



Annual Report 2022

To positively impact people's lives
by enabling other water organisations
to improve local water systems
and provide better services to their people

Table of contents

Preface	
These are our partnerships	6
Looking back to 2022	9
Risk Management	11
Finances 2022	13
Balance sheet as of 31 December 2022	14
Statement of income and costs 2022	15
Notes to the statement of income and costs	16
General information World Waternet	16
Accounting principles	19
Accounting principles balance sheet	19
Accounting principles of the statement of income and costs	21
Notes to the balance sheet	22
Notes to the statement of income and costs 2022	26
Risks in the balance sheet & statement of income and costs	29
Auditor's Opinion	31



Preface

Looking back, 2022 was another year of transition, riding the big waves, but also making waves for impact. I am proud of our strong local teams, Waternet colleagues, strategic alliance partners, and continuous focus on implementing high-quality peer-to-peer water cycle partnerships. Our strategic direction and identity stayed the same: **to positively impact people's lives by enabling other water organisations to improve local water systems and provide better services to their people.**

Our people, team, organisations and partnerships kept going from strength to strength. World Waternet took inspiration from our 15th anniversary keynote speaker, Ms. Reverend Canon Mpho Tutu-van Furth, who reminded us that 'Ubuntu' (the philosophy of I am because we are) is key to sustainable partnerships.

The hydrological water cycle is broken and the impact of climate change in the partnerships we operate becomes more and more challenging. World Waternet's focus on Integrated Water Resources Management (IWRM) and Water, Sanitation and Hygiene (WASH) systems is only going to become more important.

This makes me even more dedicated, focussed and humble about our impact through Water Operators' Partnerships (WOPs). I sincerely believe that our long-term peer-to-peer empowerment is a game-changer for accelerating SDG-impact.

Looking back we reflected and learned and a lot due to foreseen and unforeseen changes within our team and the stability of the countries we are operating in. I am encouraged by the new intelligence position(s) within our team, to be able to focus more on the 'collective' and delivering of impact in our (new) partnerships, and our increased ability to pool our insights and knowledge, and build on each other's solutions.

The war in Ukraine is also on our mind, and we are providing (online) support to Ukrainian water utilities. The governance dynamics within the Waternet organisation definitely affected the availability and motivation of our colleagues. We are thankful for the ongoing support and drive of our colleagues to make a difference.

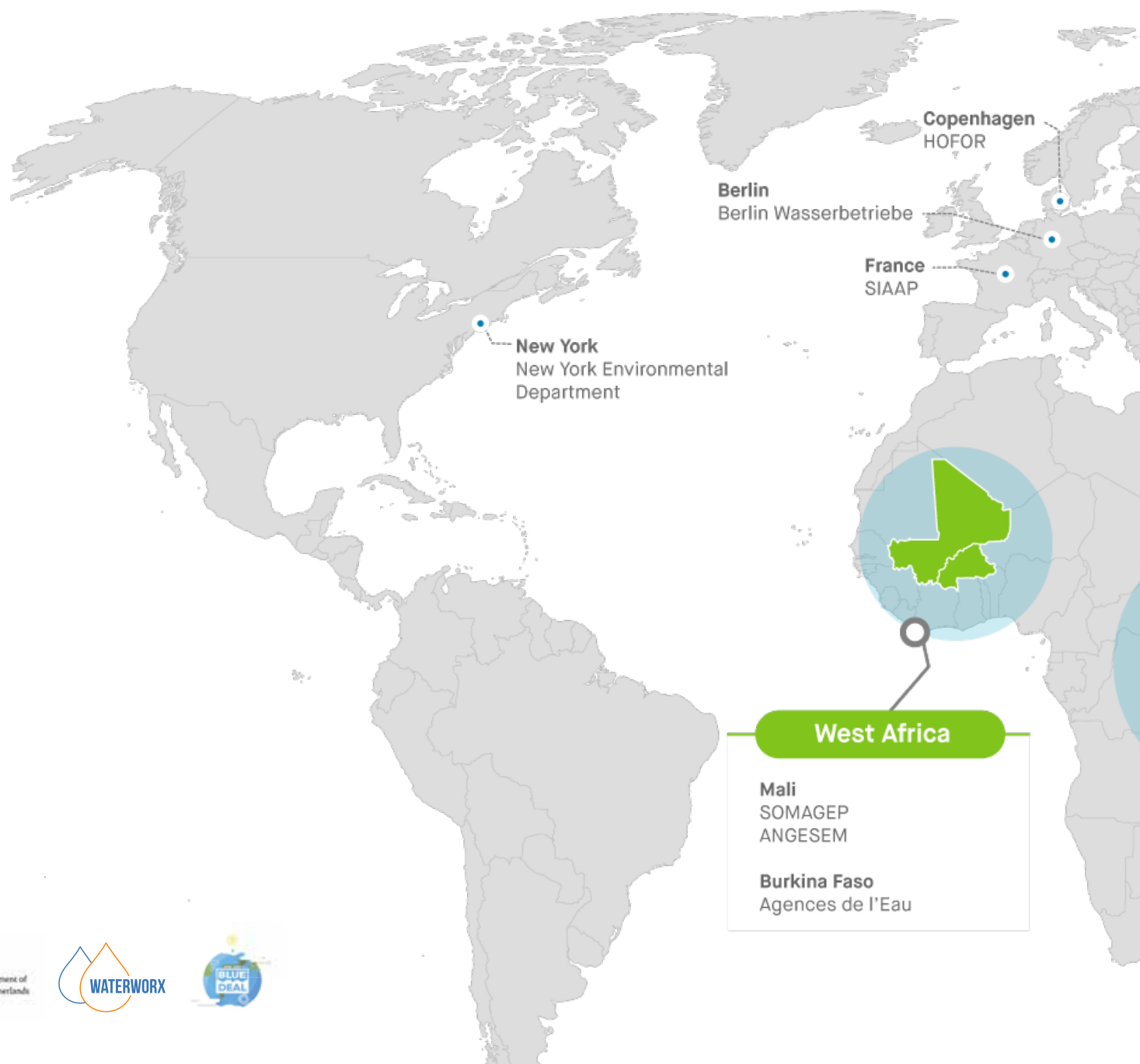
To conclude, I am proud to show the added value of Waternet as an integrated water cycle company and the long-term support of our founders, the City of Amsterdam and the regional water authority Amstel, Gooi en Vecht. I am also thankful for the support of the Dutch Government and our collaboration within the WaterWorX and Blue Deal peer-to-peer partnerships.

For me, it is all about leadership and understanding (changing) the water-system-game. I believe it requires thinking bigger than ourselves, especially in times of urgency. In 2022, we strengthened our foundational basis to connect the dots moving forwards.



Frodo van Oostveen
CEO World Waternet

These are our partnerships



Finances



Income (€ in millions)

1,76 (1,76 Plan)

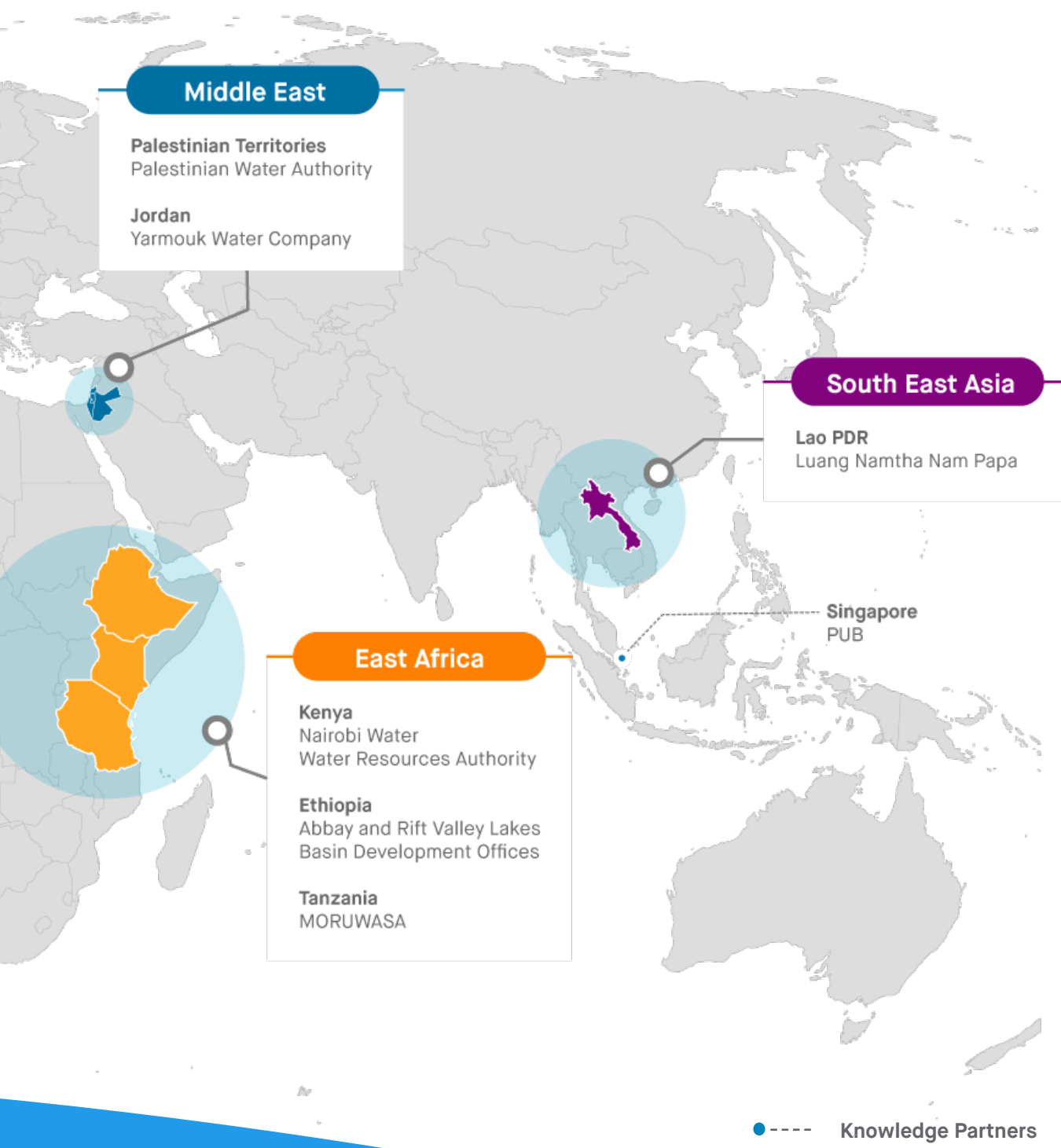
Municipality of Amsterdam &
Regional Public Water Authority AGV

Overhead

5.93 (6.72 Plan)

Co-financiers

2,7% (4% Plan)



Contribution to the Sustainable Development Goals

Number of water organisations supported on:

5 water organisations



5 GENDER EQUALITY



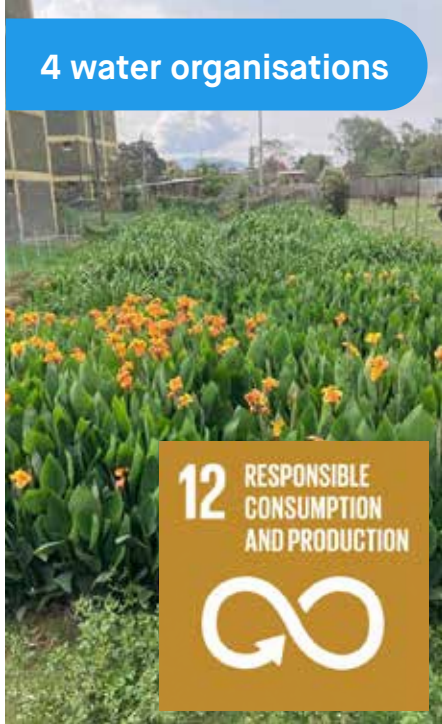
11 water organisations




6 CLEAN WATER AND SANITATION



4 water organisations



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



8 water organisations



13 CLIMATE ACTION



2 water organisations



15 LIFE ON LAND



11 water organisations



17 PARTNERSHIPS FOR THE GOALS



Highlights of 2022



January

The first water ATM in Morogoro (Tanzania) is almost finished! These water ATMs offer safe drinking water, for a fair-price, to the disconnected.

February

We organised a Sponge City workshop in Amman with Yarmouk Water Company to exchange climate-proof best practices between the cities of Amsterdam and Irbid (Jordan).



March

As part of the ECDD project in Burkina Faso, a large infrastructural project was implemented, including many kilometers of hectares of anti-erosion measures and drinking water supply for approximately 40,000 residents.

April

On April 4th, we celebrated World Waternet's 15th anniversary! Ms Mpho Tutu van Furth provided an inspirational webinar about Ubuntu & Sustainable Partnerships and the team took a freezing dive into the Amstel river.



May

As a spin-off of the WaterWorX programme in Mali, World Waternet, SOMAGEP, SOMAPEP and ONEE officially launch the EU-WOP programme 'Dji'i Tiaman' in three secondary cities in Mali (Kati, Koutiala and Sikasso), to reduce non-revenue water.

June

We were honored by the visit of four staff members of the sewer department of Yarmouk Water Company in Irbid (Jordan). Experts from Waternet provided them of a 2-week intensive training on sewer inspection and maintenance to prevent flooding.





August

We officially handed over the first rehabilitated water kiosk to the Morogoro Urban Water Supply and Sanitation Authority (MORUWASA). The ATMs are an affordable and safe solution for those without house connections.



October

Our Moroccan partners from the ONEE visited our Malian colleagues from SOMAGEP in Mali. They shared mitigation strategies and best practices regarding non-revenue water. This training was conducted for the Dji'i Tiaman Project, which is part of the EU-WOP Programme.



December

Waterschap Amstel, Gooi en Vecht (AGV), World Waternet, Lek/Habo and Stichting De Leeuw Kyiv joined forces for power supply in Ukraine. A diesel generator, that was no longer being used by AGV, was donated to the water utility of Mykolajiv, to pump up water from the River Dnepr to the water treatment plant.

July

The Morogoro Urban Water Supply and Sanitation Authority, Kinara for Youth Evolution and World Waternet joined forces to address SDG 5 and the launch of a leakage detection app in Morogoro (Tanzania).



September

A Public-Private Partnership between World Waternet, Palestinian Water Authorities, Jotem Water Solutions, Saxion University of Applied Sciences, and the WaterWorX and Blue Deal programmes joined forces to install three decentralized wastewater treatment unit in Halhul (West Bank). Wastewater is turned into infinite water, a solution much needed in this water scarce region.



November

Two measuring stations with blue Dutch tide staffs were installed for a test fase with the Mobile Water Management (MWM) app. With this app, the monitoring process of the water levels becomes more efficient and transparent. It enables real-time decision making on water allocation so the water is equitably shared between all users, from households, to industry and agriculture.





Risk Management

Risks are inherent in the activities of World Waternet. They may hold back achievements and damage the reputation. It is therefore important to identify and manage risks at an early stage. In 2020, World Waternet established an Audit & Risk Committee. It consists of two board members, the managing director, the finance manager and the legal controller. This committee prepares the risk management and financial policy and initiates audits on behalf of the board. In 2022, risks were assessed and documented in a structured and uniform way in a risk register. World Waternet applies ISO 31000, the international risk management standard, and follows Waternet to the extent possible. The principles used for risk management are established by the Board. Risks are managed at the organisational level and at the project level. The main risk categories are: risks in the areas of financial, services, legal, security, and integrity and reputation. The principles used for risk management are established by the Board. Risks are managed at the organisational level and at the project level.

Financial

World Waternet can only take financial risks to a limited extent. Due to the project-oriented nature of World Waternet, financial risks

are usually connected to individual projects. Choices regarding contract types are therefore important elements in managing the risk profile of the commitments we make. In order to minimize financial risks, World Waternet only enters into contracts with clearly defined objectives and with risks that are manageable.

There is always a careful separation of functions in the financial work processes, as well as in the assessment of financial reports of projects. Each year, an external auditor issues an audit opinion on the annual accounts and on various individual projects.

Services

World Waternet is engaged in projects in cooperation with local partners and with funding from third parties. Waternet experts are hired to realise the project results through an open application process, to ensure the best quality of project staff. Additional staff is hired externally and in particular at partner organisations. With the receiving parties, foreign public water companies, World Waternet makes agreements that are carefully tested on feasibility. The effectiveness and efficiency of WaterWorX and Blue Deal projects, which make up a large part of the project portfolio, are also tested by external experts.



Legal

World Waternet complies with the regulations imposed on public organisations. Due to the international character of the activities, foreign legislation may also apply. In order to guarantee that all regulations are observed, World Waternet makes use of expertise of Waternet and, where necessary, of other organisations.

World Waternet strives to mitigate the risk of legal proceedings and therefore, where possible, uses standard contracts that have been tested in practice. As an organisation governed by public law, World Waternet ensures that the general principles of good governance, the Wet Markt en Overheid (Dutch Act on Government and Free Markets), and regulations and case law regarding prohibited state aid are complied with at all times.

Security

The security of the employees of World Waternet is our highest priority. Given that the activities of World Waternet mainly take place internationally, World Waternet has laid down security requirements in a 'Travel Policy' that is available to all employees concerned. In addition, we follow the travel advice of the Dutch Ministry of Foreign Affairs; World Waternet does not work in 'red areas'; for 'orange areas' we require a security training of several

days. Each working visit is individually assessed on the COVID-19 and safety level by our human resource manager. World Waternet also relies on international emergency services (International SOS and the International NGO Security Organisation) and on information from our local partners and the Dutch embassies.

Integrity and reputation

WWn is proud to be a purpose driven public organisation, implementing our mission on a not-for-profit basis. As a public organisation, World Waternet is bound by government regulation on sound human resource management, well organised privacy and security, and an integrity and corruption policy. Appropriate attention is paid to this by means of, among other things, an external employee satisfaction survey and training. In our cooperation with partners, we also pay attention to issues such as integrity, the way employees are treated and corruption. Requirements in this regard are reflected in contracts. In case any undesirable situation occurs in the field, it will be addressed without delay. In extreme cases, this may mean that World Waternet will end the cooperation with the partner in question. In 2022, no incidents were reported within World Waternet or its projects.



Finances 2022

Balance sheet as of 31 December 2022

The balance sheet below is before the proposed appropriation of the positive balance over 2022 to the reserves.

Assets in € '000	Note		31-DEC-22	31-DEC-21
Fixed Assets				
Tangible Fixed Assets		0		0
Financial Fixed Assets		0		0
			0	0
Current Assets				
Accounts Receivable	1.	330		257
Income to be Received	2.	1,292		530
Prepaid Expenses	3.	305		230
Other Receivables	4.	70		222
Liquid Assets	5.	4,130		4,681
			6,127	5,920
Total Assets			6,127	5,920

Liabilities in € '000	Note		31-DEC-22	31-DEC-21
Reserves (equity)				
6.				
General Reserve		643		925
Income and costs balance book year		599		-282
			1,242	643
Provisions				
Provisions	7.		120	925
Current Liabilities				
Prepaid income	8.	1,329		1,836
Accrued Liabilities	9.	3,368		2,283
Accounts Payable	10.	68		233
			4,765	4,352
Total Liabilities			6,127	5,920

Statement of income and costs 2022

Amounts in euros (x '000)	Note	Budget 2022	Realisation 2022	Difference	Realisation 2021
Project-related income	11.	6,717	5,929	-788	3,356
Contributions Founding Organisations	12.	1,759	1,764	5	1,724
Other income		0	0	0	0
Total Income		8,476	7,693	-783	5,080
WOP-projects		-7,773	-6,670	1,103	-3,855
Knowledge & innovation		-328	-101	227	-191
Project development		-75	-191	-116	-148
Management & overhead		-300	-194	106	-155
Operational Costs	13.	-8,476	-7,156	1,320	-4,349
Financial income/expenditure		0	13	13	0
Total Costs		-8,476	-7,143	1,333	-4,349
Balance before exceptional items		0	550	550	731
Historical VAT charge incl. interest	14.	0	49	49	-1,013
Balance after exceptional items		0	599	599	-282



Notes to the statement of income and costs

General information World Waternet

World Waternet is a non-profit organisation, dedicated to improving sustainable access to clean, sufficient and safe water for all. World Waternet supports public water organisations through peer-to-peer knowledge exchange in water cycle management. The foundation has long-term Water Operators' Partnerships with water organisations in more than 14 countries to strengthen the capacity, improve the performance and enable them to provide a better service to more people.

World Waternet is founded as an independent foundation in 2007. It is affiliated to Foundation Waternet. Waternet provides water services to 1.3 million people and is the only water company in the Netherlands that covers the entire water cycle.

World Waternet is a public benefit organisation (Algemeen Nut Beogende Instelling, ANBI) according to section 6.33, part b of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001). World Waternet will never distribute any operating surplus in any form whatsoever. In the event of liquidation, the liquidation balance must be spent on the objectives of the organisation in accordance with the articles of association or it must be transferred to another

ANBI. A certain (limited) reserve amount to compensate for setbacks is deemed desirable.

World Waternet is located in Waternet's head office, address: World Waternet, Korte Ouderkerkerdijk 7, 1096 AC, Amsterdam, Netherlands. The Chamber of Commerce number is 34271281.

Supervisory Board

World Waternet has an independent Supervisory Board, with the majority of the board members and their control being independent of Waternet or its founders the municipality of Amsterdam and Regional Public Water Authority Amstel, Gooi and Vecht. The Board, consisting of five members, met four times in 2022:

- Ms A. P. (Lidi) Remmelzwaal (Chairperson);
- Mr R.R. (Roelof) Kruize (secretary);
- Ms C.G. (Carolien) Gehrels (Board member, Director of European Cities at Arcadis);
- Mr M. (Menno) Holterman (Board member, CEO of Nijhuis Saur Industries).
- Mr A.J.A.M (Arnold) Kuijpers (Board member)

As of spring 2022 Ms Gehrels has ended her term. There is one position vacant in the board end 2022.

The Board determines the policy, sets the financial guidelines, and has the final responsibility for the daily management and implementation of the programmes and activities of World Waternet. On an annual basis, the Board determines the budget, annual plan and annual accounts and delegates the execution to the director, who is an employee of Waternet. Each board member has one vote and decisions are made by majority vote.

A Management Services Agreement has been drawn up with the board of Waternet. The annual plan and the annual statement of accounts are submitted to the board of Waternet for advice. The board of Waternet advises on the appointment of the CEO and board members of World Waternet.

Other positions held by the board members:

Ms Lidi Remmelzwaal, chairperson

- No other positions.

Mr Roelof Kruise, secretary

- Chairman Aquatech Advisory Committee
- Board member International Water Association
- Chairman Advisory Board Infrastructure AT Osborne

Ms Carolien Gehrels, board member

- Global director Energy Transition Arcadis
- Member of the Supervisory Board of Delft University of Technology
- Member of the Advisory Council of ASN Bank
- Member of the Board of Platform Urban Renewal

Mr Menno Holterman, board member

- CEO Nijhuis Saur Industries BV.
- CEO and Founder of Naesta Holding BV.
- Member Advisory Board Amsterdam International Water Week
- Member of the Advisory Board Aquatech Amsterdam

Mr Arnold Kuijpers, board member

- Member Supervisory Board Norinchukin Bank Europe NV

Staff

World Waternet does not employ staff. Staff are seconded from Waternet and to a limited extent externally. The CEO is Mr Frodo van Oostveen.

In 2022, about sixteen employees were seconded from Waternet on a permanent basis, including the director and regional managers. These employees work 20% of their time for Waternet and 80% for World Waternet. Three resident project managers were seconded to World Waternet, who are working full time for World Waternet. In 2022, World Waternet also worked with nine Young Experts from the Netherlands and partner countries. The Dutch Young Experts are employed by Waternet. Throughout 2022, approximately 100 Waternet experts were assigned to projects and also about 30 employees worked on projects from other Dutch Water Authorities, drinking water companies or affiliated entities such as foundation Waterproef and Het Waterlaboratorium worked on World Waternet projects.

Available project positions are published internally at Waternet. It is encouraged that as many different Waternet employees as possible are assigned to projects.

Standards for Remuneration Act and remuneration policy (Wet Normering Topinkomens)

World Waternet does not employ any permanent staff and does not pay its board members any remuneration or allowances for expenses. The top officials are listed below in accordance with 'Article 5, paragraph 3 Disclosure of information on senior executives'.

The director of World Waternet is employed by Waternet and for 80% (0,8fte) delegated to World Waternet. World Waternet pays 80% of the salary costs including all employers charges to Waternet (2022: € 144.696).

In 2021 we have not included the Standards for Remuneration Act and remuneration policy in our annual report. There were no undue payments at the end of 2021.

Gegevens 2022 - Bedragen x € 1		Frodo van Oostveen
Functiegegevens		CEO World Waternet
Aanvang en einde functievervulling in 2022		01/01 t/m 31/12
Omvang dienstverband (als deeltijdfactor in fte)		0,8 fte
Dienstbetrekking?		nee

Bezoldiging	
Beloning plus belastbare onkostenvergoedingen	€ 144,696
Beloningen betaalbaar op termijn	0
Subtotaal	€ 144,696
Individueel toepasselijke bezoldigingsmaximum	€ 159,200
-/- Onverschuldigd betaald en nog niet terugontvangen bedrag	€ 0

Bezoldiging		€ 144,696
Het bedrag van de overschrijding en de reden waarom de overschrijding al dan niet is toegestaan		N.v.t.
Toelichting op de vordering wegens onverschuldigde betaling		N.v.t.

Gegevens 2021 - Bedragen x € 1		Frodo van Oostveen
Functiegegevens		CEO World Waternet
Aanvang en einde functievervulling in 2021		01/05 – 31/12
Omvang dienstverband (als deeltijdfactor in fte)		0,8 fte
Dienstbetrekking?		nee

Bezoldiging	
Beloning plus belastbare onkostenvergoedingen	€ 92,061 ¹
Beloningen betaalbaar op termijn	0
Subtotaal	€ 92,061 ¹
Individueel toepasselijke bezoldigingsmaximum	€ 101,867
Bezoldiging	€ 92,061¹

¹ The payment of € 92.061 are the payments after 12 months when the current CEO started (May 2021 – Dec 2021). The total payment to Waternet over 2021 amounts to € 137.025



Accounting Principles

General

The annual statement of accounts has been prepared in accordance with the reporting requirements of Title 9 Book 2 of the Dutch Civil Code (BW2). The 2022 financial year runs from 1 January 2022 to 31 December 2022 and corresponds to the 2022 fiscal year.

Consolidation entity

World Waternet includes one legal entity and currently does not include any other entities that it controls. No consolidation of entities takes place. In November 2022 an Association Faso Koom was created in Burkina Faso to solve tax and bank issues. Association Faso Koom is an independent association according to the law in Burkina Faso and a MoU have been signed with World Waternet that they work exclusively for World Waternet up to 2024 (end of the Eau, CLE et Developpement Durable project. Faso Koom has no assets and liabilities. The contracts are all with World Waternet.

Going concern

World Waternet is co-financed by the municipality of Amsterdam and Regional Public Water Authority Amstel, Gooi and Vecht. In addition, project funding is obtained from various financiers, such as the Dutch Ministry of Foreign Affairs and the European Union. World Waternet has a credit facility from the Nederlandse Waterschapsbank to €750,000. Regional Public Water Authority Amstel, Gooi and Vecht acts as guarantor for the current account credit. There are no loans or debts at financial institutions. This means that World Waternet does not have to meet any bank covenants. As a result, there can be no negative impact on the continuity. As per the end of 2022, World Waternet has liquid assets of €4,130,000 at its disposal.

Affiliated parties

All legal entities that can be controlled or that can be significantly influenced are considered affiliated parties. Entities that can significantly influence World Waternet are also considered affiliated parties. Waternet, the municipality of Amsterdam, Regional Public Water Authority Amstel, Gooi and Vecht are considered affiliated parties. In addition, key management and close family members of the foundation are also considered affiliated parties.

In 2022, there were no transactions with affiliated parties that were of a non-business nature. The nature, extent and other information will be disclosed if this is necessary to provide the required insight.

Changes in estimation methods, accounting policies and valuation methods

The preparation of the annual statement of accounts involves the use of assumptions, judgments and estimates that are based on historical experiences and factors that, in the opinion of the Management, are acceptable in view of the specific circumstances. Such judgments and estimates (including any relevant assumptions) affect the valuation and presentation of the reported assets and liabilities as well as the annual result. The actual results may differ from these estimates and assumptions. If necessary in order to give a true and fair picture as required by Section 362, subsection 1, Book 2, the nature of these estimates and this opinion, including any relevant assumptions, are explained in the notes to the annual accounts. The methods of estimation and valuation and the accounting policies have remained the same as in previous years.

Foreign currency

The annual statement of accounts is prepared in euros. This is the functional and reporting currency. Transactions in foreign currencies are accounted for in the annual accounts at the exchange rate of the euro on the transaction date. Monetary assets and liabilities in foreign currencies are converted at the closing rate of the functional currency on the balance sheet date. Conversion differences resulting from settlement and conversion are credited or debited to the income and costs. World Waternet has no derivative positions to hedge exchange rate risks.

Value-added tax (VAT)

World Waternet is not an entrepreneur for VAT purposes. This means that the VAT paid on purchases are expenses for World Waternet. The amounts reported in the balance sheet and statement of income and costs, are standard including VAT, and this VAT cannot be recovered from the tax authorities. For those projects that do meet the requirements for qualifying as an entrepreneur for VAT purposes (explicitly involving a client-contractor relationship), World Waternet is an entrepreneur for VAT purposes. In that case, the VAT paid on purchases is reclaimed from the tax authorities. The amounts for these projects are therefore shown excluding VAT. Any VAT on sales invoices from World Waternet must be paid to the Dutch Tax and Customs Administration. Income through these VAT invoices are therefore shown excluding VAT.

Corporate income tax liability (VPB) for public enterprises

There are no structural profits from operations, which means that to date World Waternet is not liable to pay VPB.

Comparative figures for the previous financial year

For reference, the 2021 figures have been added to the 2022 figures.

Accounting principles balance sheet

Fixed assets

Assets are generally valued at their historical cost, manufacturing cost or at their fair value at the time of acquisition. If no specific valuation is stated, it is valued at historical cost.

Accounts receivable

Accounts receivable are initially valued at fair value. If any accounts receivable are deemed (partly) uncollectible, provisions to debit the statement of income and costs will be made immediately.

Project income to be received/accrued

World Waternet carries out projects that are (partly) financed by third parties. On the basis of a contract, (part of) the costs incurred by World Waternet are reimbursed. The income is often received after submission of an annual or final report and/or advance payments are provided. The balance includes the income to which World Waternet is contractually entitled minus the advances already received. Depending on whether it concerns a receivable or accrued item, it is entered as an asset or a liability. Once it has become clear that part of the expected income will not be realizable, a provision to debit the statement of income and costs will be made.

Liquid assets

Liquid assets include withdrawable bank balances, cash and deposits with a term of less than 12 months. The current credit facility of the NWB bank account has a limit of €750,000. If a negative balance is reached, the item liquid assets will be recorded under Current Liabilities. Funds and cash equivalents are valued at nominal value.

Reserves

The reserves are at the disposal of World Waternet and serve to compensate for setbacks, so that it can continue its activities. World Waternet will not distribute any operating surplus or reserves. The balance sheet therefore shows the balance of income and costs of the current financial year separately under the item reserves.

Provisions

Provisions are formed for legally enforceable or actual liabilities that exist on the balance sheet date and for which it is probable that an outflow of resources will be required and a reliable estimate can be made. Provisions are valued at the best estimate of the amount needed to settle the obligation at the balance sheet date. Where obligations are expected to be reimbursed by a third party, such reimbursement is entered as an asset in the balance sheet if it is likely that such reimbursement will be received once the obligation has been settled.

Current liabilities

At their first entry, current liabilities are valued at fair value. After initial recognition, current liabilities are valued at amortised cost, i.e. the amount received, taking into account discounts, minus transaction costs. This is usually the nominal value.

Accounting principles of the statement of income and costs

Determination of income

The income consists of contributions from the municipality of Amsterdam, Regional Public Water Authority Amstel, Gooi and Vecht (AGV) and third parties. Income is allocated to the relevant period in which it is contractually claimable, regardless of the actual receipt. This is often a percentage of the costs incurred. Subsidies and third-party assignments are recognized as income in the statement of income and costs in the year in which the subsidized costs were incurred, income was lost or a subsidized operating deficit occurred. Income will be entered when it is likely that it will be received. Project income are the contractually agreed income and income from additional work, claims and compensation, if and to the extent that they are realizable and can be reliably determined.

Determination of costs

For World Waternet, the costs consist of the secondment and

hiring of Waternet staff and other (project) expenditures. Costs are entered in the year to which the costs relate, regardless of whether they have resulted in an expense in the fiscal year. If World Waternet has to pay costs in the future due to an event in the current fiscal year or earlier, the costs will be entered in the current fiscal year if they can be properly estimated and are considered to be likely. Project costs are costs directly related to the project and other costs that are contractually attributable to the client. Project preparation costs may be capitalised if it is probable that they will be reimbursed.



Notes to the balance sheet

The numbers in the balance sheet and the statement of income and costs refer to the notes.

1. Accounts receivable

Accounts receivable in € '000	31-DEC-22	31-DEC-21
Accounts receivable general	330	257
Minus: Provision	0	0
Total accounts receivable	330	257

The accounts receivable balance consists of invoices recently invoiced to various organisations. There are no indications that invoices are irrecoverable.

2. Income to be received

Income to be received in € '000	31-DEC-22	31-DEC-21
Ministry of Foreign Affairs - Blue Deal	501	352
Ministry of Foreign Affairs - WaterWorX	317	158
EKN Burkina Faso – ECDD	175	0
Woord en Daad – Siraro	76	0
FMO – Lao	68	15
EU - Nakanbe	56	0
Waternet - credit factuur Salariskosten	52	0
Nuffic - Kenya	32	0
NWP - YEP	15	0
Consultant - Mali	0	5
Total income to be received	1,292	530

Income to be received is income to which World Waternet is contractually entitled, but which has not yet been received from the funder. The income are often received after submission of an annual or final report. The WaterworX and Blue Deal annual reports 2022, including an unqualified auditor's opinion, has been submitted but has yet to be adopted by the Ministry.

3. Prepaid Expenses

Prepaid expenses in € '000	31-DEC-22	31-DEC-21
ECDD - prefinance CLEs	134	0
SOMAGEP - advance for activities	84	197
Capital deposit for bank account	31	0
Prepaid SOS insurance	25	22
Advance rent RPM Mali	0	9
Other prepaid costs	31	2
Total prepaid expenses	305	230

The prepaid expenses consist of an advance to Local Water Committees in Burkina Faso (CLEs)(€134,000), to SOMAGEP for activities (€84,000), a deposit for opening a bank account in Burkina Faso (€31,000), and the prepaid premium for the SOS insurance (€25,000).

4. Other receivables

Other receivables in € '000	31-DEC-22	31-DEC-21
VAT to be received	0	220
Invoices to be assigned	70	0
Credit card and RC Waternet	0	2
Total other receivables	70	222

The VAT from 2021 to be received relates to invoices that have to be apportioned. As of 2022 this is reported under creditors.

5. Liquid assets

Liquid assets in € '000	31-DEC-22	31-DEC-21
Bank account NWB	4,130	4,638
Bank account BCIAB	0	41
Cash Faso Koom	0	2
Total liquid assets	4,130	4,681

The bank balance of the NWB bank account is €4,130,000 positive at year-end 2022. The bank account has a current account provision which allows for a negative balance of up to €750,000.

The BICIAB-account is not used anymore at the end of 2022.

6. Reserves (equity)

Reserves 31 Dec. 2021 in € '000	643
Balance 2022	599
Reserves 31 Dec. 2022 in € '000	1,242

The 2022 income and costs balance of €599,000 has been added to the reserves. At year-end 2022, the reserves amount to €1,242,000.

7. Provision (VAT)

Provision VAT in € '000	31-DEC-22	31-DEC-21
Provision VAT	120	925
Total provisions	120	925

Waternet invoices its staff to World Waternet. Waternet is of the opinion that it meets the conditions of the so-called Resolution on Development Aid, by which Waternet can invoice the deployment of staff in developing countries (DAC/ODA-list) with 0% VAT. Also, World Waternet is of the opinion that this regulation could be applied with retrospective effect as of July 2015. The Dutch Tax and Customs Administration indicated in 2021 that they are of the opinion that Waternet does not meet the conditions of the Resolution.

Continues on the next page ►

Notes to the balance sheet

The numbers in the balance sheet and the statement of income and costs refer to the notes.

7. Provision (VAT)

Provision VAT 31/12/2021 in € '000	925
Payment of VAT to tax authorities	(876)
Release of unused provision	(49)
Addition amount VAT wrongly paid back	120
Provision VAT 31/12/2022 in € '000	120

▶ Waternet will go to court to ask for a decision on this case. Since the court decision is uncertain, a provision was made for all VAT that is under discussion and this is paid to the tax authorities. Due to a mistake by the tax authority, the tax authority paid back €120,000 to World Waternet. It is agreed to pay this amount back when World Waternet loses the court case. The in- and outflows of the provision is shown below.

8. Prepaid income

Prepaid income in € '000	31-DEC-22	31-DEC-21
EKN Jordan - Yarmouk	933	1,343
NWB Fund	204	32
WWF - Catchment 2 Tap	162	0
European Union - EU WOP Mali	18	0
YEP	12	29
European Union - Nakambé	0	222
EKN - Kenya	0	162
Other	0	48
Total prepaid income	1,329	1,836

Prepaid income are advances that financiers have already paid, but for which World Waternet has not yet performed any work. The largest amounts relate to the Dutch Embassy projects in Jordan & Kenya and the NWB-fund.

9. Accrued liabilities

Accrued liabilities in € '000	31-DEC-22	31-DEC-21
Accrued staff costs Waternet	2,777	2,049
Accrued expenses WaterworX	142	94
Accrued expenses Yarmouk	199	59
Accrued expenses ECDD	108	57
Accrued external financial audits	53	20
Accrued exp. rounding of EU Nakanbe	36	0
Accrued expenses YEP	31	0
Other accrued expenses	22	4
Total accrued liabilities	3,368	2,283

Accrued liabilities consist of services or goods that were purchased in 2021, but for which an invoice has not yet been received. The largest items concern Waternet: the payments of Waternet employees (€2,777,000). There are also various smaller items, including the accountants' fees.

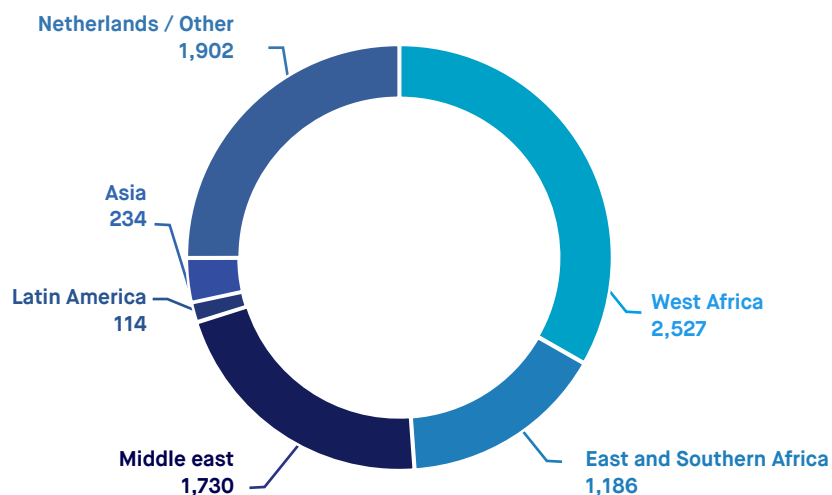
10. Accounts payable

Accounts payable in € '000	31-DEC-22	31-DEC-21
Accounts payable	68	233
Total accounts payable	68	233

At year-end 2022, there remains an outstanding amount of €68,000 to be paid to creditors. In 2021 the outstanding amount related to VAT from invoices that had to be apportioned. In 2022 this VAT is offset against creditors.

Notes to the statement of income and costs 2022

11. Notes on income



The project-related income is lower than budgeted. This is the result of too ambitious budgeting of the embassy projects in Jordan and Burkina Faso. The figure below shows the breakdown of income by region (total is €7,693 million).

12. Notes on costs

Amounts in euros (x '000)	Budget 2022	Realisation 2022	Difference	Realisation 2021
Deployment of Waternet staff in projects	1,269	1,452	183	1,003
Delegated World Waternet staff	1,150	1,065	-85	1,031
Travel and accommodation expenses	450	900	450	263
Hiring third parties (project staff)	300	320	20	232
Other project costs ¹	4,880	3,159	-1,721	1,502
Total project costs (excluding FTE)	5,630	4,379	-1,251	1,997
Office costs (laptops, audit, medical kits)	86	23	-63	43
Training and representation	40	27	-13	27
Hired personnel	70	4	-66	25
Internal services Waternet	231	206	-25	223
Organisational Costs WWn	427	260	-167	318
Total operational costs	8,476	7,156	-1,320	4,349

¹ Subcontractors, investments, workshops international partners

Continues on the next page ►

12. Notes on costs

The costs are also lower than budgeted in 2022. During 2022, the COVID-19 measures decreased and traveling became possible. Therefore, budget and realisation deviate from each other. This is the result of ambitious budgeting and also some work has been done by partners in kind. Travel expenses are higher due to increased number of working visits, including visits to (World) Waternet by foreign partners.



Risks in the balance sheet & statement of income and costs

Application of Resolution of Development Aid (Ontwikkelingshulpresolutie)

Waternet invoices its staff to World Waternet. Waternet is of the opinion that it meets the conditions of the so-called Resolution on Development Aid, by which Waternet can invoice the deployment of staff in developing countries (DAC/ODA-list) with 0% VAT. This regulation could be applied with retrospective effect as of 2015. The Dutch Tax and Customs Administration indicated in 2021 that they are of the opinion that Waternet does not meet the conditions of the Resolution. Waternet will go to court to ask for a decision on this case. If the court decides in favour of Waternet, they will receive a tax refund of about two million euro, which Waternet will pass on to World Waternet.

Since the outcome of the court case is uncertain, World Waternet has reclaimed part of the historical VAT as subsidisable costs from financiers. This is the case for Blue Deal and WaterworX. In case of a positive outcome of the court case, the tax refund should be used for these programmes.

Meeting financiers' requirements

Financiers provide funding subject to certain conditions, such as the timely achievement of results, timely delivery of reports, and tender requirements. If these conditions are not met, the financier cannot pay out or recover the funding. If costs have been incurred, this may result in a loss. There is also the possibility that World Waternet may have to complete a project at its own expense. This risk is mitigated by project control and interim (external) audits. There is no indication that any provisions need to be made for projects.

Events after the balance sheet date

After the balance sheet date of 31 December 2022 and the preparation of the annual accounts, no events have occurred that have an effect on the balance sheet position at year-end 2022.

Financing in relation to projects

WWn runs a financial risk because of a mismatch of duration between the annual contributions by its parent companies the City of Amsterdam and the Water Authority Amstel, Gooi en Vecht (AGV) and the multi-annual financial obligations of the

WOPs. Especially those under WaterworX and Blue Deal. In other words, because of the nature of the multi-annual projects most of the contribution for the coming years has already been firmly committed. As a consequence a loss for World Waternet is to be incurred if these contributions would be reduced.



Nr. 637.000.22-A

INDEPENDENT AUDITOR'S REPORT

To: The Executive Committee of Stichting Wereld Waternet

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Stichting Wereld Waternet based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Wereld Waternet as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the profit and loss account for 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Wereld Waternet in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Compliance with anti-accumulation provisions WNT not audited

In accordance with the Audit protocol WNT 2022 we have not audited the anti-accumulation provisions of article 1.6a WNT and article 5. paragraph 1 (n and o) Uitvoeringsregeling WNT. This means we have not audited whether or not there is a breach of anti-accumulation remuneration standards resulting from remuneration for a possible employment as a high-ranking official of other WNT-entities, nor have we audited if any related disclosure requirements are correct and complete.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at 1% for errors and 3% for uncertainties of the total expenses including additions to reserves. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative or WNT-reasons.

In accordance with the auditing protocol of Stichting Waternet, misstatements in excess of 1%, which are identified during the audit, would be reported, as well as smaller misstatements that in our view must be reported on qualitative grounds.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management report (Preface / These are our partnerships / Looking back to 2022 / Risk Management);
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in

accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. 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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included, among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our 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 control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's 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 our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our 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 a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Amsterdam, 9 juni 2023



A.P. Suijker MSc CISA RE RA
Auditdienst ACAM



