



Annual Report 2020

Making sustainable impact through
Water Operators' Partnerships in water
cycle management

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Preface

2020 was a special year for World Waternet and our partners. Because of the global Covid-19 crisis, our activities were geared towards the most effective interventions within our Water Operators' Partnerships in Africa, Asia, the Middle East and Latin America. We were able to give people access to better water supplies, protective equipment and digital tools. The Dutch programmes WaterWorX and Blue Deal are an important basis for this. They enable us to support our partners in the long term, also in times of crisis. This is very valuable to us.

We are also very proud to continue our cooperation with our local partners in Burkina Faso and Jordan, thanks to new funding from the Dutch government. We welcome SNV as a consortium partner and, as such, are broadening our expertise and support. These and other projects enabled us to expand our project portfolio compared to 2019. As our portfolio has grown, we are pleased with the installation of our Audit and Risk Committee.

Financially, the year ended positively and in 2020 we deployed more than 100 Dutch water experts, who shared their knowledge and provided support to fellow water managers across the border. It was very special that, despite the crisis, the employees of Waternet and our alliance partners were highly committed to partner up and work hard for sufficient, clean and safe water for everyone.

The future is dynamic and requires much of our adaptability. We would like to thank the Regional Public Water Authority Amstel, Gooi en Vecht, and the Municipality of Amsterdam for their continued support, and with a diverse team and strong cooperation with our partners, we face the future with confidence. Standing side by side with water operators to make a difference together. I feel proud to present our annual report and I hope you will enjoy reading it.

Frodo van Oostveen
CEO World Waternet



Looking back to 2020

Since the beginning of March 2020, our world has changed completely. The global outbreak of Covid-19 has significant implications for our partners, our work and the team. Due to the government measures and the risks of the new virus, we had to cancel our working visits and the World Waternet staff that works abroad had to temporarily return to the Netherlands. Between August and November, our colleagues returned to Mali, Kenya and Burkina Faso.

In 2020, World Waternet also welcomed its new CEO, Frodo van Oostveen. With years of experience in the water sector and a strong ambition to connect ideas, people, initiatives and companies to develop concrete solutions for sustainable water management, Frodo brings an innovative approach.

2020 was a year of transformation for World Waternet. A year that took place almost entirely online. A year in which we learned to deal with the consequences of the Corona virus, as a team and with our partners. We share our knowledge mostly digitally and we want to make this part of our DNA. We are therefore in the process of setting up an online academy; a platform for knowledge exchange.

In 2020, we focused entirely on those interventions that had the most impact for each partnership. In, among others, our Blue Deal and WaterWorX programmes, we created room for investing in better local water supplies, purchased 4G networks and Wi-Fi hotspots to improve online collaboration, and donated protective equipment to ensure that the work can continue in a safe manner. Interventions that were made possible partly thanks to our local (young) experts.

In 2020, we continued our partnership with the Young Expert Programme. We are currently working with nine Young Experts in our partnerships in Kenya, Ethiopia, Tanzania, Mali, Burkina Faso and the Palestinian Territories. The Young Experts are given the opportunity to gain experience in their field and develop their personal skills and knowledge through coaching, training and master classes. In addition, our partner organisation benefits from the skills of the highly-educated young professionals. The future generation of water experts!

Our work in ongoing projects and programmes aimed at peer-to-peer knowledge exchange and capacity building has continued unabated despite the Covid-19 restrictions. Some nice examples are the joint incorporation of human rights into Burkina Faso's

water management, a 'train-the-trainer' programme of several days for LebRelief employees in Lebanon, and the completion of the project with the municipality of Zhuhai (China), aimed at making the city climate proof.

Simultaneously with the knowledge exchange in our Water Operators' Partnerships, we mobilized several infrastructural investments for our partners. In Burkina Faso, with Develop2Build funding from RVO, a feasibility study is being conducted for the repair and preservation of nine large water reservoirs that are managed by our local partners. In Mali, we assisted our partner in obtaining funding from the Dutch Fund for Climate and Development to conduct a feasibility study to support the development of a wastewater treatment plant in Bamako. In Laos, we are helping our partner to obtain funding for the eight provincial water organisations. And in Ghana, through one of our local partners, we are for the first time helping with a large-scale reforestation project through Trees4All.

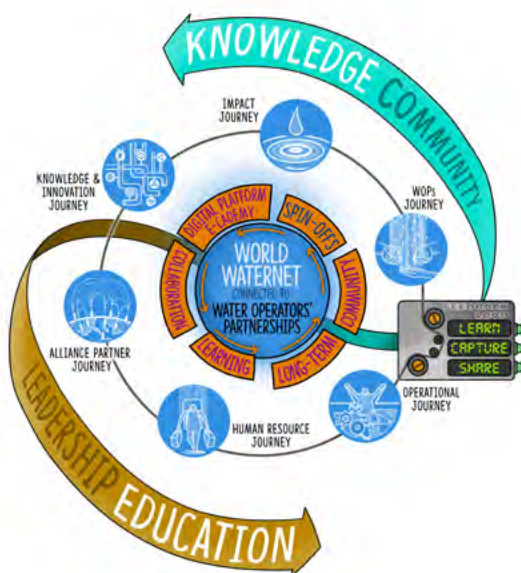
Another important milestone is the start of two new long-term partnerships with water companies in Burkina Faso and Jordan, funded by the Dutch government. We have been active in both countries for several years. We are therefore very pleased that we can intensify – with new resources – our activities in both countries. In Burkina Faso, we are working with several local water boards to protect their scarce water resources. In Jordan, we are working to improve the performance of Yarmouk Water Company, one of the three public water companies in the country.

We have also expanded our portfolio with a pilot project in Nairobi to monitor Covid-19 in sewage water. This will give the Kenyan

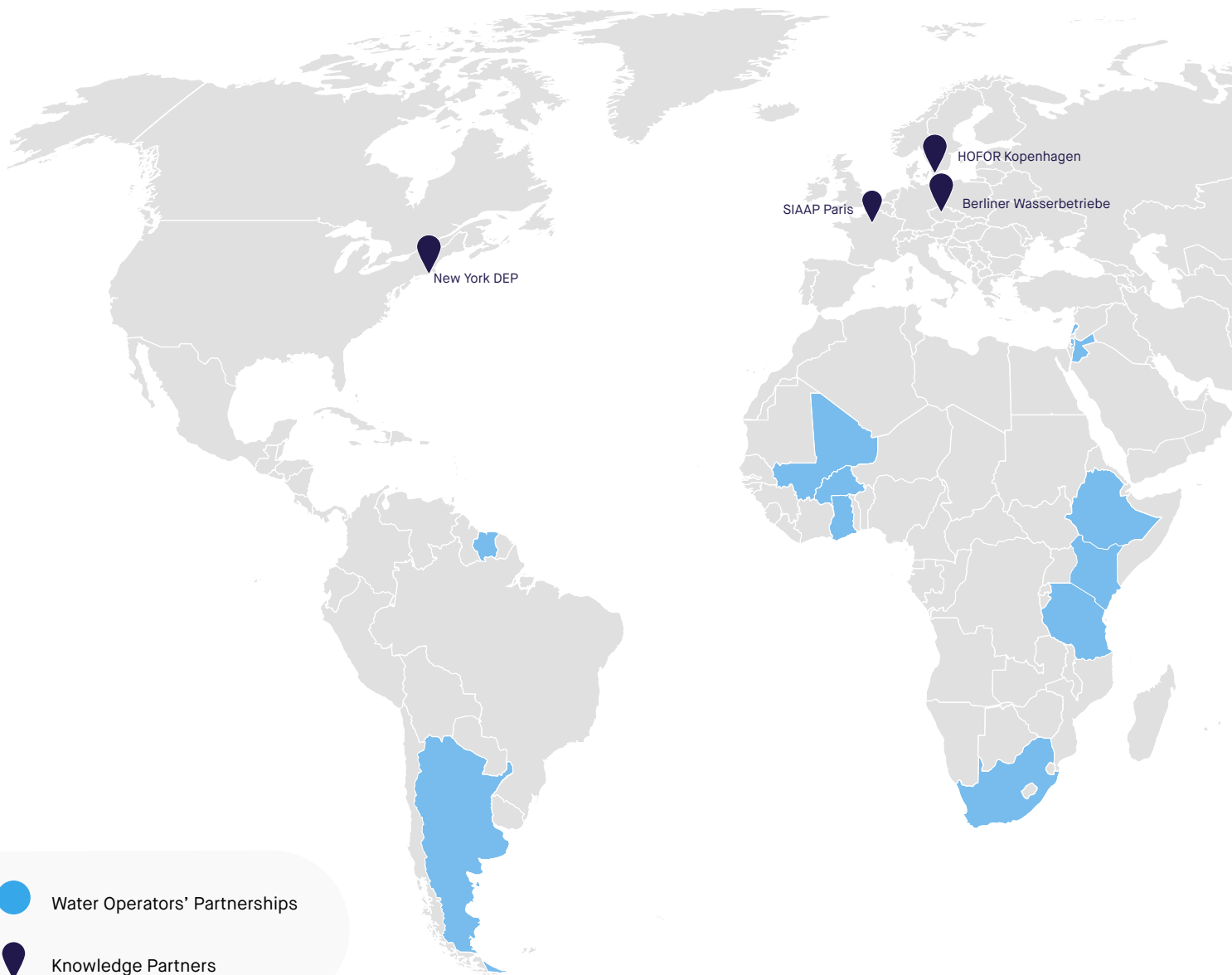
authorities insight into the spread of the virus. The end of 2020 also marks the start of three training programmes funded by Nuffic's Orange Knowledge Programme. In Kenya, South Africa and the Palestinian Territories, we are providing support to water companies in collaboration with Dutch and local educational institutions.

To remain a leader in the field of water cycle management, we actively work together with leading water companies around the world. Waternet is also preparing for the future with a powerful research and innovation programme. In 2020, six new research themes were identified for this purpose: (1) Energy Transition, (2) Climate Adaptation, (3) Data and Sensoring, (4) Water Quality and Technology, (5) Soil Subsidence and (6) Circular Economy. This programme offers great opportunities for cooperation and knowledge exchange with foreign partners and will enable us to tackle the same challenges together. In 2020, our experts exchanged knowledge through webinars on recovering raw materials from wastewater, thermal energy and climate adaptation.

We are starting 2021 with new insights, a lot of energy and a solid ambition. We will present and implement our Business Plan 2021-2024 with a clear focus on concrete SDG impact, our Water Operators' Partnerships and cooperation partners, online knowledge platform, our team of water (cycle) experts and further professionalization of our services. Access to sufficient and clean (drinking) water is crucial. Therefore, we will continue to work hard to assist and support our international partners, also and especially in times of crisis.



This is World Waternet Project Portfolio 2021



Employees

WWn/Wn's FTE in projects

13,2

15,9 (Plan)

Alliance partner's FTE in projects

2,5

5,5 (Plan)



Asia

- WaterWorX (Laos)*
- Partners for Water Yangon (Myanmar)
- Waste and Waste Water Maharashtra (India)
- Sanitation Bekasi (Indonesia)

Middle East

- WOP Yarmouk Water (Jordan)*
- Blue Deal (Palestinian Territories)*
- WaterWorX (Palestinian Territories)*
- Nuffic (Palestinian Territories)
- LebRelief (Lebanon)

Western Africa

- WaterWorX SOMAGEP (Mali)*
- Blue Deal ANSAGEM (Mali)*
- Nakanbe (Burkina Faso)
- Blue Deal (Burkina Faso)*

East and Southern Africa

- Blue Deal Abbay (Ethiopia)*
- FDW Ziway Shalla (Ethiopia)
- Blue Deal Tana (Kenya)*
- WaterWorX Nairobi (Kenya)*
- E-Pivot Nuffic (Kenya)
- COVID-19 surveillance Nairobi (Kenya)
- WaterWorX (Tanzania)*
- Nuffic Cape Town (South-Africa)

Latin America

- Platform AMS-BUE (Argentina)
- SWM (Suriname)

Knowledge partnerships

- NYC Department (USA)
- PUB (Singapore)
- Berlin Wasserbetriebe (Germany)
- HOFOR Copenhagen (Denmark)
- SIAAP Paris (France)

*Long-term WOPs



Finances

Income (in millions)

1,61 (1,61 budgeted)

Municipality of Amsterdam &
Regional Public Water Authority AGV

Overhead

1,83 (4,75 budget)

Co-financiers

14% 10% (budgeted)

Contribution to the Sustainable Development Goals

Number of water authorities supported on:

7



5 GENDER EQUALITY



24



6 CLEAN WATER AND SANITATION



5



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



7



13 CLIMATE ACTION



2



15 LIFE ON LAND



19



17 PARTNERSHIPS FOR THE GOALS





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 the year under review it was therefore decided to intensify the risk management process. So, in 2020, World Waternet established an Audit & Risk Committee. It consists of two board members, the managing director, the financial controller and the legal controller. This committee prepares the risk management and financial policy and initiates audits on behalf of the board. In 2020, a risk register was developed to lay down risks in a structured and uniform way. 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 security, services, legal, financial, and integrity and reputation.

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 a strict obligation of result, if the risks are easily manageable. World Waternet uses the banking services of the Nederlandse Waterschapsbank, which has a Triple A rating. Currently, World Waternet does not use derivatives to hedge exchange rate, interest rate, or other financial risks. 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. With the receiving parties, foreign public water companies, World Waternet makes agreements that are carefully tested against reality. If the agreements prove to be infeasible, measures are taken in time. 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 as they apply to 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 the specialist expertise of Waternet and, where necessary, of other organisations. World Waternet strives to limit 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 aspects of security 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. World Waternet also relies on the 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

As a public organisation, World Waternet is bound by government regulations 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.

In our cooperation with local partners, we also pay attention to issues such as integrity, the way employees are treated and corruption. Expectations regarding this are laid down in contracts. In case any undesirable situations occur in the field, we will address these in order to correct the situation. In extreme cases, this may mean that World Waternet has to end the cooperation with the partner in question. In 2020, the subject of integrity was placed on the agenda. No incidents were reported within World Waternet or its projects.



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german cooperation

PRICE	LITRE
* 10	1.50
* 20	3.00
* 30	4.50
* 40	6.00
* 50	7.50
* 100	15.00
* 200	30.00

OSINA MUKOBO...
How to wash your hands

How to wash your hands

How to wash your hands



How to wash your hands

How to wash your hands

How to wash your hands

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Balance sheet as of 31 December 2020

Assets in € '000	No.		31-DEC-20	31-DEC-19
Fixed Assets				
Tangible Fixed Assets		0		0
Financial Fixed Assets		0		0
Current Assets				
Accounts Receivable	1.	82		243
Income to be Received	2.	440		439
Prepaid Expenses	3.	25		25
Other Receivables	4.	131		60
Liquid Assets	5.	3,511		2,320
			4,189	3,087
Total Assets			4,189	3,087

Liabilities in € '000	No.		31-DEC-20	31-DEC-19
Reserves (equity)				
General Reserve	6.	754		786
Income and costs balance fiscal year		171		(-32)
			925	754
Provisions				
Provisions			0	0
Current Liabilities				
Prepaid income	7.	1,976		358
Accrued Liabilities	8.	1,276		1,908
Accounts Payable	9.	12		67
			3,264	2,333
Total Liabilities			4,189	3,087

Statement of income and costs 2020

Amounts in euros (x1,000)	No.	Budget 2020	Realisation 2020	Realisation 2019
Income				
<i>Projects and programmes, financed by:</i>				
Dutch government (WaterWorX, Blue Deal, D2B, FDW, etc.)		3,980	1,610	2,201
International Finance Institutions		500	0	0
Other (EU, etc.)		271	140	140
<i>Founders:</i>				
Municipality of Amsterdam		1,054	1,057	1,033
Regional Public Water Authority AGV		448	447	440
Knowledge Management		104	105	102
Total Income	10.	6,357	3,359	3,916
Costs				
Deployment of Waternet staff in projects		1,300	385	916
Delegated World Waternet staff		927	932	683
Hiring of staff not related to projects		0	0	123
<i>Other project costs (excl. FTE deployment):</i>				
Travel and accommodation costs		900	173	668
Hiring third parties (yep, project staff)		300	165	79
Other project costs		2,549	1,167	1,115
<i>Organisation costs World Waternet:</i>				
Office expenses (laptops, medical kits)		100	98	99
Training and representation		53	33	32
Internal supplies Waternet		228	235	233
Total Costs	11.	6,357	3,188	3,948
Income and Costs balance		0	171	(-32)



Notes to the statement of income and costs

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 15 countries to strengthen the capacity, improve the performance and enable them to provide a better service to more people.

World Waternet was founded by Waternet, the water cycle company of Amsterdam and surroundings. 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 4271281.

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 2020:

- Ms A. P. (Lidi) Remmelzwaal (Chairperson);
- Mr R.R. (Roelof) Kruize (Secretary, CEO of Waternet);
- 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 J.A.M (Arnold) Kuijpers (Board member)

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 can advise on the appointment of the director of World Waternet.

Other positions held by the board members

Ms Lidi Rimmelzwaal, Chairperson

- Trainer Centre for Political and Diplomatic Studies
- Advisor FoodFirst Coalition

Mr Roelof Kruize, Secretary

- CEO of Waternet
- Chairman Board of Supervisory Directors Aquaminerals
- Chairman Aquatech Advisory Committee
- Board member International Water Association
- Member of the Supervisory Board of De Balie

Ms Carolien Gehrels, Board Member

- Director of European Cities at Arcadis
- Member of the Supervisory Board of Delft University of Technology
- Member of the Advisory Council of ASN Bank
- Member of the Dutch Creative Council, Ministry of Economic Affairs
- Member of the Board of Platform Urban Renewal

Mr Menno Holterman, Board Member

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

Mr Arnold Kuijpers, Board Member

- Member Board of Supervisory Directors Norinchukin Bank Europe

Staff

World Waternet does not employ staff. Staff is hired from Waternet and to a limited extent externally. In the spring of 2020, the former CEO of World Waternet, Mr Steven van Rossum, left Waternet. He was succeeded by Mr Frodo van Oostveen.

In 2020, approximately ten employees were seconded from Waternet on a permanent basis. These employees work 20% of their time for Waternet and 80% for World Waternet. Of these, one person is stationed in Mali. In 2020, World Waternet also worked with nine Young Experts from the Netherlands and our partner countries, as well as with three trainees. The trainees and Young Experts are employed by Waternet or a foreign partner. Throughout 2020, approximately 100 Waternet experts were assigned to projects and approximately 15 employees were hired from other regional water authorities, drinking water companies

or affiliated entities such as foundation Waterproef and Het Waterlaboratorium.

Available project positions are published internally at Waternet. It is encouraged that a sufficient and diverse team of Waternet employees 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.

Name of Senior Executive	Function
Ms. ir. A. P. (Lidi) Rimmelzwaal	Chairperson
Mr. ir. R.R. (Roelof) Kruize	Secretary
Ms. drs. C.G. (Carolien) Gehrels	Member of the Executive Board
Mr. ir. M. (Menno) Holterman	Member of the Executive Board
Mr. drs. A.J.A.M. (Arnold) Kuijpers	Member of the Executive Board

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 2020 financial year runs from 1 January 2020 to 31 December 2020 and corresponds to the 2020 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.



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. As yet, Covid-19 has had no impact on the contributions of the main donors.

World Waternet has a current account credit from the Nederlandse Waterschapsbank of €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 2020, World Waternet has liquid assets of €3,510,753 at its disposal.

In 2020, the Dutch tax agreement to share joint expenses (Kosten voor Gemene Rekening) was discontinued. The Dutch Tax and Customs Administration concluded that the conditions for the agreement were not met. The Dutch Tax and Customs Administration indicated that Waternet must charge VAT to World Waternet for the period (€0,7 million). In close consultation with its external tax consultant, Waternet has since informed the Dutch Tax and Customs Administration that the conditions for the application of the Resolution on Development Aid were met during the same period, as well as future years. We expect that the VAT to be received will compensate for the VAT to be paid. The Dutch Tax and Customs Administration has not yet given any formal consent to Waternet's request to apply the Resolution on Development Aid. Waternet has applied the Resolution on Development Aid for the 2020 financial year.

Affiliated parties

All legal entities that can be controlled or that can be significantly influenced are considered affiliated parties. Entities that have control over World Waternet are also considered affiliated parties. In addition, directors under the articles of association, other key management of the foundation or parent companies and close family members are also considered affiliated parties. Waternet, the municipality of Amsterdam and Regional Public Water Authority Amstel, Gooi and Vecht are considered affiliated parties.

In 2020, 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 representation 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)

In general, 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. Sales to customers 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 2019 figures have been added to the 2020

figures. The format of the statement of income and costs has changed compared to 2019, so some figures cannot be traced from the 2019 annual accounts. Also, the VAT rate on hours and salaries from Waternet has partly changed compared to 2019.

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 incomes are 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 account credit 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 incomes are the contractually agreed incomes and incomes 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-20	31-DEC-19
Accounts receivable general	82	243
Minus: Provision	0	0
Total accounts receivable	82	243

The accounts receivable balance consists of invoices recently invoiced to various organisations, of which AGV (€42,000), RVO (€11,000) and Surinaamse Waterleiding Maatschappij (SWM, €19,000) are the largest. There are no indications that these invoices are irrecoverable.

2. Income to be received

Income to be received in € '000	31-DEC-20	31-DEC-19
Ministry of Foreign Affairs - Blue Deal	395	192
Fonds Duurzaam Water - Ethiopia	17	0
LebRelief - Lebanon	15	0
Embassy of the Kingdom of the Netherlands - Burkina Faso	13	0
NWB Fund - Ethiopia	0	131
GIZ - China	0	77
NWB Fund - Burkina Faso	0	39
Total contribution to be received	440	439

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

3. Prepaid Costs

Prepaid amounts in € '000	31-DEC-20	31-DEC-19
Prepaid SOS insurance	25	25
Total expenses	25	25

The prepaid expenses consist of the prepaid premium for the SOS insurance.

Notes to the balance sheet

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

4. Other receivables

Other receivables in € '000	31-DEC-20	31-DEC-19
Purchase invoices to be apportioned	8	60
VAT to be received	123	0
Total other receivables	131	60

The 'purchase invoices to be apportioned' are invoices that have been received and have yet to be processed.

5. Liquid assets

Liquid assets in € '000	31-DEC-20	31-DEC-19
Bank account NWB	3,511	2,320
Total liquid assets	3,511	2,320

The bank balance of the NWB bank account is €3,511,000 positive at year-end 2020. The bank account has a current account provision which allows for a negative balance of up to €750,000.

6. Reserves (equity)

Reserves 31 Dec. 2019 in € '000	754
Operating balance 2020	171
Reserves 31 Dec. 2020 in € '000	925

The 2020 income and costs balance of €171,000 has been added to the reserves. At year-end 2020, the reserves amount to €925,000.

7. Prepaid income

Prepaid income in € '000	31-DEC-20	31-DEC-19
Ministry of Foreign Affairs - Jordan	1,787	0
European Commission - Burkina Faso	72	217
Ministry of Foreign Affairs - WaterWorX	72	95
Netherlands Water Partnership - YEP	45	26
Total prepaid income	1,976	358

Prepaid income are advances that financiers have already paid, but for which World Waternet has not yet performed any work. The largest amount relates to the Dutch Embassy project Jordan Yarmouk. The WaterWorX annual report, including an unqualified auditor's opinion, has been submitted but has yet to be approved by the Ministry. The advances received for WaterWorX are higher than the subsidy to be received.

8. Accrued liabilities

Accrued liabilities in € '000	31-DEC-20	31-DEC-19
Accrued salaries Waternet	932	691
Accrued salaries YEP/Trainees Waternet	165	95
Accrued hours Waternet	136	855
Accrued financial audit Annual report/Blue Deal/WaterWorX 2020	28	20
Hiring of team World Waternet	0	26
Accrued WaterWorX	0	118
Accrued VAT	0	43
Accrued Amsterdam International Water Week	0	30
Accrued Blue Deal	0	22
Other	15	8
Total accrued liabilities	1,276	1,908

Accrued liabilities consist of services or goods that were purchased in 2020, but for which an invoice has not yet been received. The largest items concern Waternet: the salaries of the permanent World Waternet employees (€932,000), the salaries of the Young Experts (€165,000) and the working hours of Waternetters (€136,000). There are also various smaller items, including the accountants' fees.

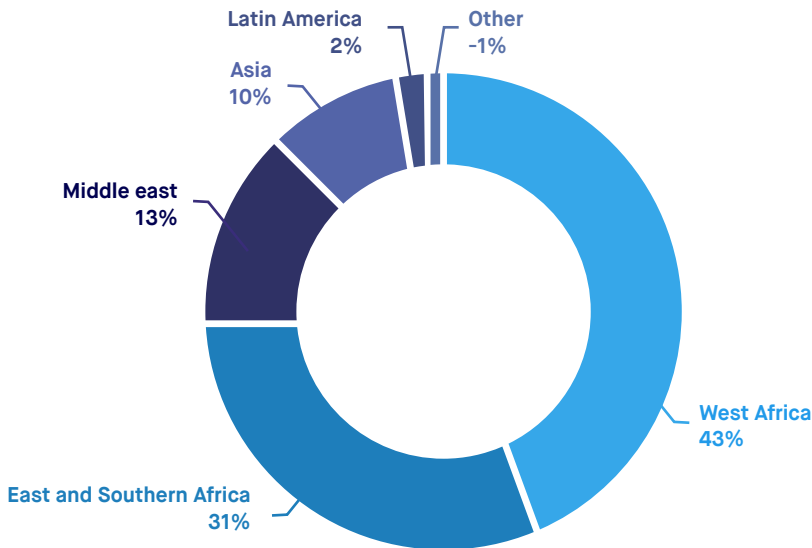
9. Accounts payable

Accounts payable in € '000	31-DEC-20	31-DEC-19
Accounts payable	12	67
Total accounts payable	12	67

At year-end 2020, there remains an outstanding amount of €12,000 to be paid to creditors, including for airline tickets.

Notes to the statement of income and costs 2020

10. Notes on income



The project-related income is lower than was estimated. This is the result of some delay in the projects due to Covid-19, the later start of the embassy project in Jordan and the cancellation of a planned project in Shimla (India). The figure below shows the breakdown of incomes by region (total is €1.75 million).

11. Notes on costs

The costs are also lower than budgeted in 2020. This is the result of some delay in the projects due to Covid-19, the later start of the embassy project in Jordan and the cancellation of a planned project in Shimla (India). Because travel was very limited due to

Covid-19, the travel and accommodation costs are considerably lower than in previous years. Also, because of Covid-19, less experts were hired from Waternet.

Audit costs 2020

In 2020, the Foundation's auditor (ACAM) received an estimated €28,000 including VAT in fees. Of this, €11,000 was for the audit of the 2020 annual accounts and €17,000 for the audit of various projects. No consultancy assignments have taken place.

The audit of the subsidiary accounts, WaterWorX and Blue Deal, took place on the basis of audit protocols established by the Ministry of Foreign Affairs and the Dutch Water Authorities (Unie van Waterschappen). The audit requirements have a lower materiality limit than the audit of the annual accounts and, in

addition to an audit opinion, a factual report of findings must be provided in which all audit differences, regardless of size, must be mentioned.





Risks in the balance sheet & statement of income and costs

Discontinuation tax agreement to share joint expenses (Kosten voor Gemene Rekening)

Since the foundation of World Waternet in 2007, World Waternet has used the Dutch tax agreement to share joint expenses. This allows World Waternet to deploy staff employed by Waternet without Waternet having to charge World Waternet VAT on these costs.

The Dutch Tax and Customs Administration indicated in 2020 that World Waternet did not meet the conditions. Waternet is charged an additional assessment of €0.7 million for the unpaid VAT and the corresponding interest for the period 2015-2019. Waternet will pass this additional assessment on to World Waternet.

On the other hand, Waternet has made use of the so-called Resolution on Development Aid, as a result of which Waternet can invoice World Waternet with 0% VAT for the deployment of staff abroad. This regulation was applied for the 2020 financial year. As a result, Waternet invoiced approximately €1.2 million for services with a foreign destination with 0% VAT in 2020 that would otherwise have had to be invoiced with 21% VAT (approximately €250,000). This regulation could be applied with retrospective effect over the period 2015-2019, which is expected to be equal to the tax payable. The Dutch Tax and Customs Administration has not yet given its formal consent to Waternet's request to apply the Resolution on Development Aid.

Contingent liabilities

Due to the Covid-19 pandemic, in 2020 the WaterWorX program incurred approximately €0.5 million less costs than budgeted. As a result, World Waternet's own contribution was approximately €175,000 lower in 2020 and this will need to be compensated in 2021, which is the final year of WaterWorX phase 1.

Covid-19 pandemic

The Covid-19 pandemic has had an impact on the number of travel movements and some projects have been delayed as a result. For 2020, this has resulted in less own contributions in some projects (e.g. WaterWorX). Should this continue in the coming years, certain project results might not be achieved. Financially, the impact seems limited, among other things because less own

resources would be needed. In the medium term, the pandemic might result in the withdrawal of financiers, but we do not observe this yet.

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 2020 and the preparation of the annual accounts, no events have occurred that have an effect on the balance sheet position at year-end 2020.



Independent Auditors Report

To: The Executive Committee of Stichting Wereld Waternet

A. Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 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 2020 and of its result for 2020 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 2020;
2. the profit and loss account for 2020; 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 Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

The remuneration of a senior official at different institutions is not audited

In accordance with the protocol for auditing the financial reporting document by the accountant for the year 2020 on compliance with the Wet normering topinkomens (WNT, Standards for the Remuneration Act: Article 1.6a WNT and Article 51 paragraph 1, under j Uitvoeringsregeling WNT), we have not audited whether or not there is an exceeding of the remuneration by a senior official due to possible employment relationships at other institutions subjected to the WNT, as well whether the explanation required in this context is correct and complete.

Materiality

Based on our professional judgment, the approval tolerance applied in our audit amounts to 1% for errors and 3% for uncertainties of the total expenses including additions to reserves. This is in accordance with the auditing protocol of Stichting Waternet. The reporting tolerance has been set at 0.3%, as well for smaller deviations which in our opinion are relevant for qualitative reasons subjected to the WNT.

For the audit of the remuneration information disclosed in the financial statements, we have applied the materiality requirements as defined in the protocol for auditing of the WNT. We also take into account misstatements and/ or possible misstatements that, in our opinion, are material for the users of the financial statements for qualitative reasons.

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;
- The program accounts for each project;
- 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, 3 Juni, 2021

A handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned above the name of the auditor.

D. van Eeden RA
Auditdienst ACAM



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