### 4 DGIS subsidy

The Ministry of Foreign Affairs (DGIS) has issued a subsidy totaling € 10,420,000 for the period 2012 through 2016. Based upon the Business Plan 2012-2016 and Annual Plans, IRC will receive two instalments per year: in December (preceding year) and in June. At year end 2014 IRC did not yet receive the instalment for the first half year 2015. The payment from DGIS was received in January 2015.

	<u>Core activities</u>	<u>Interest</u>
	€	€
Subsidy instalment received for 2012	2,850,000	20,353
Subsidy instalment received for 2013	2,370,000	4,271
Subsidy instalment received for 2014	2,450,000	400
	<u>7,670,000</u>	<u>25,024</u>
Subsidy DGIS spent in 2012	2,751,143	
Subsidy DGIS spent in 2013	2,727,293	
Subsidy DGIS spent in 2014	2,468,769	
	<u>7,947,205</u>	
	<b>31 December</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
<b>Total prepaid by IRC</b>	277,205	258,436
<b>Received interest</b>	-25,024	-24,623
<b>Total prefinanced by IRC including received interest</b>	<u>252,181</u>	<u>233,813</u>

#### 5 Other receivables

The item 'other receivables' can be specified as follows:

	<b>31 December</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	€	€
Interest receivable	73,392	107,008
IWH shared exploitation costs	0	8,187
Prepaid amount	108,910	73,676
WAO/WIA	0	15,837
<b>Other receivables December 31</b>	<u>182,302</u>	<u>204,708</u>

#### 6 Liquidities

Bank and cash in hand can be specified as follows:

	<b>31 December</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	€	€
ABN / AMRO One month Deposit	2,800,000	0
Current and savings accounts	2,782,557	7,784,640
Cash and Bank Burkina Faso office	21,243	17,764
Cash and Bank Ghana office	96,836	177,396
Cash in hand	442	464
<b>Balance December 31</b>	<u>5,701,078</u>	<u>7,980,264</u>

The money on the bank accounts and cash in hand are unrestricted for regular activities.

The balance is lower than last year which is caused by the ending of Triple-S project and corresponding prepayments from Bill & Melinda Gates Foundation.

Due to the changed bank policy IRC decided to open a new bank account with a one month notice period.

## LIABILITIES

### 7 Reserves

The foundation's general reserves serve to cover general business risks without restrictions.  
The loss for 2014 of € 824,686 will be carried from the foundation's general reserves.

	<u>31 December 2014</u>	<u>31 December 2013</u>
	€	€
Position as of 1 January	1,530,234	2,190,301
Result financial year	-824,686	-660,067
<b>Position December 31</b>	<b>705,548</b>	<b>1,530,234</b>

The general reserves can be split into the following designated reserve allocations:

	€	€
Fixed asset equalization reserve	161,451	188,748
Other resistance equity	544,097	1,341,486
	<b>705,548</b>	<b>1,530,234</b>

### 8 Sabbatical leave provision

The last employee with sabbatical leave rights built up in the past left IRC during 2014.  
The days are taken up what means IRC will not have a provision for this purpose anymore.  
As of 1 January 2006 it is no longer possible to accrue more after the introduction of the "life cycle plan".

	<u>2014</u>	<u>2013</u>
	€	€
Position as of 1 January	3,987	11,278
Plus: addition to provision	0	0
Minus: used from provision	-3,987	-7,291
<b>Position December 31</b>	<b>0</b>	<b>3,987</b>

### 9 Jubilee provision

At 25 years employment with IRC, each employee is entitled to receive an extra allowance equal to one month salary.  
The jubilee provision calculation is based on pro rata accrued number of working years at IRC for staff employed at the balance sheet date.

	<u>2014</u>	<u>2013</u>
	€	€
Position as of 1 January	51,101	67,553
Changes in provision	-13,090	-16,452
<b>Position December 31</b>	<b>38,011</b>	<b>51,101</b>

### 10 Redundancy costs staff

In 2014 IRC has agreed a social plan with the Union regarding the redundancy of staff in the organisation. The related costs accounts to a total of € 837,697. IRC is own risk carrier for unemployment what made the related costs to the different options in the social plan higher than normal.

For 6 employees a redeployment traject for six months was agreed for a total amount of almost € 290,000. For 4 employees an once only payment was agreed for a total of almost € 140,000 and for 5 employees a partial once only payment plus the estimated maximum unemployment costs via UWV is calculated to € 190,000. This last amount is maximized and depends on the period of unemployment for each of the former employees. Four employees left IRC without additional compensation.  
The costs for support, legal and other advice totals to € 153,000.

	<u>2014</u>	<u>2013</u>
	€	€
Position as of 1 January	325,624	58,729
Provision redundancy 2013	0	326,536
Minus: used from provision redundancy 2013	-325,624	-59,641
Provision Restructuring and redundancy costs 2014	837,697	0
Minus: used from provision restructuring/redundancy 2014	-153,286	0
<b>Position December 31</b>	<b>684,411</b>	<b>325,624</b>

### 11 Other staff related provisions

At the end of 2014 IRC has taken into account a provision for outstanding leave days, hypotax and possible unemployment benefits for the staff not involved in the redundancy.

The other staff related provisions are specified as follows:

	31 December 2014	31 December 2013
	€	€
Hypotax	101,546	114,476
Minus: used from provision hypotax	-68,128	-80,827
Provision unemployment risk	119,025	142,620
Minus: used from provision unemployment risk	-10,631	-65,847
Employee leave rights payable	92,677	86,555
<b>Balance December 31</b>	<b>234,489</b>	<b>196,977</b>

### 12 VAT 2009 - 2013 provision

Due to a review of the interpretation of the VAT regulation IRC had to make a provision in 2013. This provision was paid to the Tax Authorities. The VAT administration is now in line with the Tax regulation. No provision is considered necessary at the end of 2014.

	2014	2013
	€	€
Position as of 1 January	334,942	0
Plus: addition to provision	0	334,942
Minus: used from provision	-334,942	0
<b>Balance December 31</b>	<b>0</b>	<b>334,942</b>

### 13 Net balance on projects

The item 'Net balance on projects' amounts to € 4,379,970 as of 31 December 2014. It concerns amounts that were received and invoiced for projects that were not completed as of 31 December 2014. As of the end of 2013 the balance was € 6,087,305.

The total for the 'Work in progress' (total amount of all the running projects) was € 9,490,365 in 2014, which was 0,9 Mio more than the total of € 8,539,810 at the end of 2013.

The Net Balance shows the difference between the total pre- invoiced and the the part that is executed at that moment.

This balance of almost € 4.4 Mio at the end of 2014 concerns € 2.53 Mio remaining from the TripleS exchange and interest result that can be used for regular IRC activities. IRC has approximately € 0,7 Mio in accounts prefinanced on the Smarterwash project due to a contractual quarterly payment that was not adjusted for the delay in implementation of the project.

On the BRAC project in Bangladesh there is approximately € 0.66 Mio pre invoiced due to late invoicing of involved partners and almost € 0,55 Mio on the balance of the EU Sanitation Service Delivery in Burkina Faso.

On the other side of this balance there are prepaid amounts to partners. These are a lot of small balances.

In the balance sheet the items 'pre-invoiced on projects' and 'work in progress' have been netted in the following overview.

	31 December 2014	31 December 2013
	€	€
Exchange rate and interest gains from Gates foundation	2,531,079	2,943,007
Other external financed projects	1,848,891	3,144,298
<b>Total Net Balance</b>	<b>4,379,970</b>	<b>6,087,305</b>

#### Additional subsidy regarding the exchange rate and interest gains of the Gates foundation

During the execution of the projects funded by the Gates Foundation accumulated exchange rate gains and interest were included in the work-in-progress on an annual basis. At the end of 2014 IRC closed these projects. The amount available at the end of 2014 is was € 2.5 mio. During 2013 and 2014 the amount of € 411,928 was already used. The Gates Foundation agreed to use these money in line with the project objectives.

	€
Available for the period 2013 - 2016	2,943,007
Minus: expenditure 2013-2014	-411,928
<b>Balance amount to use during 2015 and 2016</b>	<b>2,531,079</b>



#### 14 Accounts payable Employer Tax and Pension premiums

	<u>31 December 2014</u>	<u>31 December 2013</u>
	€	€
Employer Tax and Pension premiums payable	100,517	129,238
<b>Balance December 31</b>	<b>100,517</b>	<b>129,238</b>

The outstanding balance was paid in January to Tax and Pension agencies for each year accordingly.

#### 15 Creditors for services

The aging of the outstanding items is as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
	€	€
Less than 6 months	185,006	405,754
6 to 12 months	0	0
More than 12 months	0	0
<b>Balance December 31</b>	<b>185,006</b>	<b>405,754</b>

#### 16 Other current liabilities

The other current liabilities are specified as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
	€	€
Holiday allowance payable	148,249	159,966
Year-end allowance payable	18,325	19,070
Other payable items	189,648	136,326
<b>Balance December 31</b>	<b>356,222</b>	<b>315,362</b>

## Contingencies and commitments not included in the balance sheet

### Fictitious unemployment (WW) commitments

IRC is responsible for the potential unemployment commitments of its own personnel.

The maximum unemployment commitment amounts for which IRC could be held responsible in the event of fictitious liquidation, effective 1 January 2015 are as follows:

	€
Maximum unemployment commitment nominal as of 31-12-2014	2,475,382

The calculated maximum unemployment commitment is based on the number of years of service at IRC.

### Sick pay

IRC bears its own risk for the Sickness Benefits Act. The costs of continued salary payments to personnel in the event of illness are to be borne entirely by IRC. The costs in the first year of illness is 100% whereas in the second year, it is 70%.

### Risk carrier for disability (WIA)

As per 1-1-2013 IRC has insured this risk. There are no risks outstanding associated from before 31-12-2014.

### Rental and lease agreement

With regard to the housing in the International Water House, IRC together with NWP renewed her rental agreement with NSI/Vastned for a period of 2 years and 7 months, effective as from 1 August 2014.

The rent is higher (no discount of 15%) due to a renewed more flexible contract signed in August 2014.

The actual expenditures are included in the income statement under the item Housing.

The future rent and lease obligations can be specified as follows:

Rent obligations up to 1 year office	128,984
Lease obligation up to 1 year copiers	10,935
Rent obligations > 1 year office	<u>75,241</u>
Lease/rent obligations total	215,160

## Notes to the income statement

### Income from projects

The income from projects consists of the paid days spent by IRC employees on externally financed projects (at the current external rates), increased by equipment costs charged (for projects with a rate based on direct costs), out-of-pocket expenses on projects (particularly travel expenses and costs of partners) and project results that are derived from subsequent calculation of projects at completion.

The total income from projects can be specified as follows:

Income	Actual	Budget	Actual	Budget
	2014	2014	2013	2013
	€	€	€	€
<b>17 Core program funding</b>	2,468,769	2,498,500	2,958,088	3,063,600
<b>18 Other project funding</b>				
Triple-S	2,452,110	2,548,000	3,290,306	3,329,227
WASHCost	6,640	0	402,443	361,619
Other IRC projects	5,398,891	4,916,500	3,278,810	4,050,454
Result on closed projects	-34,392	0	26,672	0
Additions / releases project accruals	0	0	-26,275	0
	<u>10,292,018</u>	<u>9,963,000</u>	<u>9,930,045</u>	<u>10,804,900</u>

The income from projects for the financial year 2014 amounts to € 10,292,018 which is 3.6% more than in 2013.

This small increase was related to successful acquisition for small projects. However the income from billable hours executed by staff members decreased from € 4,753,515 in 2013 to € 4,544,083. The funding for partner organisations via IRC accounts inc with €500,000 in 2014. This amount can be found in the other IRC projects and is the main reason the realised amount is above

### Core Program funding

In 2013 the Core Program funding came from and DGIS and the Gates foundation. In 2014 only Core Program funding from DC was available.

The Programmatic funding DGIS comprises the part of the five-year subsidy (2012-2016) from the Ministry of Foreign Affairs. An amount of € 2,468,769 is attributed to the subsidy income in 2014.

The Ministry of Foreign Affairs (DGIS) had issued a disposition for the provision of a subsidy totaling € 10,420,000 for the period 2012 through 2016.

This subsidy consisted of the following parts:

- € 9,670,000 to be used for the core activities and programs of IRC (program subsidy),
- € 750,000 to be used for the execution of ad-hoc advisory assignments for DGIS by IRC.

The program subsidy is partially spent per the end of 2014 as follows:

Basic subsidy	Core activities	Advisory	Total
	€	€	
Available for the period 2012 - 2016	9,670,000	750,000	10,420,000
Minus: expenditures in 2012	-2,648,847	-102,296	-2,751,143
Minus: expenditures in 2013	-2,727,293	-187,546	-2,914,839
Minus: expenditures in 2014	<u>-2,468,769</u>	<u>-223,957</u>	<u>-2,692,726</u>
Balance as of 31 December	1,825,091	236,201	2,061,292

The income and expenses in the context of the program subsidy are accounted for in the income statement.

The interest received on advance payments is allocated and included in the core funding.

### Additional subsidy in regard to ad-hoc advisory assignments DGIS

The subsidy assigned to IRC by DGIS is inclusive an amount for ad-hoc advise assignments of € 150,000 per year.

### DGIS-funded Programs

DGIS-funded programs are set up as projects, for which only a small amount or no direct external funding takes place.

The costs related to these projects are charged directly to the basic subsidy from the Ministry of Foreign Affairs.

The direct costs of the DGIS-funded programs are charged to the result in the year to which they apply.

The specification of expenditures for DGIS-funded programs is as follows (in accordance with the division used in the business plan 2012 - 2016):

	Actual 2014	Budget 2014	Actual 2013	Budget 2013
	€	€	€	€
Program personnel costs	1,872,119	1,826,809	2,106,511	2,017,523
Information and Global Services	260,215	162,493	34,376	63,000
Innovation Program	23,301	35,000	5,324	33,000
Regional and Country Programs	289,647	458,000	568,799	551,000
Program and general management	23,487	16,198	12,283	20,000
	<u>2,468,769</u>	<u>2,498,500</u>	<u>2,727,293</u>	<u>2,684,523</u>

The expenditures for the DGIS-funded programs for 2014 (the third year of 5-year subsidy 2012-2016) were originally budgeted € 2,498,500. The expenditures during the year 2014 were in line with the budget and amounted to a total of € 2,468,769.

IRC managed to use a lower level of DGIS funding than last year.

This difference compared to 2013 was more than € 250,000 what is in line with the policy to use less DGIS funding every year.

This process was started in 2012 and continued in 2013 (€ 2,727,293) and 2014 (€ 2,468,769).

The overspending under 1 and underspending under item 4 is caused by higher turnover (and covering more indirect costs) in the country programs. Part of this money was reallocated to use for information and general global services.

## EXPENSES

### 20 Personnel costs

The total personnel costs for 2014 amounts to € 4,408,712 excluding the reorganisation expenses. This is 9% less than the budget mainly due to a zero general salary increase and not replacing some leaving employees regarding the foreseen planned downsizing later during 2014.

The personnel costs are lower than in 2013, when the total personnel costs amounted to € 5,022,296.

An amount of € 270,000 was budgeted for other personnel costs. The actual expenses were € 210,611 which is much lower than the actuals from 2013 (€513,230) due to less use of Temporary staff.

Number of FTE's in the Netherlands 31/12/2014	47
Number of FTE's Foreign 31/12/2014	20

The specification of personnel costs is as follows:

	Actual 2014	Budget 2014	Actual 2013	Budget 2013
	€	€	€	€
<u>Salary expenses</u>				
Gross salaries including vacation allowance	3,348,758	3,599,187	3,288,917	3,613,094
National insurance contributions	287,179	308,655	1,343,676	660,980
Pension premium contributions	460,705	495,158	515,149	565,926
Other	101,459	100,000	103,324	100,000
Total salary expenses	<u>4,198,101</u>	<u>4,503,000</u>	<u>5,251,066</u>	<u>4,940,000</u>
<u>Other personnel costs</u>				
Temporary employees	33,983	100,000	295,661	160,000
Recruitment	2,137	5,000	10,074	20,000
Foreign posting costs	12,593	0	33,341	30,000
Training and education	54,275	75,000	71,580	100,000
Personnel administration	34,334	20,000	23,447	20,000
Health expenses and health support	28,429	20,000	11,708	25,000
Travel free weeks and social events	16,046	22,000	25,408	7,000
Personnel insurances	21,929	15,000	18,347	25,000
Miscellaneous	6,885	13,000	23,664	5,000
	<u>210,611</u>	<u>270,000</u>	<u>513,230</u>	<u>392,000</u>
<b>Total personnel costs</b>	<b>4,408,712</b>	<b>4,773,000</b>	<b>5,764,296</b>	<b>5,332,000</b>

### 21 Other project related costs

	Actual 2014	Budget 2014	Actual 2013	Budget 2013
	€	€	€	€
<b>Total project related costs</b>	<b>5,428,767</b>	<b>4,939,200</b>	<b>4,926,575</b>	<b>5,028,200</b>

The other project related costs mainly relates to partner, consultants and associate costs to a total of more than 4 Mio (almost 75% of the total). This is almost 0,3 Mio more than in the year 2013 but one percent less due to the smaller total amount of other project related costs in 2013.

## 22 General & administrative expenses (G&A)

G&A concerns all office related expenses and expenses related to the management and operational costs of the organisation. G&A amounts to € 457,135 in the year 2014. Comparing to the budget there is approximately € 90,000 less spent than there was originally budgeted for. Compared to 2013 expenses were higher mainly due to the fact that IRC has to include the VAT based on the advise and agreement made with the Tax Authorities.

Housing, IT and Office inventory was € 30,000 more compared to the budget what was caused by more expenditures for office rent (more flexibility means no deduction in the new contract and more money spent of facilities Support Waterhouse).

Office supplies with printing and postage seems higher than the budget. These costs are partly invoiced at projects. This decrease is yearly showed as a higher income at equipment and supplies invoiced by external projects and not as a lower costs on office.

Communications costs were approximately € 13,000 lower as part of these costs was covered by projects.

Management, marketing, PR and advisory costs are less than foreseen. Some of these costs are covered by current projects.

Supervisory Board: Less € 5,500 as the Supervisory Board members made less international flights to attend the meetings.

Tax and legal consultancy costs are lower than foreseen as most of these costs are included in the restructuring costs.

Recovered overhead expenses: Here IRC succeeded to recover approximately € 42,000 more than expected at the beginning of

The specification of the G&A is as follows:

	<b>Actual 2014</b>	<b>Budget 2014</b>	<b>Actual 2013</b>	<b>Budget 2013</b>
	€	€	€	€
Housing	248,264	230,000	195,092	240,000
Information Technology	151,875	150,000	105,181	115,000
Office inventory	18,112	5,000	17,273	5,000
Office supplies	8,445	10,000	7,164	10,000
Printing	18,320	15,000	13,792	15,000
Postage	1,472	0	1,322	0
Communication	11,664	25,000	10,144	25,000
Supervisory Board	19,409	25,000	17,226	25,000
Auditor	38,045	35,000	32,120	30,000
Management, marketing, PR and Advisory	51,849	100,000	88,862	80,000
Tax & legal consultancy	10,572	25,000	9,712	25,000
Literature & WorksCouncil	1,837	5,000	1,597	5,000
Recovered overhead expenses	-122,729	-80,000	-102,366	-80,000
	<u>457,135</u>	<u>545,000</u>	<u>397,119</u>	<u>495,000</u>

### 23 Financial income & expenditures, net

Financial income & expenditures in 2014 amounts to € 90,393 gain what is more than the budget. The interest was higher than expected due to higher deposit interest amounts and release of an accrual for bad debtors and the currency exchange result was higher than foreseen. Due to the stronger USD compared to the Euro IRC had a positive exchange result. IRC has the policy to have a minimum amount in foreign currency on their bank account to minimize this risk.

Financial income & expenditures can be specified as follows:

	Actual 2014	Budget 2014	Actual 2013	Budget 2013
	€	€	€	€
Deposit Accounts	45,021	30,000	39,255	60,000
Bank costs	-7,697	-10,000	-8,049	-10,000
Accrual bad debts	-8,324	0	50,733	15,000
Currency exchange result	60,983	0	-39,261	0
Cash & payment differences	410	0	-284	0
	<u>90,393</u>	<u>20,000</u>	<u>42,394</u>	<u>65,000</u>
<b>24 VAT related costs 2009-2013</b>	<b>-74,786</b>	<b>0</b>	<b>-286,515</b>	<b>0</b>

During 2013 it became clear IRC had to include a provision for part of the charged VAT over the last 5 years. This amount is related to DGIS funded expenditures during this period. This amount is settled with the Tax Authorities in 2014.

The VAT provision taking into account for the years 2009-2013 was too low. IRC had to pay the Tax Authority interest as well as the total amount that was taken as a provision regarding previous years.

At the end of 2014 a provision was not considered necessary.

### 25 Restructuring costs

Expenditures for planned restructuring social plan and advice costs totaled € 837,697. The amount will be subtracted from the foundation's general reserves.

#### Remuneration of the Supervisory Board

The 7 members of the Supervisory Board received a total allowance of € 12,866.43. There are no loans, advances or guarantees to the director or one of the Supervisory Board members. Hotel costs and flights to attend meetings were paid on invoice basis for Supervisory Board members.

#### Annual result

The annual result for 2014 is negative and amounts to € 824,686.

The operating result 2014 was break even at - € 2,596. Next to this IRC had to make a provision for reorganisation related costs estimated on the level of € 837,697. Due to the status of IRC as own risk carrier for unemployment this is a relatively high amount. The negative result will be covered from the foundation's general reserves.

## Remuneration for the Director of IRC

Name Job position	Patrick Moriarty		Nico Terra
	Director		Director
Type of contract	Year	2014	2013
hours		36	36
Part time percentage		100	100
Period		01/01 - 31/12	01/09/ - 31/12
			01/01 - 30/08
Salary (EUR)			
Annual Income, gross			
Gross salary		85,186	29,981
Holiday allowance		6,815	2,399
Year end allowance		7,070	2,297
Variable income		0	0
	<b>Gross employee</b>	<b>99,071</b>	<b>34,677</b>
Employers Social Security costs		3,404	2,341
Taxable disbursement		0	0
Employers Pension Contribution		15,612	4,828
Other (future) benefits		0	0
Severance Entitlement		0	0
<b>Total Remuneration 2014</b>		<b>118,087</b>	
<b>Total Remuneration 2013</b>	<b>(01/09-31/12)</b>		<b>41,846</b>
<b>Total Remuneration 2013</b>	<b>(01/01-30/08)</b>		<b>95,414</b>

Approved and signed in the Supervisory Board Meeting on 18 May

The Hague, 2015

*P Moriarty*  
Director

IRC International Water and Sanitation Cen  
Bezuidenhoutseweg 2  
2594 AV The Hague

The Hague, 2015

*H van Dord*  
Chairman Supervisory Board

IRC International Water and Sanitation Centre  
Bezuidenhoutseweg 2  
2594 AV The Hague



## ***Independent auditor's report***

To: the supervisory board of IRC International Water and Sanitation Centre

We have audited the accompanying financial statements 2014 of IRC International Water and Sanitation Centre, The Hague, which comprise the balance sheet as at 31 December 2014, the income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. 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 judgement, 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 foundation'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 foundation'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.

*Ref.: e0354621*

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*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of IRC International Water and Sanitation Centre as at 31 December 2014, and of its result for the year then ended in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

Rotterdam, 19 May 2015  
PricewaterhouseCoopers Accountants N.V.



M. van Ginkel RA

## Branch office IRC Burkina Faso

### Balance Sheet as at 31 December 2014

	<u>31 December 2014</u>		<u>31 December 2013</u>	
	€	€	€	€
<b>Assets</b>				
Non-current Assets				
Current assets				
Prepayments	6,674		542	
Cash and Bank Balance	21,243		17,764	
		<u>27,917</u>		<u>18,306</u>
Total assets		<u>27,917</u>		<u>18,306</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	28		188	
Outstanding cheques	1,180		12,518	
		<u>1,208</u>		<u>12,706</u>
		<u>1,208</u>		<u>12,706</u>
<b>Net Current Assets</b>				
		<u>0</u>		
Net Assets		<u><u>26,709</u></u>		<u><u>5,600</u></u>
<b>Financed by</b>				
Accumulated Fund		<u><u>26,709</u></u>		<u><u>5,600</u></u>

### Income and Expenditure as at 31 December 2014

	<u>31 December 2014</u>		<u>31 December 2013</u>	
	€	€	€	€
<b>Income</b>				
Transfer IRC NL to Burkina Faso	296,703		154,082	
Transfers Eau-Vive to IRC BF	0		0	
Transfer other projects	34,046		0	
		<u>330,749</u>		<u>154,082</u>
<b>Expenditures</b>				
Personnel Costs DGIS	0		15,424	
Personnel Costs WaWash	0		21,532	
Administrative costs & housing			56,709	
Project costs DGIS	30,262		16,398	
Project costs Triple S Ghana			137	
Project costs WashCost			3,923	
Project costs WaWash	226,318			
Project costs SaniEst	49,838			
Project costs Danida BF prg	2,762			
Project costs Sanifaso	378			
Project LVIA	648			
		<u>310,206</u>		<u>36,125</u>
		<u>310,206</u>		<u>150,247</u>
Surplus transferred to accumulated		<u>20,543</u>		<u>3,836</u>
Balance 01/01/2014	5,600		1,764	
correction balance 31/12/2013	566		-	
Balance 31/12/2014		<u><u>26,709</u></u>		<u><u>5,600</u></u>

## Branch office IRC Ghana

(amounts in Cedi)

Exchange rate 31/12 3.86512

### Balance Sheet as at 31 December 2014

	31 December 2014		31 December 2013	
	€	€	€	€
<b>Assets</b>				
Non-current Assets		101,078		95,466
<b>Current assets</b>				
Prepayments	113,352		62,027	
Cash and Bank Balance	374,273		443,491	
		<u>487,625</u>		<u>505,518</u>
<b>Total assets</b>		<b>487,625</b>		<b>505,518</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	110,464		255,001	
IRC Netherlands	301,713		250,517	
		<u>412,177</u>		<u>505,518</u>
<b>Net Current Assets</b>	75,448	75,448	0	0
<b>Net Assets</b>		<u><u>176,526</u></u>		<u><u>95,466</u></u>
<b>Financed by</b>				
Accumulated Fund		<u><u>176,526</u></u>		<u><u>95,466</u></u>

### Income and Expenditure as at 31 December 2014

	31 December 2014		31 December 2013	
	€	€	€	€
<b>Income</b>				
Core Program funding		629,909		758,375
SKMI/UNICEF project		664,891		0
Other projects		1,995		11,514
		<u>1,296,795</u>		<u>769,889</u>
<b>Expenditures</b>				
Personnel Costs		419,929		310,825
Housing Costs		69,848		65,471
Administrative costs		164,272		112,386
RCN		59,998		112,306
Other projects		501,688		75,826
		<u>1,215,735</u>		<u>676,814</u>
Surplus for the year		<u><u>81,060</u></u>		<u><u>93,075</u></u>
Balance brought forward		95,466		2,391
Balance carried forward		<u><u>176,526</u></u>		<u><u>95,466</u></u>
average currency 2014	3.86			