

Report

**on the audit
of the annual financial statements as of 31 December 2018**

**Water Integrity Network Association e. V.
Berlin**

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**For computational reasons, rounding differences may
occur in the tables.**

List of abbreviations

| | |
|-----------------|---|
| AO | Abgabenordnung |
| BGB | Bürgerliches Gesetzbuch, German Civil Code |
| HGB | Handelsgesetzbuch, German Commercial Code |
| IDW | Institut der Wirtschaftsprüfer in Deutschland e. V., Institute of Auditors in Germany e. V. |
| IDW PS 450 n.e. | IDW audit standard: Principles of proper preparation of reports in statutory audits (new edition) |
| TEUR | Thousand Euro |
| USD | US-Dollar |

1 **Audit engagement**

To the Water Integrity Network Association e. V., Berlin.

The supervisory board of the Water Integrity Network Association e. V., Berlin, elected us as auditors at its meeting on 9 October 2018. Accordingly, Ms Schreiner, as Executive Director of the Association, commissioned us by letter dated 26 April 2019 to audit

the annual financial statements as of 31 December 2018

of the Water Integrity Network Association e. V.,

Berlin,

- hereinafter referred to as the “Association” -

together with the accounting records. It is a voluntary audit according to Articles 317 et seq. HGB.

The general terms and conditions for auditors and auditing companies, which are attached to this report as a final appendix, apply for the order execution and our responsibility, also in relation to third parties. In accordance with Article 321 (4a) HGB, we confirm that we have observed the applicable independence rules in our audit.

We make this report on the nature, extent and results of our audit; It was written in accordance with professional principles and the IDW PS 450 n. e. auditing standard.

2 **Fundamental statement**

Situation of the Association

Opinion on the assessment of the executive directors

As is permitted, the executive directors have not prepared a management report. Therefore, we cannot comment on the lack of management report submission by the executive directors under Article 321 (1) sentence 2 HGB. The executive directors have commented on the situation of the association in the annual accounts and in other documents. In doing so, they assume that the association is a going concern. Having completed our audit, we consider the status report of the executive directors to be correct.

As a result of our audit, we summarize the following key statements concerning the business development and the situation of the association:

The association closes the financial year with a net profit of TEUR 10 (previous year: net profit TEUR 42). This compares to total income of TEUR 1,724 (previous year: TEUR 1,859) total expenses of TEUR 1,714 (previous year: TEUR 1,817).

The major portion of 91,5 % of the income of the association relates to income from grants. In this case, the balance of donation received and donations consumed is unchanged based on IDW RS HFA 21 "IDW statement on accounting: Accounting characteristics of organizations that collect donations". Due to the resulting donation implementations at the time of appropriate use, these revenues are usually offset by the same amount of expenses for statutory benefits. A surplus from the project activity of the association arises in the intangible area only by non-reclaimed resources, flat-rate funding as well as other proceeds by donations and similar income.

Income from grants decreased by TEUR 143 to TEUR 1.578 compared to the previous year. Emphasis should be placed here on the activities of the association in connection with the funders the Swedish International Development Agency (Sida), Stockholm, as well as the Swiss Agency for development and cooperation (SDC), Bern, which accounted for a substantial share of the total income, amounting to TEUR 358 and TEUR 579.

In addition the Association has closed a new grant agreement on a period of three years and an amount of TUSD 800 with the Flora Hewlett Foundation, Menlo Park.

Corresponding to the decrease in income, there was also an decrease in other operating expenses, mainly expenses for statutory benefits. New projects with sub-partners were initiated in the fiscal year. The recognition in the income statement of the resource allocation to the project partners is recorded in accordance with the accounting system described in item 4.1.2 at the time of proving the appropriate use of funds by onlending to project partners. In the reporting year, these expenses amounted to TEUR 526 (previous year: TEUR 567). Other material expenses in the reporting year include consulting costs of TEUR 225 (previous year: TEUR 275) and travel expenses of TEUR 104 (previous year: TEUR 101).

In the course of the implementation of the new strategy of the association, revenues from consulting services were generated again in the reporting year. The concluded consultancy agreement for the implementation of a "Toolbox for Integrity Management in the Water Sector" in the form of the WIN-SIWI-cewas consortium with the Inter-American Development Bank (IADB), New York, resulted in income of TEUR 107.

As a result, the annual net profit of TEUR 10 is mainly attributed to the surplus generated from consulting activities in the course of the IADB project and revenues from internet sales.

The asset and capital structures as well as the liquidity situation of the association are well-regulated on the whole. The long-term available funds cover the assets with a corresponding maturity of TEUR 531 (previous year: TEUR 510). In the corresponding amount, short-term assets are financed on a long-term basis. In addition, the company has sufficient short-term liquidity available to cover its operating needs for 4.0 months (previous year: 3.5 months). The liquidity in the short term seems to be solid.



It should be noted for subsequent financial years that the association continues to rely on grants from investors to implement its purposes.

3 Subject, nature and scope of the audit

The subject of our audit was the accounting and the annual financial statements (Annexes I to III) consisting of the balance sheet, the income statement and the notes. The present annual financial statements have been prepared in accordance with German commercial law. The audit covered whether the statutory provisions applicable to financial statement, including German principles of proper accounting, have been observed.

The audit of compliance with other statutory provisions is only part of the statutory audit to the extent that other provisions arising therefrom usually have repercussions on the items of the audit. A review of the nature and appropriateness of the insurance cover, in particular whether all the risks are considered and adequately insured, was not part of our audit assignment.

The executive directors of the association are responsible for the accounting and the preparation of the annual financial statements as well as the provided to us information. Our function is to assess the documents submitted by the Executive Directors and the information provided in the context of our duly auditing including accounting.

The annual audit was carried out on site in May 2019. Further audit procedures and the production of the audit report took place in our offices in Berlin.

All information, clarifications and proofs requested by us were willingly provided to us by the executive directors and the employees designated for information desk. In addition, the executive directors have confirmed to us in the written professional completeness declaration that all balance assets, liabilities, risks and relevant accruals, all expenses and income, all necessary information and all existing contingent liabilities have been disclosed in the accounting and the annual financial statements to be audited.

No events of special significance after the close of the financial year have occurred following this declaration and we had no knowledge thereof during our audit.

We conducted our annual audit in accordance with Article 317 HGB in compliance with professional principles as well as with the IDW audit standards and guidelines. Subsequently, the audit must be planned and conducted in such a way that it can be reasonably assessed whether the accounting records and the financial statements are free from errors and omissions.

The audit did not extend to, whether the going-concern or the effectiveness and efficiency of the management can be ensured.

In the course of the audit, evidence supporting the disclosures in the accounting and financial statements were obtained in a sufficient and appropriate extent. The audit includes assessing the accounting, valuation and classification principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We are of the opinion that our audit has provided a sufficiently sound basis for our audit opinion.

The audit we performed was appropriate to examine the evidential value of the accounting and to audit the statement, verification and appropriateness of the valuations of the balance sheet items.

On this basis, we have prepared the audit of the annual financial statements in accordance with the principles of diligent professional practice aimed at recognizing material misstatements and violations of the statutory accounting rules, which affect the presentation of a true and fair view of the assets, financial and earnings position under Article 264 (2) HGB, but without any special focus on an underfunding audit.

The basis of our risk-oriented audit approach is the development of an audit strategy. Based on the assessment of the economic and legal environment of the association as well as its goals, strategies and business risks, critical audit areas are identified. As part of this approach, we have formed the following key audit matters for the reporting year:

- ◆ Completeness and accuracy of the personnel expenses,
- ◆ Completeness and accuracy of the other liabilities.

As part of their assessment, we examined the effectiveness of the accounting-related internal control system and the underlying processes. The findings from the audit of the processes and the internal control system have been taken into account in the selection of the analytical audit procedures and the individual case reviews. We have determined the scope of our individual case studies by conscious choice. The selection was made taking into account the economic importance of the individual items of the annual financial statements and allowing adequate audit of compliance with the statutory accounting principles.

When selecting the type and scope of the audit procedures, we have followed the principles of materiality and efficiency; furthermore assessments of previous audits of the financial statement were considered.

As part of the verification check commitment, confirmations of the credit institutions were obtained.

We did not obtain balance confirmations from suppliers on the basis of our risk assessment and taking into account the available audit evidence. We have obtained adequate assurance through alternative test-related procedures.

We have determined in the audit planning the timing of the audit and the deployment of employees in addition to the audit approach described above.

The nature, scope and outcome of the individual audit procedures are specified in our working papers.

4 Statements and explanations on accounting

4.1 Regularity of financial accounting

4.1.1 Accounting and other approved documents

The organization of the financial department and the accounting-related internal control system enable complete, correct, timely and orderly recording and entry of business transactions. The organization of accounting is appropriate to the status of the association. According to our findings, the accounting and other audited documents including the record-keeping system of the association comply with the statutory provisions including German principles of proper accounting in all material respects. The audit revealed no objections.

Based on our audit of the annual financial statements, nothing has come to our attention that causes us to believe that the security of the data and IT systems processed for the purpose of accounting is not guaranteed as of 31 December 2018.

4.1.2 Annual financial statements

The starting point for the audit was the annual financial statements of 31 December 2017 audited by us and audited with an unqualified audit opinion dated 28 May 2018; it has not been approved yet.

The annual financial statements of the association have complied with all applicable statutory provisions, including German principles of proper accounting and all industry-specific regulations. The balance sheet and income statement have been duly developed from the accounting. The statutory recognition, presentation and evaluation regulations have been followed.

The structure of the balance sheet (Annex I) is in accordance with Article 266 HGB. The income statement (Annex II) has been structured according to the total cost method pursuant to Article 275 (2) HGB and adapted to the needs of the association. The notes are clear and concise. All legally required individual details as well as the information on the balance sheet and the income statement, which are optionally included in the notes, are fully and accurately presented.

The provisions of the articles of association contain no provisions on the principles of accounting. With regard to the balance sheet presentation of donations received or used, the presentation is in accordance with the statement on the accounting of the IDW, " Accounting characteristics of organizations that collect donations " (IDW RS HFA 21):

- The cash receipt from the donor is recognized as a pre-existing donation in other liabilities and shown as a bank balance on the assets side.
- If the funds are paid out to a project partner for the implementation of the objects of the association, an asset swap is made from the bank balance to other assets as an amount receivable from the project partners. Furthermore, the amount disbursed to the project partners is transferred in other liabilities from the donations received in advance to liabilities to lenders. According to this, the funds paid out to the project partners and the liabilities towards grantors are equal.
- If the project partner proves an appropriate use, the liability to the donor is deducted in the amount of the proven amount against the proceeds from donations. The amount receivable from the project partner is released against a separate expense account. It should be noted that the write-off of the receivables and liabilities against the income and expenses are carried out in the same amount and that the entry in the income statement has no effect on the annual result. Please refer to Annex VII for the composition and development of other assets and liabilities in connection with project funding.

- The above statements on the accounting system of the association refer to procedures for the project implementation with third parties and their reimbursements. In addition, the purpose of the association is implemented through measures and activities, which the association executes under its own direction. Expenses related to personnel, travel or other costs are allocated to the respective donor according to the project commitment. The realization of income from the cash receipts is also carried out at the time of the statutory use, i.e. when the expenses incurred are of the same amount.

No objections have arisen with regard to the key audit matters.

According to our findings, the annual financial statements comply with the legal requirements.

4.2 Overall statement of the annual financial statements

4.2.1 Findings on the overall statement of the annual financial statements

On the basis of our duly conducted audit, we believe that the overall annual financial statements, i.e. the balance sheet, income statement and notes, together with German principles of proper accounting, give a true and fair view of the assets, financial and earnings position of the association.

4.2.2 Essential valuation basis

The valuation methods applied to the previous annual financial statements were maintained, as well as existing reporting options were executed in line with the previous year. For further details, please refer to the annex.

4.3 Economic situation and other explanations

4.3.1 Profit situation

Period comparison

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>Change</u> | |
|-------------------------------|--------------|--------------|--------------|---------------|------|
| | TEUR | TEUR | TEUR | TEUR | % |
| <u>INCOME</u> | | | | | |
| Income from grants | 1,578 | 1,721 | 1,549 | -143 | 8,3 |
| Other turnover | 107 | 124 | 0 | -17 | 13,7 |
| Other operating income | <u>39</u> | <u>14</u> | <u>19</u> | <u>25</u> | - |
| | <u>1,724</u> | <u>1,859</u> | <u>1,568</u> | <u>-135</u> | 7,3 |
| <u>EXPENSES</u> | | | | | |
| Personnel expenses | 642 | 668 | 613 | -26 | 3,9 |
| Other operating expenses | 1.058 | 1.136 | 952 | -78 | 6,9 |
| Amortization and depreciation | 12 | 10 | 8 | 2 | 20,0 |
| Taxes on income and earnings | <u>2</u> | <u>3</u> | <u>0</u> | <u>-1</u> | 33,3 |
| | <u>1,714</u> | <u>1,817</u> | <u>1,573</u> | <u>-103</u> | 5,7 |
| <u>Annual result</u> | <u>10</u> | <u>42</u> | <u>-5</u> | <u>-32</u> | |

4.3.2 Assets and financial position

Asset and capital structure

| | <u>31.12.2018</u> | | <u>31.12.2017</u> | | <u>Change</u> |
|-------------------------------|-------------------|-------|-------------------|-------|---------------|
| | TEUR | % | TEUR | % | TEUR |
| <u>ASSETS</u> | | | | | |
| <u>Long-term assets</u> | | | | | |
| Intangible assets | 1 | | 2 | | -1 |
| Tangible assets | <u>16</u> | | <u>25</u> | | <u>-9</u> |
| | <u>17</u> | 1,0 | <u>27</u> | 2,1 | <u>-10</u> |
| <u>Short-term assets</u> | | | | | |
| Accounts receivable | 0 | | 51 | | -51 |
| Other assets | 345 | | 367 | | -22 |
| Cash and bank balances | <u>1.474</u> | | <u>843</u> | | <u>631</u> |
| | <u>1.819</u> | 99,0 | <u>1.261</u> | 97,9 | <u>558</u> |
| | <u>1.836</u> | 100,0 | <u>1.288</u> | 100,0 | <u>548</u> |
| <u>EQUITY AND LIABILITIES</u> | | | | | |
| <u>Long-term capital</u> | | | | | |
| Equity | 547 | | 537 | | 10 |
| Other provisions | <u>1</u> | | <u>0</u> | | <u>1</u> |
| | <u>548</u> | 29,9 | <u>537</u> | 41,7 | <u>11</u> |
| <u>Short-term capital</u> | | | | | |
| Tax provisions | 5 | | 3 | | 2 |
| Other provisions | 59 | | 108 | | -49 |
| Accounts payable | 213 | | 39 | | 174 |
| Other liabilities | <u>1.011</u> | | <u>601</u> | | <u>410</u> |
| | <u>1.288</u> | 70,1 | <u>751</u> | 58,3 | <u>537</u> |
| | <u>1.836</u> | 100,0 | <u>1.288</u> | 100,0 | <u>548</u> |

Coverage

The comparison of the long-term capital and the assets of the corresponding maturity determined the following collateral in a year-on-year comparison:

| | <u>31.12.2018</u> | <u>31.12.2017</u> | <u>Change</u> |
|---|-------------------|-------------------|------------------|
| | TEUR | TEUR | TEUR |
| Long-term capital | 548 | 537 | 11 |
| Long-term assets | <u>-17</u> | <u>-27</u> | <u>10</u> |
| Coverage of long-term assets through long-term capital | <u><u>531</u></u> | <u><u>510</u></u> | <u><u>21</u></u> |

The long-term financing funds cover the assets with a corresponding term by TEUR 531 as of the balance sheet date. The economically desirable compliance of capital transfer and capital commitment periods has been retained.

Liquidity situation

The above coverage represents the net working capital or the liquidity in the medium term as a starting point for further liquidity considerations.

| | <u>31.12.2018</u> | <u>31.12.2017</u> | <u>Change</u> |
|--|-----------------------|-----------------------|-----------------------|
| | TEUR | TEUR | TEUR |
| <u>Liquidity in the medium term /</u> <u>Net working capital</u> | 531 | 510 | 21 |
| Plus holiday and overtime provision | <u>35</u> | <u>18</u> | <u>17</u> |
| <u>Liquidity in the short term</u> | <u><u>566</u></u> | <u><u>528</u></u> | <u><u>38</u></u> |
| <u>Operating month-</u> <u>financial requirements</u> | <u><u>142</u></u> | <u><u>150</u></u> | <u><u>-8</u></u> |
| <u>Coverage factor in months</u> <u>(Ratio of liquidity in the short</u> <u>term to operational financial needs)</u> | <u><u>4,0</u></u> | <u><u>3,5</u></u> | <u><u>0,5</u></u> |

Please note that the considerations of abilities to pay depend strictly on the balance sheet date. A longer-term forecast is not readily derivable from them because of the change in the reference values due to subsequent business transactions.

5 Presentation of the independent auditor's report and concluding remarks

According to the audit conducted by us and the information and evidence provided to us, we have provided the annual financial statements as of 31 December 2018 (Annex I to III) of the association

Water Integrity Network Association e. V.,

Berlin,

Under the date of 20 Mai 2018 with the following auditor's report:

Independent Auditor's report

To the Water Integrity Network Association e. V., Berlin

Audit Opinion

We have audited the annual financial statements of the association Water Integrity Network e. V., Berlin, which comprise the balance sheet as at December 31 2018, and the statement of profit and loss for the financial year from January 1 to December 31 2018, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31 2018 and of its financial performance for the financial year from January 1 to December 31 2018 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for

Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements” section of our auditor’s report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor’s report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.*
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.*
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive director and related disclosures.*
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial*

statements, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- *Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 20 May 2018

*Solidaris Revisions-GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Branch Office Berlin*

*signed Dirk Römer
Dirk Römer
Wirtschaftsprüfer
[Auditor]*

*signed Joris Pelz
Joris Pelz
Wirtschaftsprüfer
[Auditor]*

We have submitted the above report in compliance with the legal regulations and the principles of proper audit reporting (IDW PS 450 n. e.).

Berlin, 20 May 2018

Solidaris Revisions-GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Branch Office Berlin

Dirk Römer
Wirtschaftsprüfer
[Auditor]

Joris Pelz
Wirtschaftsprüfer
[Auditor]

Annexes

Balance sheet as of 31 December 2018

ASSETS

| | <u>31.12.2018</u> EUR | <u>31.12.2017</u> TEUR |
|--|----------------------------|---------------------------|
| A. LONG TERM ASSETS | | |
| I. Intangible assets | | |
| Acquired concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets | 975.32 | 2 |
| II. Tangible assets | | |
| 1. Technical equipment and machinery | 15,037.28 | 23 |
| 2. Other equipment, factory and office equipment | <u>1,180.70</u> | <u>2</u> |
| | 16,217.98 | 25 |
| B. CURRENT ASSETS | | |
| I. Receivables and other assets | | |
| 1. Accounts receivable | 0.00 | 51 |
| 2. Other assets | <u>344,927.69</u> | <u>367</u> |
| | <u>344,927.69</u> | 418 |
| II. Cash and bank balances | <u>1,474,127.04</u> | <u>843</u> |
| | <u><u>1,836,248.03</u></u> | <u><u>1,288</u></u> |

EQUITY AND LIABILITIES

| | <u>31.12.2018</u> EUR | <u>31.12.2017</u> TEUR |
|---|--------------------------|---------------------------|
| A. EQUITY | | |
| I. Association capital | 19,405.22 | 19 |
| II. Reserves | 475,606.12 | 476 |
| III. Profit carried forward | <u>51,602.27</u> | <u>42</u> |
| | 546,613.61 | 537 |
| B. PROVISIONS | | |
| 1. Tax provisions | 4,709.41 | 3 |
| 2. Other provisions | <u>59,306.08</u> | <u>108</u> |
| | 64,015.49 | 111 |
| C. LIABILITIES | | |
| 1. Accounts payable | 213,166.16 | 39 |
| - of which with a residual maturity up to a year EUR 213,166.16 (previous year TEUR 39) | | |
| 2. Other liabilities | 1,012,452.77 | 601 |
| - of which with a residual maturity up to a year EUR 1,012,452.77 (previous year TEUR 601) | | |
| - of which from taxes EUR 7,384.64 (previous year TEUR 13) | | |
| - of it in the context of social security EUR 3.874.01 (previous year TEUR 1) | | |
| | <u>1,225,618.93</u> | <u>640</u> |
| | <u>1,836,248.03</u> | <u>1,288</u> |

Income statement for the financial year 2018

| | 2018 EUR | 2017 TEUR |
|---|---------------------|--------------|
| 1. Income from grants | 1,578,204.79 | 1,721 |
| 2. Other turnover | 106,703.71 | 124 |
| 3. Other operating income | <u>38,886.49</u> | <u>14</u> |
| Total operating income | 1,723,794.99 | 1,859 |
| 4. Personnel expenses | | |
| a) Wages and salaries | 551,719.36 | 577 |
| b) Social security contributions | <u>90,493.12</u> | <u>91</u> |
| | <u>642,212.48</u> | <u>668</u> |
| Interim result | 1,081,582.51 | 1,191 |
| 5. Amortization of intangible and depreciation of tangible assets | 12,477.28 | 10 |
| 6. Other operating expenses | <u>1,057,439.20</u> | <u>1,136</u> |
| Interim result | 11,666.03 | 45 |
| 7. Other interest and similar income | 14.99 | 0 |
| 8. Taxes on income and earnings | <u>1,966.65</u> | <u>3</u> |
| 9. Earnings after taxes / net income / loss | 9,714.37 | 42 |
| 10. Profit carried forward from the previous year | 41,887.90 | -5 |
| 11. Withdrawal from the reserves | <u>0.00</u> | <u>5</u> |
| 12. Profit carried forward | <u>51,602.27</u> | <u>42</u> |

NOTES TO THE 2018 FINANCIAL YEAR OF WATER INTEGRITY NETWORK ASSOCIATION e.V.

I. GENERAL INFORMATION

The Water Integrity Network Association e. V., hereinafter referred to as “WIN”, has its headquarters in Berlin and is registered in the register of associations at Charlottenburg district court under No.VR 32914 B. The association was founded on 23 December 2013. WIN has the following objectives with regard to promoting the integrity of the global water sector:

- a) Promoting systematic, reproducible and documented research, the results of which are promptly published,
- b) Promotion of education and training,
- c) Promotion of development cooperation,
- d) Promotion of crime prevention by combatting corruption,
- e) Raising of funds to support research, education, development cooperation and the prevention of crime through another tax-privileged institution or public body.

The tax-privileged special-purpose operations are exempt from corporate income tax and trade tax. Taxable economic operations are not exempt.

In accordance with Article 264 HGB, WIN is a small corporation. Notes are drawn up voluntarily. The annual financial statements were prepared in accordance with the provisions of the HGB. The structure of the balance sheet complies with Article 266 HGB, the income statement has been prepared according to the total cost method under Article 275 (2). The structure of the income statement has been expanded in accordance with Article 265 HGB. Partial changes to the financial statement of the previous year amounts were made in the income statement. Changes to the previous year's presentation were made in the allocation of the surplus in the income statement.

The evaluation was based on the continuation of the business activity.

II. Accounting principles

The annual financial statement includes the balance sheet, the income statement and the notes for the financial year ended 31 December 2018.

The annual financial statements were prepared in accordance with the German Commercial Code (HGB) for small corporations.

Representation, classification, recognition and measurement in balance sheet and income statement corresponds to the principles of the previous year.

Purchased **intangible assets** (software) and **tangible assets** are valued at acquisition or production costs less the accumulated depreciation and amortization in the financial year. Depreciation is calculated on a straight-line basis in accordance with the asset depreciation range.

Receivables and other assets are stated at nominal value. All identifiable individual risks are taken into account in the evaluation.

The **cash in hand** and the **bank balances** are stated at their nominal amounts.

Provisions take into account all identifiable risks and contingent liabilities and are valued at the settlement amount required by reasonable commercial assessment. Future price and cost increases will be considered if there are sufficient objective indications for their occurrence.

Liabilities are recognized at the settlement amount.

Receivables and liabilities denominated in **foreign currencies** with a residual maturity of up to one year are valued at the average spot exchange rate on the balance sheet date. In this respect, unrealized gains and losses from currency conversion are included in the present annual financial statements.

Donations are included in the financial statements, provided proof of eligibility exists.

Donations received but not yet used are shown under other liabilities as "Donations received in advance", while grants approved and used but whose funds have not yet been received by the end of the year are included under accounts receivable trade as "Donor pledges" in the Balance sheet.

Advances to project partners are recognized under other assets as "advances to partners". Accordingly, donation allocations used for these advances are reclassified under other liabilities from "donations received in advance" to "liabilities to donors".

Expenses are included in the income statement if proof of the costs incurred is available. Expenses for advances to project partners are only considered as expenses if WIN receives proof of the expenditure in the form of project reports, original receipts or other relevant evidence.

"Donations" are included in the income statement,

- (a) if the entitlement is demonstrable and there are no funding restrictions ("free" funds) or
- (b) in accordance with those incurred for project-related grants expenses that have been fully supported by evidence and submitted ("earmarked" funds).

III. NOTES TO THE BALANCE SHEET

1. Long-term assets

The development of the individual items in long-term assets is shown in the asset proof, which is attached to these notes.

2. Current assets

2.1 Other assets

Other assets include advances to partners and employees, deposit and security for credit cards and debit creditors.

| | 2018 |
|-----------------------|------------------|
| Advances to partners | € 330,478 |
| Advances to employees | € 33 |
| Collateral | € 13,005 |
| Debit creditors | € 1,412 |
| Total | € 344,927 |

The advances to partners are made up as follows:

| | 2018 |
|------------------------|------------------|
| Caritas MCWIP | € 9,485 |
| Helvetas MCWIP | € 191,871 |
| CEWAS L&L | € 15,655 |
| CEWAS Albania | € 10,100 |
| 2IE | € 12,772 |
| PNE Baseline Study | € 28,178 |
| Cewas CWASA | € 5,365 |
| Coalition Burkina Faso | € 9,900 |
| KEWASNET CSO Report | € 10,098 |
| PNE-2017 Agreement | € 20,000 |
| NGO Bangladesh | € 15,198 |
| Other | € 1,888 |
| Total | € 330,510 |

All other assets, as in the previous year, have a residual maturity of less than one year.

2.2 Cash and bank balances

The item contains the cash in hand and bank balances.

| | 2018 |
|----------------|--------------------|
| Petty cash | € 283 |
| General EUR 00 | € 604,317 |
| USD-Account | € 51,676 |
| SDC CHF 02 | € 341,330 |
| SDC EUR 04 | € 157,634 |
| BMZ 05 | € 309,855 |
| Umweltbank | € 9,028 |
| Total | € 1,474,127 |

Liquid funds come mainly from installments of grants received.

3. Provisions

The provisions include the following items:

| | |
|--|-----------------|
| Holiday and loyalty bonus | € 40,276 |
| Professional Association | € 1,000 |
| Preparation of the annual financial statements | € 3,000 |
| Operating expenses | € 4,543 |
| Audit | € 9,562 |
| Archiving and decommissioning | € 925 |
| Tax provisions | € 4,709 |
| Total | € 64,015 |

4. Accounts payable

The item accounts payable is composed as follows:

| | |
|-----------------------|------------------|
| Employees and members | € 880 |
| Partners | € 161,903 |
| Other | € 50,383 |
| Total | € 213,166 |

As in the previous year, all accounts payable have a remaining term of less than one year.

5. Other liabilities

The item other liabilities is composed as follows:

| | |
|---|--------------------|
| Sales tax | € 2,089 |
| Funds received in advance | € 670,715 |
| Liabilities to donors - partner advances | € 330,479 |
| Social security liabilities | € 3,874 |
| Liabilities from payroll tax and church tax | € 5,296 |
| Total | € 1,012,453 |

All other liabilities, as in the previous year, have a remaining term of less than one year.

The individual items of the funds received in advance can be shown as follows:

| | |
|------------------|------------------|
| DGIS 2017-2022 | € 230,419 |
| SDC Core | € 55,147 |
| SDC CP 2015-2019 | € 160,273 |
| SIDA | € 224,507 |
| Hewlett | € 368 |
| Total | € 670,714 |

IV NOTES TO THE INCOME STATEMENT

1. Income from grants

| Donor | 2018 |
|------------------|--------------------|
| DGIS 2017-2022 | € 356,286 |
| BMZ | € 200,000 |
| Sida | € 358,376 |
| SDC Core | € 159,403 |
| SDC CP | € 419,454 |
| Hewlett | € 84,538 |
| Shopping portals | € 147 |
| Total | € 1,578,204 |

2. Other turnover

| | 2018 |
|------|-------------|
| IADB | € 106,704 |

3. Other operating income

| | 2018 |
|--|-----------------|
| Income from currency conversion | € 19,952 |
| Income from reversal of provisions | € 4,291 |
| Discounts | € 3 |
| Reimbursements Expenses Compensation Act | € 14,640 |
| Total | € 38,886 |

4. Other interests and such income

| | 2018 |
|-----------|-------------|
| Interests | € 15 |

5. Personnel expenses

Personnel expenses in the financial year amounted to TEUR 642, of which TEUR 0 relates to pension scheme.

6. Other operating expenses

| | 2018 |
|-------------------------|--------------------|
| Consultant | € 225,076 |
| Partner | € 526,001 |
| Publications | € 30,100 |
| Travel expenses | € 90,428 |
| Travel expenses partner | € 30,810 |
| Office expenses | € 136,003 |
| Currency conversion | € 19,021 |
| Total | € 1,057,439 |

V. OTHER INFORMATION

WIN's vision is a world with equitable and sustained access to water and a clean environment, which is no longer threatened by corruption, greed, dishonesty and wilful malpractice.

WIN's mission is to increase integrity and reduce corruption in the water sector by focusing on poverty and equality. WIN works with partners and influences decision-makers to facilitate coalitions between multiple active players and build capacity for the use of water integrity tools and strategies at all levels.

In order to fulfil its mission, WIN pursues strategic objectives related to **advocacy, networks, partnerships, country and regional programs, capacity building, knowledge management, tools and methodologies**, and as such, are included in its budget by the General Meeting.

1. Expenses compared to the budget of 2018

The following table shows how the costs for the year 2018 are distributed among the various organizational objectives.

Expenses to the budget by work area

| | Budget | Adjusted budget | DGIS 2017-2022 | SDC Core | SDC MCWIP | BMZ | Sida | IADB | Hewlett | Total expense | Underspending |
|--|-----------|-----------------|----------------|----------|-----------|---------|---------|--------|---------|---------------|---------------|
| Objective 1 | 283,000 | 283,000 | 21,671 | 22,560 | 0 | 9,884 | 57,143 | 97,136 | 0 | 208,394 | 74,606 |
| Objective 2 | 684,000 | 733,000 | 150,967 | 44,978 | 352,615 | 58,755 | 15,259 | 0 | 48,014 | 670,588 | 62,412 |
| Objective 3 | 530,000 | 555,000 | 59,560 | 40,234 | 66,839 | 108,374 | 109,688 | 0 | 36,524 | 421,219 | 133,781 |
| <i>Outcome 3.1: Research, measurement and analysis</i> | 125,000 | 125,000 | 19,160 | 16,303 | 0 | 36,100 | 23,348 | 0 | 0 | 94,911 | 30,089 |
| <i>Outcome 3.2: Tools</i> | 65,000 | 65,000 | 0 | 0 | 0 | 41,730 | 3,821 | 0 | 23,712 | 69,264 | -4,264 |
| <i>Outcome 3.3: Knowledge exchanges and CoP, incl. MCWIP L & L</i> | 260,000 | 285,000 | 40,399 | 23,930 | 66,839 | 26,462 | 77,101 | 0 | 12,812 | 247,544 | 37,456 |
| <i>L&L</i> | 90,000 | 90,000 | 0 | 23,930 | 66,839 | 12,290 | 0 | 0 | 0 | 103,059 | -13,059 |
| <i>Outcome 3.4: Online courses</i> | 50,000 | 50,000 | 0 | 0 | 0 | 4,082 | 0 | 0 | 0 | 4,082 | 45,918 |
| <i>Outcome 3.5: International Reference Group</i> | 30,000 | 30,000 | 0 | 0 | 0 | 0 | 5,419 | 0 | 0 | 5,419 | 24,581 |
| Knowledge management & communications | 100,000 | 100,000 | 36,012 | 0 | 0 | 0 | 69,949 | 0 | 0 | 105,961 | -5,961 |
| Management, administration, governance | 188,000 | 188,000 | 76,098 | 51,631 | 0 | 22,986 | 95,477 | 0 | 0 | 246,193 | -58,193 |
| Fundraising | 45,000 | 45,000 | 11,979 | 0 | 0 | 0 | 10,875 | 0 | 0 | 22,853 | 22,147 |
| | 1,830,000 | 1,904,000 | 356,286 | 159,403 | 419,454 | 200,000 | 358,391 | 97,136 | 84,538 | 1,675,208 | 228,791 |

In the second half of the year, there was a budget adjustment as the new funding by the Hewlett Foundation came on board. Total expenditure was 155 TEUR under the initial budget and 229 TEUR under the adjusted budget.

Underspending occurred mainly at Objective 1 (Partnership and international advocacy) due to planned activities with partners that were canceled or delayed and at Objective 3 due to the challenging search for suitable partners for a planned research project. Underspending also occurred from a reduction in online training activities due to lack of staff.

Underspending at Objective 2 was mainly due to the low outflow of funds at the Benin program and the delayed consideration of MCWIP expenses within the accounting process. The expenses for management, administration and governance were relatively high and are attributed to additional costs associated with employees leaving the organization (almost 50 % of the employees) and corresponding recruitment.

2. Expenditure by type of costs compared to the budget

| Type of expenditure | Budget | Expenditure | Difference |
|--------------------------------------|--------------------|--------------------|------------------|
| in EUR | | | |
| Consultants | € 275,000 | € 225,076 | € 49,924 |
| Partners | € 715,000 | € 526,001 | € 188,999 |
| Publications | € 50,000 | € 30,099 | € 19,900 |
| WIN Travel expenses | € 125,000 | € 121,238 | € 3,762 |
| WIN General and office costs | € 120,000 | € 136,003 | € -16,003 |
| WIN Personnel costs | € 650,000 | € 642,212 | € 7,788 |
| Amortization and depreciation | € 10,000 | € 12,477 | € -2,477 |
| Currency conversion | | € 19,021 | € -19,021 |
| Taxes | | € 1,967 | € -1,967 |
| Income (in work areas) | | € -38,886 | € 38,886 |
| Total | € 1,945,000 | € 1,675,208 | € 269,792 |

3. Development of donation advances by donor

| in EUR | DGIS new program | SDC Core | SDC CP | BMZ | SIDA | U4 | IADB | Hewlett | Total |
|--|------------------|----------|----------|----------|----------|--------|---------|---------|------------|
| Opening balance | -13,294 | -7,580 | 246,584 | | 3,523 | -6,348 | | | 222,885 |
| Advances to partners | | 107,598 | 215,711 | | | | | | 323,309 |
| Funds received | 600,000 | 228,000 | 316,214 | 200,000 | 579,360 | 6,494 | 106,704 | 85,135 | 2,121,908 |
| Repayments | | | | | | | | | |
| Expenditure | -356,286 | -159,403 | -419,454 | -200,000 | -358,391 | | -97,136 | -84,538 | -1,675,208 |
| Advances to partners | | -113,468 | -217,011 | | | | | | -330,479 |
| Currency conversion | | | 18,229 | | | | | -229 | 18,000 |
| Interest rates | | | | | 15 | | | | 15 |
| Profit carried forward | | | | | | -146 | -9,568 | | -9,714 |
| Balance carried forward in the next year | 230,420 | 55,147 | 160,273 | 0 | 224,507 | 0 | 0 | 368 | 670,714 |

VI Other legal information

1. Personnel

The average number of employees employed during the fiscal year is 12.

2. Corporate bodies

The Executive Board comprises:

Frank van der Valk, Executive Director, Berlin (until December 5 2018)

Lotte Feuerstein (from December 5 2018 until January 2 2019)

Barbara Schreiner (since January 2 2019)

The Supervisory Board is composed as follows:

Ravi Narayanan, Bangalore, Chairman of the Board, retiree

Alejandro Jiménez, Stockholm, SIWI

Susanne Weber-Mosdorf, Hochdorf, retiree

Casey Kelso, Berlin, Transparency International

Dick van Ginhoven, Delft, retiree

3. Proposal for the appropriation of the result

The Management Board proposes to enter the annual net income into reserves.

Berlin, 10 May 2019

Water Integrity Network Association e. V.

Executive Director

Mrs Barbara Schreiner

Composition and development of fixed assets
for the financial year 2018

| Balance sheet items A Fixed assets | Development of the acquisition values | | | |
|---|---------------------------------------|------------------|-----------------|--------------------|
| | Opening balance EUR | Additions EUR | Disposal EUR | Final score EUR |
| 1 | 2 | 3 | 4 | 5 |
| I. Intangible assets | | | | |
| Acquired concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets | 4.388,96 | 0,00 | 0,00 | 4.388,96 |
| II. Tangible assets | | | | |
| Technical equipment and machinery | 45.080,34 | 1.287,58 | 0,00 | 46.367,92 |
| Other equipment, factory and office equipment | 3.174,22 | 1.453,20 | 0,00 | 4.627,42 |
| (of which GWG) | (307,02) | (1.453,20) | (0,00) | (1.760,22) |
| | <u>48.254,56</u> | <u>2.740,78</u> | <u>0,00</u> | <u>50.995,34</u> |
| | <u>52.643,52</u> | <u>2.740,78</u> | <u>0,00</u> | <u>55.384,30</u> |

| Development of depreciation | | | | Residual book value 31.12.2018 EUR | Residual book value 31.12.2017 EUR |
|-----------------------------|---|------------------------------------|--------------------|---|---|
| Opening balance EUR | Amortization of financial year EUR | Withdrawal for Disposals EUR | Final score EUR | | |
| 6 | 7 | 8 | 9 | 10 | 11 |
| <u>2.353,34</u> | <u>1.060,30</u> | <u>0,00</u> | <u>3.413,64</u> | <u>975,32</u> | <u>2.035,62</u> |
| 22.157,19 | 9.173,45 | 0,00 | 31.330,64 | 15.037,28 | 22.923,15 |
| 1.203,19 | 2.243,53 | 0,00 | 3.446,72 | 1.180,70 | 1.971,03 |
| <u>(307,02)</u> | <u>(1.453,20)</u> | <u>(0,00)</u> | <u>(1.760,22)</u> | <u>(0,00)</u> | <u>(0,00)</u> |
| <u>23.360,38</u> | <u>11.416,98</u> | <u>0,00</u> | <u>34.777,36</u> | <u>16.217,98</u> | <u>24.894,18</u> |
| <u>25.713,72</u> | <u>12.477,28</u> | <u>0,00</u> | <u>38.191,00</u> | <u>17.193,30</u> | <u>26.929,80</u> |

Water Integrity Network Association e. V.
Berlin

Independent Auditor's report

To the Water Integrity Network Association e. V., Berlin

Audit Opinion

We have audited the annual financial statements of the association Water Integrity Network e. V., Berlin, which comprise the balance sheet as at December 31 2018, and the statement of profit and loss for the financial year from January 1 to December 31 2018, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31 2018 and of its financial performance for the financial year from January 1 to December 31 2018 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German

professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive director and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 20 May 2018

*Solidaris Revisions-GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Branch Office Berlin*

*signed Dirk Römer
Dirk Römer
Wirtschaftsprüfer
[Auditor]*

*signed Joris Pelz
Joris Pelz
Wirtschaftsprüfer
[Auditor]*

Water Integrity Network Association e. V.
Berlin

Bases

1. Legal bases

| | |
|----------------------------|--|
| Name | Water Integrity Network Association e. V. |
| Location | Berlin |
| Legal form | registered association (e.V.) |
| Register of associations | District Court Charlottenburg VR 32914 B (last entry from 23.12.2013 change in executive) |
| Articles of Association | in the version dated 9 September 2013 (as last amended by decision of the general meeting of 30 November 2017) |
| Purpose of the association | The purpose of the association is to promote integrity in the global water sector, in particular through: a) the promotion of systematic, reproducible and documented research, the results of which are promptly published, b) the promotion of education and training, c) the promotion of development cooperation, d) the promotion of crime prevention by combatting corruption, e) the raising of funds to support research, education, development cooperation and the prevention of crime through another tax-privileged institution or public body. |

| | |
|---|--|
| Fiscal year | Calendar year |
| Association capital | EUR 19,405.22 |
| Bodies of the Association | General assembly Executive Supervisory Board |
| Management Board | Mr Frank van der Valk (until December 5 2018) Ms Lotte Feuerstein (from December 5 2018 to January 2 2019) Ms Barbara Schreiner (since January 2 2019) |
| Supervisory Board | Mr Ravi Narayanan (Chairman) Mr Alejandro Jiménez Ms Susanne Weber-Mosdorf Mr Casey Kelso Mr Dick van Ginhoven |
| Regulation of representation | The judicial and extrajudicial representation of the association is the responsibility of the executive of the association under Article 26 BGB and the conduct of its business. The representation authority of the executive is limited in a way that the legal transactions with a business value of more than EUR 100,000.00 require the prior written consent of the Supervisory Board. |
| Approval of the previous financial statement and discharge of the board | The approval of the financial statement as of December 31 2017 and the discharge of the board did not take place. |

Tax related conditions

Finanzamt für Körperschaften I, Berlin
Tax number 27/681/54615

Corporate tax exemption certificate for the
calendar years 2013 to 2014 of 15 August
2016

2. Bases of accounting

The business transactions of the association are conducted according to the system of double entry accounting using the IT system Sage 100 from Sage GmbH, Frankfurt am Main. Assets are also accounted using the aforementioned software. Since 1 January 2017, payroll accounting has been carried out by Relog OHG, Lüneburg, with the ADDISON software from Wolters Kluwer Software and Service GmbH, Ludwigsburg.

The chart of accounts and the document system of the association are clearly arranged and adapted to its purpose. Accounts, receipts and other accounting documents were fully available to us for review.

Water Integrity Network Association e. V.
Berlin

Composition and development of other provisions

| | Balance <u>1.1.2018</u> EUR | Engage- ment EUR | Reversal EUR | Supply EUR | Balance <u>31.12.2018</u> EUR |
|-------------------------------|-----------------------------------|--------------------------|------------------------|-------------------------|-------------------------------------|
| Holiday and loyalty bonus | 27.830,30 | 26.451,58 | 1.378,71 | 40.276,30 | 40.276,31 |
| Professional Association | 1.000,00 | 1.000,00 | 0,00 | 1.000,00 | 1.000,00 |
| Operating expenses | 4.400,00 | 0,00 | 1.857,01 | 2.000,00 | 4.542,99 |
| Audit costs | 9.282,00 | 9.282,00 | 0,00 | 9.562,00 | 9.562,00 |
| Outstanding invoices | 64.654,57 | 63.599,26 | 1.055,31 | 3.000,00 | 3.000,00 |
| Archiving and decommissioning | <u>581,88</u> | <u>40,72</u> | <u>0,00</u> | <u>383,62</u> | <u>924,78</u> |
| | <u><u>107.748,75</u></u> | <u><u>100.373,56</u></u> | <u><u>4.291,03</u></u> | <u><u>56.221,92</u></u> | <u><u>59.306,08</u></u> |

Water Integrity Network Association e. V.
Berlin

**Composition and development of other assets
and liabilities (unused donations)**

| | Balance <u>1.1.2018</u> EUR | <u>Additions</u> EUR | <u>Disposal</u> EUR | Balance <u>31.12.2018</u> EUR |
|-----------------------------------|-----------------------------------|----------------------------|----------------------------|-------------------------------------|
| <u>Other assets</u> | | | | |
| Receivables from project partners | 323.308,13 | 516.395,30 | 509.225,20 | 330.478,23 |
| Receivables from donors | 27.221,95 | 0,00 | 27.221,95 | 0,00 |
| Other receivables | <u>16.307,35</u> | <u>216,80</u> | <u>2.074,69</u> | <u>14.449,46</u> |
| | <u><u>366.837,43</u></u> | <u><u>516.612,10</u></u> | <u><u>538.521,84</u></u> | <u><u>344.927,69</u></u> |
| <u>Other liabilities</u> | | | | |
| Donations received in advance | 246.583,89 | 2.356.611,27 | 1.936.003,22 | 667.191,94 |
| Liabilities to donors | 323.309,00 | 330.479,00 | 323.309,00 | 330.479,00 |
| Other liabilities | <u>31.230,53</u> | <u>120.068,56</u> | <u>136.517,26</u> | <u>14.781,83</u> |
| | <u><u>601.123,42</u></u> | <u><u>2.807.158,83</u></u> | <u><u>2.395.829,48</u></u> | <u><u>1.012.452,77</u></u> |

