



# IRC

May 2016

## Annual Accounts 2015

IRC



Supporting water sanitation  
and hygiene services for life



PricewaterhouseCoopers  
Accountants N.V.  
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Prepared by full name of writer/s on behalf of IRC, with input from full name of reviewers and other contributors. This report was edited by Tettje van Daalen and laid out by Ghislaine Heylen. For questions or clarifications, contact IRC here: [www.ircwash.org/contact-us](http://www.ircwash.org/contact-us)

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## Corporate information

Legal form:	Foundation
Corporate name:	Stichting IRC, International Water and Sanitation Centre
Statutory seat:	The Hague
CEO:	January 1 <sup>st</sup> – December 31st 2016, Moriarty, Patrick Barré

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

	Accession or Reappointment in	Resignation, resp reappointment in
van der Sijp, Regina Nina Maria	2011	March 2016
van Dord, Hans (Chairman)	2013	2017
van den Top, Gerhard Martin	2011	resigned November 2015
Cross, Edward Piers Woodward	2013	2017
Bos, Robert	2013	2017
Mehta, Meera	2014	2018
den Boer, Henk	2014	2018

## Report of the Supervisory Board

The IRC Supervisory Board met three times during 2015, with the presence of the CEO and CFO. There were a number of additional informal meetings among Supervisory Board members and the CEO on various topics during the year. The Chair and the dedicated trust person of the Supervisory Board had two meetings with the Works Council, discussing among others restructuring efforts and adjustments to the IRC business model. The Supervisory Board consists of seven members, with one position vacant by the end of 2015. The position is to be occupied by a member with a background in economics.

During 2015, the Chair and the Treasurer of the Supervisory Board had three Audit Committee meetings with the CEO and CFO, in preparation of the formal Supervisory Board meetings. These meetings discussed finance-related issues including intermittent reporting, changes to the business model, the IRC strategic reserves, recovery of multi-annual indirect costs, the registration of IRC in focus countries and the annual plan.

In 2015 a member of the Supervisory Board visited the Ghana office and participated in discussions about their strategic plan. During the visit meetings were also held with the Dutch embassy, with the Ministry of Water Resources Works and Housing, with the Community Water and Sanitation Agency and with the auditors.

The Supervisory Board appreciates the transparency in the different discussions it had. The passionate and professional efforts of staff in The Hague and the focus countries to implement IRC's mission are well noted and sincerely appreciated. The Supervisory Board is aware that 2015 has been a challenging year for staff, due to the cost reductions that were implemented and the subsequent restructuring. The Supervisory Board is confident that IRC will continue to play a substantial and visible role in the sector, contributing to the goal of sustainable WASH services for all.

## Director's statement

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

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

IRC continued working through the restructuring and the reform of its business model that started in 2014. This has focussed on the creation of a robust decentralised governance structure that puts the emphasis squarely on our focus countries and their programmes. New departments were also established in the Netherlands: an International Influencing Department bringing together most of IRC's sector experts; a Finance and Support Department, and a Fundraising and Business Development Department.

A number of structural changes were implemented during 2015 to keep the IRC financially viable; in particular the finalisation of restructuring process, cutting formation costs in the Netherlands and a further strengthening of the decentralized set-up of the country offices. A new tariff structure will be introduced in 2016, which will support improved recovery of general multi-annual foundation costs. As such, 2016 will be a year of continued transition, and bedding in of changes in financing, organizational and management structure.

At the end of a second year of successful operation, the decision was taken to bring the IRCconsult joint venture with Aguaconsult back to the Netherlands, as an integral part of IRC's business model. IRCconsult will operate under a separate brand, but will be operationally and financially be part of the Stichting IRC. During 2016, IRC will explore other potential legal forms for IRCconsult in the Netherlands.

The formal ending in April of the Sustainable Services at Scale project (Triple-S) marked the culmination of a transformative period during which IRC grew rapidly on the back of large projects supported by the Bill and Melinda Gates Foundation. This period allowed IRC to develop proof of concept of our think and do tank way of working and unique selling point, at the same time as to establish the country presence which is now central to our decentralised model.

The adoption of the Sustainable Development Goals in September 2015 marked an important shift in development generally, and in the Water, Sanitation and Hygiene (WASH) sector in particular through the adoption of Goal 6<sup>1</sup>. The commitment to universal access to Water and Sanitation, as well as to sustainability and the strengthening of national systems as the basis for success, are all areas for which IRC has advocated strongly; as such, their adoption reflects a major cause for celebration.

Against this background, IRC together with WaterAid, Water for People and Aguaconsult launched the Agenda for Change initiative, committing us to model the behaviours necessary to achieve Goal 6 in our own work, whilst encouraging others to do the same. Important work supporting this was the development of a strong articulation of IRC's approach, emphasising our role as a "hub" organisation supporting the creation of robust national systems capable of providing access to WASH services now and in the future.

Another important milestone in 2015 was the development of the WaterSHED strategic partnership in which IRC together with DGIS, Simavi, Akvo and Wetlands International will build the capacity of civil society organisations to hold governments and service providers to account for access to sustainable WASH services.

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<sup>1</sup> <https://sustainabledevelopment.un.org>

This new programme, part of DGIS “dialogue and dissent” programme, launches in January 2016 and will run through 2020.

IRC enters 2016, the final year of its current business plan with a largely restructured and transformed business model, a healthy financial outlook for the year and a steadily broadening donor base. That said, with the winding down of funding from the Gates Foundation (a cost-neutral based extension will end in 2016), the ending of DGIS programmatic funding to the current business plan (2011-2016) and continued turbulence in the global economy fundraising for 2017 and beyond remains a central challenge requiring continued attention throughout 2016.

With the ending of the large projects funded by the Gates Foundation and the phasing out of programmatic core funding from DGIS, IRC’s liquidity position has also changed and is becoming more vulnerable. The liquidity forecast indicates a net cash outflow of €0.9 million for the period from May 2016 till May 2017, necessitating a further strengthening of project risk assessments and steering towards less pre-financing of projects by IRC. IRC’s strategic reserves are €0.7 million and considered low, though measures have been taken to prevent a further reduction of the reserves and to ensure a better recovery of IRC’s indirect costs.

With this in mind, three different scenarios for future development have been created by IRC’s management to guide thinking over the coming months.

- 1) IRC as a mission-driven “Think and Do Tank”, assuming € 2-3 million (>20% of total turnover) of well aligned programmatic funding per year. This will provide IRC the opportunity to drive the Agenda for Change both internationally and in focus countries, while establishing solid learning platforms;
- 2) IRC as a mission-driven “Do Tank”, assuming some € 1 million programmatic core funding per year. The Agenda for Change can be pursued in-country, but not internationally due to lack of funding. This scenario will have limited learning opportunities;
- 3) IRC as a market-driven “consultancy”, assuming no significant levels of programmatic core funding. IRC will mainly conduct research work, and carry out assignments and small projects.

All scenarios assume that IRC is able to further improve its business model (including a revised package of labour conditions that maintain overall tariffs while allowing for cost-recovery of multi-annual costs and for IRC employees in the Netherlands to make more billable days), keep core funding partners and successfully attract new donors.

Whether from DGIS or other donors, predictable flows of funding that are flexible and well aligned with our vision and mission are essential for IRC to function effectively. Identifying such funding to replace the 2011-16 programme subsidy from DGIS is essential for IRC to continue its work as a think and do tank capable of driving sector change. In May 2016, approximately 53% of the 2017 target (of 12 million Euro’s) has been identified, a figure that while positive is some 20% below target. Despite a number of promising opportunities this has prompted IRC’s management to adopt the second scenario as the basis for planning. This will permit us, while continuing to focus primarily on the development to of a new post 2016 strategy and the funding to achieve it, to be in position to take remedial action later in 2016 if fundraising prospects have not improved.

## Financial report

IRC's total income of €7,784,218 in 2015 was 24% lower than the preceding year, amounting to a decrease in income of €2,507,800. A lower income during 2015 was foreseen, as the budget for 2015 was €7,018,266. The realized income is above planning, though under the ambition level of €8,500,000.

In 2015 IRC had 73 different projects that were funded for by 48 different donors, resulting in an average of some €100,000 per project.

Staff related expenses in 2015 (for IRC in the Netherlands) were €2,930,544 – 16% lower than the budgeted €3,498,355. The reduction in staff costs are particularly due to additional staff departures (without them being replaced) and the absence of a structural salary increase during 2015. The net general and administration expenses were €279,020 – 47% lower than budgeted (i.e. €528,913). In addition to a welcome saving in general administration costs, IRC was able to recover a much larger part of these costs than budgeted on project funding.

As a result, IRC managed to achieve a minor positive operating result of €1,081. This is an encouraging and positive development after two years of significant negative business results, reflecting the impact of organizational restructuring and the reduction of staff in the Netherlands. The positive result will be added to the foundation's reserves.

During 2015, IRC benefited from a total of €996,713 of programmatic core funding from DGIS (13 % of total income), which is part of IRC's five- year funding agreement with DGIS for a total of €9,670,000 during the Business Plan period 2012-2016. A total of €828,378 remains available for 2016. In February 2016, DGIS made available an additional €1,000,000 as a supplement to the existing funding for the current business plan.



## Forward looking statement

2016 is the last year of IRC's current Business Plan, and of the related funding agreement with DGIS. It is also the last year of a two-year budget neutral extension of the Gates foundation funded Triple-S project. Taken together, these two sources represent some € 2,75 million of funding that is so well aligned to IRC's programmatic aims as to count as core funding. This represents 24% of 2016 IRC's current budget of € 11,4 million.

Over the period 2012 to date IRC has largely transformed itself from a Netherlands based knowledge centre to a decentralised think and do tank with strong, respected and demanded presence both globally and in its focus countries. This transformation has included among others: developing a new brand and digital presence; opening country offices (in Burkina Faso, Ethiopia, Ghana and Uganda, and with India and Honduras to come in 2016), developing a consultancy sub-brand (IRC consult with a turnover of some €0.6 million in 2015); and creating a new internal governance structure that put the centre of gravity squarely in the south.

In 2015 IRC launched a major new partnership, the Agenda for Change, together with like-minded organisations. The Agenda for Change will form the guiding framework under which IRC will position its offer to the global WASH sector in the new era of the Sustainable Development Goals.

At €11,393,763 IRC's 2016 budget is some €4.4 million more than that of 2015 and reflects a return to previous levels of ambition. It has been boosted by the award by DGIS in early 2016 of a €1 million top-up to the current Business Plan, as well as by the start-up of the WaterSHED (previously WASH-IT!) programme. The total ambition level (set at €11 million in 2015) for the 2016 annual plan has therefore already been surpassed and with the new organisation structure developed in 2015, IRC is well prepared to spend it effectively to purpose.

### Beyond 2016

Despite these positive signals for 2016, the period beyond 2017 remains profoundly uncertain. IRC's management has set ambitious growth targets for the years following 2016 – linked to an intention to expand from the current six to ten focus countries by 2020. This means that the ambition level for 2017 is set at €12 million. As of the end of March 2016, some 50% of this had been either contracted or identified in a weighted pipeline. This figure rises to some 61% when additional (weighted) funding that is not yet included in the pipeline – but that is under discussion with donors – is added. The bulk of this funding is highly aligned to IRC's programme and can be considered as core funding.

Taken together, the funding outlook for IRC is therefore highly uncertain with a range of possible outcomes. To cater to this uncertainty, IRC's management have developed a set of outline scenarios to guide their thinking and action in the first three quarters of 2016. These range from broad achievement of fundraising targets under an ideal scenario, to only incremental increase on what has already been acquired in the worst case. A number of priority actions have been identified to ensure that regardless of the scenario, IRC is in a position to continue as an organisation and to achieve as many as possible of its ambitions. These include:

- Improving the business model (including adjustments to the cost and revenue model) and streamlining financial administrative systems – this is essential and top priority;
- Maintaining strong focus and attention on securing additional funding from a number of selected donors;
- Continued success in building partnerships and attracting funds from the market underpin all scenarios, with particular attention to funding focus countries and the 'difficult to finance activities' (e.g. communication, innovation, business development and project control);
- A revision of IRC's Netherlands labor conditions to result in a package that on the one hand fits a new funding reality, while on the other remains attractive for staff to join or stay with IRC; and
- Identification of those areas of IRC's business which are viable under different business cases.

In conclusion, IRC's 2016 outlook is positive, with sufficient funds to continue to cement change and build position and impact. Despite this, the period beyond 2016 remains uncertain, with the need to prepare actively for a range of possible scenarios. A decision on which scenario to implement will be taken in September 2016.



## Acknowledgements

IRC would like to thank all of its donors and partners in 2015. In particular we are grateful to the Dutch government for its continued flexible support to our programmes, essential to allow us to remain innovative and flexible in the face of rapid sector change. We are equally grateful to the many other donors who have funded our work, notably the Bill and Melinda Gates Foundation and the Conrad N. Hilton Foundation as well as more than 45 others in 2015.

Partnership is at the core of how IRC works and we acknowledge the many partners with whom we have worked during the year, particularly the governments of our focus countries who we have striven to support and without whom our vision of a transformed WASH sector capable of bringing services to everyone cannot be achieved.

IRC's primary contribution to our mission is our people and the knowledge, skills and passion they bring to their work. I would like to thank all IRC staff for their continued commitment during another year of change and challenges – during which they continued their commitment to cutting edge and transformative work.

The Hague, 16 May 2016

Patrick Moriarty,  
Director

## Balance Sheet as at 31 December 2015

(After profit appropriation)

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

		<u>31 December 2015</u>		<u>31 December 2014</u>	
		€	€	€	€
<b><u>ASSETS</u></b>					
<b>Non-current Assets</b>					
Tangible fixed assets	1	80,717		161,451	
			80,717		161,451
<b>Current assets</b>					
Accounts receivable services	2	550,135		384,321	
VAT receivable	3	25,257		2,841	
DGIS subsidy	4			252,181	
Other receivables	5	167,209		182,302	
Cash and cash equivalents	6	3,672,575		5,701,078	
			4,415,176		6,522,723
<b>Total assets</b>		<b>4,495,893</b>		<b>6,634,174</b>	
<b><u>LIABILITIES</u></b>					
<b>Reserves</b>					
Foundation's general reserves	7	705,549		1,530,234	
Result current financial year		1,081		-824,686	
			706,630		705,548
<b>Provisions</b>					
Jubilee provision	8	31,559		38,011	
Redundancy costs staff	9	64,169		684,411	
Other staff related provisions	10	174,049		234,489	
			269,777		956,911
<b>Current liabilities</b>					
DGIS subsidy	4	51,379			
Short term net balance Gates Foundation	4	929,211		2,531,079	
Short term net balance on projects	11	2,014,309		1,848,891	
Tax and Pension premiums payable	12	73,416		100,516	
Creditors services	13	157,061		185,006	
Other current liabilities	14	294,110		356,222	
			3,519,486		5,021,714
<b>Total liabilities</b>		<b>4,495,893</b>		<b>6,684,174</b>	

## INCOME STATEMENT FOR 2015

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

	2015 Actual €	2015 Budget €	2014 Actual €	2014 Budget €
<b><u>INCOME</u></b>				
15 Core program funding	2,598,581	1,900,000	2,468,769	2,498,500
16 Other project funding	5,185,637	5,118,266	7,823,249	7,464,500
<b>Total</b>	<b>7,784,218</b>	<b>7,018,266</b>	<b>10,292,018</b>	<b>9,963,000</b>
<b><u>EXPENSES</u></b>				
17 Personnel costs	2,930,544	3,498,353	4,408,712	4,773,000
18 Other project related costs	4,622,814	3,011,000	5,428,767	4,939,200
19 General & administrative expenses	279,020	528,913	457,135	545,000
<b>Subtotal</b>	<b>7,832,378</b>	<b>7,038,266</b>	<b>10,294,614</b>	<b>10,257,200</b>
<b>Operating result</b>	<b>-48,160</b>	<b>-20,000</b>	<b>-2,596</b>	<b>-294,200</b>
20 Financial income and expenditures +/-	49,241	20,000	90,393	20,000
21 VAT related costs 2009-2013 -/-	0	0	74,786	0
22 Restructuring costs -/-	0	0	837,697	0
<b>Annual result</b>	<b>1,081</b>	<b>0</b>	<b>-824,686</b>	<b>-274,200</b>

## CASH FLOW STATEMENT FOR 2015

	2015		2014	
	€	€	€	€
<b>Cash flows from operating activities</b>				
Annual result		1,081		-824,686
<b>Adjustments for:</b>				
Depreciation	80,733		73,047	
Movement in provisions	-60,440		875,209	
Bad debts accrual	7,401		8,324	
Interest income	<u>-37,179</u>		<u>-45,021</u>	
		-9,485		911,559
<b>Changes in working capital</b>				
Short-term net balance	-1,385,070		-1,707,335	
Receivables	34,134		347,927	
Provisions	-626,694		-830,929	
Current liabilities	<u>-117,156</u>		<u>-208,609</u>	
<b>Cash used in operations</b>		-2,094,786		-2,398,946
Interest received	<u>74,687</u>		<u>78,637</u>	
		74,687		78,637
<b>Net cash used in operating activities</b>		<u><u>-2,028,503</u></u>		<u><u>-2,233,436</u></u>
<b>Cash flows from investing activities</b>				
Purchases of assets	<u>0</u>		<u>-45,750</u>	
<b>Net cash used in investing activities</b>		0		-45,750
<b>Net cash flow</b>		<u><u>-2,028,503</u></u>		<u><u>-2,279,186</u></u>
<b>Net decrease in cash &amp; cash equivalents</b>		<u><u>-2,028,503</u></u>		<u><u>-2,279,186</u></u>

## Basis of the Valuations

### Objective

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

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

### General

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

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

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

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

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

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

### Going Concern

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

### Tangible fixed assets

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

Computer equipment is depreciated over three years.

The telephone switchboard with accessories is depreciated over five years.

Other durable business assets are depreciated over ten years.

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

### Accounts receivable

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

### Cash and cash equivalents

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

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

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

### Inventory

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

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

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

### **Provisions**

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

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

### **Net balance on projects**

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

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

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

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

### **Pension benefits**

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

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

### **Liabilities**

Liabilities are at face value.

### **Income from projects**

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

### **Exchange rate results**

The currency used throughout this report is Euro.

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

Translation gains and losses are recognised in the income statement.

### **Cash flow statement**

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

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

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



## Notes to the Balance Sheet

### ASSETS

#### 1 Tangible fixed assets

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

	Office Equipment	Computer Equipment	2015	2014
	€	€	€	€
<u>Position as of 1 January</u>				
Purchase price	154,918	308,339	463,257	505,195
Minus: Accumulated depreciation	-89,091	-212,715	-301,806	-316,447
Book value	65,827	95,624	161,451	188,748
<u>Transactions during financial year</u>				
Additions	0	0	0	45,750
Minus: Depreciation	-16,271	-54,556	-70,827	-73,047
Minus: Disposals at cost	-28,280	686	-27,594	-87,688
Plus: Accumulated depreciation disposals	20,435	-2,747	17,688	87,688
Total transactions	-24,116	-56,617	-80,733	-27,297
<u>Position as of 31 December</u>				
Purchase price	126,638	309,025	435,663	463,257
Minus: Accumulated depreciation	-84,927	-270,019	-354,946	-301,806
<b>Book value December 31</b>	<b>41,711</b>	<b>39,006</b>	<b>80,717</b>	<b>161,451</b>

#### 2 Accounts receivable services

The outstanding balance for accounts receivable amounts to € 550,135 as of 31 December 2015.

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

The total amount of the provision for uncollectable debts is € 15,725 as of 31 December 2015.

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

	Original amount	Provision	31 December 2015	31 December 2014
	€	€	€	€
Less than 6 months	565,035	-15,725	549,310	381,546
6 to 12 months	825	0	825	2,775
12 to 18 months	0	0	0	0
More than 18 months	0	0	0	0
<b>Balance December 31</b>	<b>565,860</b>	<b>-15,725</b>	<b>550,135</b>	<b>384,321</b>

#### 3 VAT receivable

As of 31 December 2015, a VAT amount of € 25.257 can be claimed from the tax authorities. At the end of 2014 the refundable VAT amounted to € 2,841.

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

	2015	2014
	€	€
Position as of 1 January	2,841	74,714
Plus: addition to provision	25,257	2,841
Minus: used from provision	-2,841	-74,714
<b>VAT position December 31</b>	<b>25,257</b>	<b>2,841</b>

In 2016 an amount of EUR 24.202 was received back from the tax authorities. The balance will be requested in the supplementation of 2015.

#### 4 DGIS subsidy

The Ministry of Foreign Affairs (DGIS) has issued a subsidy totaling € 10,420,000 for the period 2012 through 2016. This subsidy consist of € 9,670,000 for core activities and € 750,000 to be used for ad-hoc advisory assignments. Based upon the Business Plan 2012-2016 and Annual Plans, IRC will receive two instalments per year: in January and in July.

	<u>Core activities</u>	<u>Interest</u>
	€	€
Subsidy instalment received for 2012	2,850,000	20,353
Subsidy instalment received for 2013	2,370,000	4,271
Subsidy instalment received for 2014	2,450,000	400
Subsidy instalment received for 2015	1,300,000	275
	<u>8,970,000</u>	<u>25,299</u>
Subsidy DGIS spent in 2012	2,751,143	
Subsidy DGIS spent in 2013	2,727,293	
Subsidy DGIS spent in 2014	2,468,769	
Subsidy DGIS spent in 2015	996,713	
	<u>8,943,919</u>	
	<b>31 December</b>	<b>31 December</b>
	<b>2015</b>	<b>2014</b>
	€	€
Total received in advance/prepaid by IRC	-26,080	277,205
Received interest	-25,299	-25,024
Total received in advance by IRC including received interest	<u>-51,379</u>	<u>252,181</u>

#### 5 Other receivables

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

	<u>31 December</u>	<u>31 December</u>
	<u>2015</u>	<u>2014</u>
	€	€
Interest receivable	35,885	73,392
Prepaid amount	131,324	108,910
Other receivables December 31	<u>167,209</u>	<u>182,302</u>

#### 6 Cash and cash equivalents

Bank and cash in hand can be specified as follows:

	<u>31 December</u>	<u>31 December</u>
	<u>2015</u>	<u>2014</u>
	€	€
ABN / AMRO One month Deposit	100,000	2,800,000
Current and savings accounts	3,399,472	2,782,557
Cash and Bank Burkina Faso office	39,739	21,243
Cash and Bank Ghana office	25,068	96,836
Cash and Bank Ethiopia office	28,735	0
Cash and Bank Uganda office	79,225	0
Cash in hand	336	442
Balance December 31	<u>3,672,575</u>	<u>5,701,078</u>

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

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

## LIABILITIES

### 7 Reserves

The foundation's general reserves serve to cover general business risks without restrictions.  
The profit of 2015 of € 1,081 will be added to the foundation's general reserves.

	31 December 2015	31 December 2014
	€	€
Foundation's general reserve	705,549	1,530,234
Result financial year	1,081	-824,686
<b>Position December 31</b>	<b>706,630</b>	<b>705,548</b>

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

	€	€
Fixed asset equalization reserve	80,717	161,451
Other resistance equity	625,914	544,097
	<b>706,630</b>	<b>705,548</b>

### 8 Jubilee provision

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

	2015	2014
	€	€
Position as of 1 January	38,011	51,101
Changes in provision	-6,452	-13,090
<b>Position December 31</b>	<b>31,559</b>	<b>38,011</b>

### 9 Redundancy costs staff

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

	2015	2014
	€	€
Position as of 1 January	684,411	325,624
Minus: used from provision redundancy 2014	0	-325,624
Provision Restructuring and redundancy costs 2015	0	837,697
Minus: used from provision restructuring/redundancy 2015	-620,242	-153,286
<b>Position December 31</b>	<b>64,169</b>	<b>684,411</b>

### 10 Other staff related provisions

At the end of 2015 IRC has taken into account a provision for outstanding leave days, hypotax and possible unemployment benefits for the staff not involved in the redundancy.

The other staff related provisions are specified as follows:

	31 December 2015	31 December 2014
	€	€
Hypotax	70,750	101,546
Minus: used from provision hypotax	-64,136	-68,128
Provision unemployment risk	108,394	119,025
Minus: used from provision unemployment risk	-21,126	-10,631
Employee leave rights payable	80,167	92,677
<b>Balance December 31</b>	<b>174,049</b>	<b>234,489</b>

## 11 Net balance on projects

The item 'Net balance on projects' amounts to € 2,014,309 as of 31 December 2015. It concerns amounts that were received and invoiced for projects that were not completed as of 31 December 2015. As of the end of 2014 this item amounted to € 4,379,970.

In 2015 the amount of € 2,531,079 of exchange rate and interest gains from Gates foundation was taken out from the net balance on projects as this project was closed in 2014.

The balance of the Exchange rate and interest gains are mentioned in the explanation of the profit and loss statement point 16.

The total for the 'Work in progress' (total amount of all the running projects) was € 11.638.439 in 2015, what was 2.1 Mio more than the total of € 9,490,365 at the end of 2014.

The Net balance shows the difference of these total amounts minus the part that is executed at that moment. On the other side of this balance there are prepaid amounts to partners. These consists of small balances.

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

	31 December 2015	31 December 2014
	€	€
Exchange rate and interest gains from Gates foundation	0	2,531,079
Other external financed projects	2,014,309	1,848,891
<b>Total Net Balance</b>	<b>2,014,309</b>	<b>4,379,970</b>

## 12 Tax and Pension premiums payable

	31 December 2015	31 December 2014
	€	€
Employer Tax and Pension premiums payable	73,416	100,516
<b>Balance December 31</b>	<b>73,416</b>	<b>100,516</b>

The outstanding balance was paid in January to Tax and Pension agencies.

## 13 Creditors for services

The aging of the outstanding items is as follows:

	31 December 2015	31 December 2014
	€	€
Less than 6 months	157,061	185,006
6 to 12 months	0	0
More than 12 months	0	0
<b>Balance December 31</b>	<b>157,061</b>	<b>185,006</b>

## 14 Other current liabilities

The other current liabilities are specified as follows:

	31 December 2015	31 December 2014
	€	€
Holiday allowance payable	85,591	148,249
Year-end allowance payable	10,556	18,325
Other payable items	197,963	189,648
<b>Balance December 31</b>	<b>294,110</b>	<b>356,222</b>

## Contingencies and commitments not included in the balance sheet

### Fictitious unemployment (WW) commitments

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

The maximum unemployment commitment amounts for which IRC could be held responsible in the event of fictitious liquidation, effective 1 January 2016 are as follows:

	€
Maximum unemployment commitment nominal as of 31-12-2015	2,318,950

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

### Sick pay

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

### Number of employees as per 31 december

The number of employees paid from the Netherlands as per 31 december is 35 (30,9 FTE) in 2014 was this respectively 53 (51,0)

The number of employees paid from the branch offices as per 31 december is 37 (37,0 FTE) in 2014 was this respectively 22 (22,0)

### Risk carrier for disability (WIA)

As per 1-1-2013 IRC has insured this risk. There are no risks outstanding associated from before 31-12-2015.

### Rental and lease agreement

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

Since August 2015 IRC reduced the squaremeters from 775 to 605m<sup>2</sup>, reducing the rental.

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

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

	€
Rent obligations up to 1 year office	90,720
Lease obligation up to 1 year copiers	12,005
Rent obligations > 1 year office	52,920
Lease/rent obligations total	155,645

## Notes to the income statement

### Income from projects

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

The total income from projects can be specified as follows:

Income	Actual 2015 €	Budget 2015 €	Actual 2014 €	Budget 2014 €
<b>15 Core program funding</b>	2,598,581	1,900,000	2,468,769	2,498,500
<b>16 Other project funding</b>				
Triple-S	0	0	2,452,110	2,548,000
WASHCost	0	0	6,640	0
Other IRC projects	5,232,504	5,118,266	5,398,891	4,916,500
Result on closed projects	-46,867	0	-34,392	0
	<u>7,784,218</u>	<u>7,018,266</u>	<u>10,292,018</u>	<u>9,963,000</u>

The income from projects for the financial year 2015 amounts to € 7,784,218 which is 13.4% more than budgeted.

### Core Program funding

The Programmatic funding DGIS comprises the part of the five-year subsidy (2012-2016) from the Ministry of Foreign Affairs. An amount of € 996,713 is attributed to the subsidy income in 2015.

The balance of "Exchange rate and interest gains from Gates foundation" of € 2,943,007 is moved from other projects to core program funding.

In 2013 and 2014 an amount of € 411,928 was deducted from this amount. In 2015 an amount of € 1,601,868 was spent as core funding. The balance of € 929,211 will be used in 2016.

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

This subsidy consisted of the following parts:

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

The program subsidy is partially spent per the end of 2015 as follows:

Basic subsidy	Core activities €	Advisory €	Total
Available for the period 2012 - 2016	9,670,000	750,000	10,420,000
Minus: expenditures in 2012	-2,648,847	-102,296	-2,751,143
Minus: expenditures in 2013	-2,727,293	-187,546	-2,914,839
Minus: expenditures in 2014	-2,468,769	-223,957	-2,692,726
Minus: expenditures in 2015	-996,713	-148,087	-1,144,800
Balance as of 31 December	<u>828,378</u>	<u>88,114</u>	<u>916,492</u>

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

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

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

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

### DGIS-funded Programs

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

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

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



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

	<b>Actual 2015</b>	<b>Budget 2015</b>	<b>Actual 2014</b>	<b>Budget 2014</b>
	€	€	€	€
Program personnel costs	711,693	642,200	1,872,119	1,826,809
Information and Global Services	97,754	120,000	260,215	162,493
Innovation Program	28,608	51,900	23,301	35,000
Regional and Country Programs	121,952	103,600	289,647	458,000
Program and general management	36,706	82,300	23,487	16,198
	<b>996,713</b>	<b>1,000,000</b>	<b>2,468,769</b>	<b>2,498,500</b>

The expenditures for the DGIS-funded programs for 2015 (the third year of 5-year subsidy 2012-2016) were originally budgeted at € 1,000,000. The expenditures during the year 2015 were in line with the budget and amounted to a total of € 996,713

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

This difference compared to 2014 was more than € 1,470,000 what is in line with the policy to use less DGIS funding every year.

This process was started in 2012.

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

During the execution of the projects funded by the Gates Foundation accumulated exchange rate gains and interest were included in the work-in-progress on an annual basis. At the end of 2014 IRC closed these projects. The amount available at the end of 2014 is was € 2.5 mio. During 2013 till 2014 the amount of € 411,928 was already used. In 2015 the uptake was EUR 1,189,939. The Gates Foundation agreed to use these money in line with the project objectives.

	€
Available for the period 2013 - 2016	2,531,079
Minus: expenditure 2014 and 2015	-1,601,868
<b>Balance amount to use during 2016</b>	<b>929,211</b>

#### **Expenses**

##### **17 Personnel costs**

The total personnel costs for 2015 amounts to € 2,930,544. This is 8% less than the budget, mainly due to a zero general salary increase.

An amount of € 186,000 was budgeted for other personnel costs. The actual expenses were € 141,936 which is much lower than the actuals from 2014 (€210,611) due to less training and education and health expenses.

<b>Number of FTE's in the Netherlands 31/12/2015</b>	<b>31</b>
<b>Number of FTE's Foreign 31/12/2015</b>	<b>37</b>

The specification of personnel costs is as follows:

	<b>Actual 2015</b>	<b>Budget 2015</b>	<b>Actual 2014</b>	<b>Budget 2014</b>
	€	€	€	€
<b>Salary expenses</b>				
Gross salaries including vacation allowance	2,648,593	2,923,864	3,348,758	3,599,187
National insurance contributions	209,415	263,148	287,179	308,655
Pension premium contributions	282,303	409,341	460,705	495,158
Release social plan costs	-423,647	-425,000	0	0
Other	71,944	100,000	101,459	100,000
<b>Total salary expenses</b>	<b>2,788,608</b>	<b>3,271,353</b>	<b>4,198,101</b>	<b>4,503,000</b>
<b>Other personnel costs</b>				
Temporary employees	59,065	100,000	33,983	100,000
Recruitment	148	5,000	2,137	5,000
Foreign posting costs	6,672	0	12,593	0
Training and education	14,864	45,000	54,275	75,000
Personnel administration	21,700	20,000	34,334	20,000
Health expenses and health support	5,049	17,500	28,429	20,000
Travel free weeks and social events	9,417	15,000	16,046	22,000
Personnel insurances	16,806	12,500	21,929	15,000
Miscellaneous	8,215	12,000	6,885	13,000
	<b>141,936</b>	<b>227,000</b>	<b>210,611</b>	<b>270,000</b>
<b>Total personnel costs</b>	<b>2,930,544</b>	<b>3,498,353</b>	<b>4,408,712</b>	<b>4,773,000</b>

## 18 Other project related costs

	Actual 2015 €	Budget 2015 €	Actual 2014 €	Budget 2014 €
<b>Total project related costs</b>	<b>4,622,814</b>	<b>3,011,000</b>	<b>5,428,767</b>	<b>4,939,200</b>

The other project related costs mainly remains to partner, consultants and associate costs to a total of more than 4,6 Mio (almost 60% of the total). This is 0,8 Mio less than in the year 2014 but 15% percent less due to the smaller total amount of other project related costs in 2014.

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

G&A concerns all office related expenses and expenses related to the management and operational costs of the organisation. G&A amounts to € 279,020 in the year 2015. Comparing to the budget there is approximately € 18,500 less spent than there was originally budgeted for. Compared to 2014 expenses were lower mainly due to the downsizing of IRC in 2015.

Housing, IT and Office inventory was € 22,302 more compared to the budget what was caused by more expenditures for office rent In the last Quarter of 2015 the contract with NWP was adjusted as less office space is needed.

Office supplies with printing and postage were conform the budget.

Communications costs were approximately € 4,500 lower as part of these costs was covered by projects.

Management, marketing, PR and advisory costs are conform the budget.

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

Tax and legal consultancy costs are lower than foreseen.

Recovered overhead expenses: Here IRC succeeded to recover approximately € 23,000 more than expected at the beginning of the year.

The specification of the G&A is as follows:

	Actual 2015 €	Budget 2015 €	Actual 2014 €	Budget 2014 €
Housing	251,623	248,000	248,264	230,000
Information Technology	122,825	115,000	151,875	150,000
Office inventory	18,854	5,000	18,112	5,000
Office supplies	3,729	10,000	8,445	10,000
Printing	16,014	15,000	18,320	15,000
Postage	2,323	0	1,472	0
Communication	8,540	25,000	11,664	25,000
Supervisory Board	19,255	20,000	19,409	25,000
Auditor	43,045	35,000	38,045	35,000
Management, marketing, PR and Advisory	57,448	80,000	51,849	100,000
Tax & legal consultancy	5,772	30,000	10,572	25,000
Literature & WorksCouncil	3,023	5,000	1,837	5,000
Recovered overhead expenses	-273,431	-59,087	-122,729	-80,000
	<b>279,020</b>	<b>528,913</b>	<b>457,135</b>	<b>545,000</b>

## 20 Financial income & expenditures net.

Financial income & expenditures in 2015 amounts to € 49,241 gain what is in line with the budget.

Financial income & expenditures can be specified as follows:

	Actual 2015 €	Budget 2015 €	Actual 2014 €	Budget 2014 €
Deposit Accounts	37,179	30,000	45,021	30,000
Bank costs	-8,430	-10,000	-7,697	-10,000
Accrual bad debts	-7,401	0	-8,324	0
Currency exchange result	-1,456	0	60,983	0
Other financial charges	48,426	0	0	0
Result former years	660	0	0	0
Discount IRC Consult UK	-17,637	0	0	0
Cash & payment differences	-2,100	0	410	0
	<b>49,241</b>	<b>20,000</b>	<b>90,393</b>	<b>20,000</b>

**Remuneration of the Supervisory Board**

The 6 members of the Supervisory Board received a total allowance of € 12,599.76. There are no loans, advances or guarantees provided to the director or one of the Supervisory Board members. Hotel costs and flights to attend meetings were paid on invoice basis for the Supervisory Board members.

**Annual result**

The annual result for 2015 is positive and amounts to € 1,081.

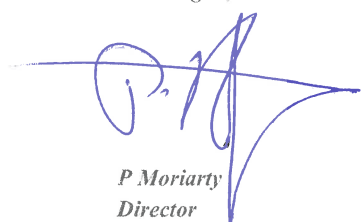
The result will be added to the foundation's general reserves.

## Remuneration for the Director of IRC

Patrick Moriarty			
Name			
Job position	Director		
	Year	2015	2014
Type of contract			
hours		36	36
Part time percentage		100	100
Period		01/01 - 31/12	01/01 - 31/12
Salary (€)			
Annual Income, gross			
Gross salary		87,542	85,186
Holiday allowance		7,003	6,815
Year end allowance		7,266	7,070
Variable income		0	0
	Gross employee	101,812	99,071
Employers Social Security costs		7,277	3,404
Taxable disbursement		0	0
Employers Pension Contribution		14,575	15,612
Other (future) benefits		0	0
Severance Entitlement		0	0
Total Remuneration		123,664	118,087

Approved and signed in the Supervisory Board Meeting on 18 May

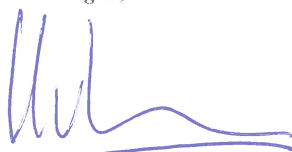
The Hague, 2016



P Moriarty  
Director

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

The Hague, 2016



H van Dord  
Chairman Supervisory Board

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



## *Independent auditor's report*

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

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### *Report on the financial statements 2015*

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#### *Our opinion*

In our opinion the accompanying financial statements give a true and fair view of the financial position of IRC International Water and Sanitation Centre as at 31 December 2015, and of its result for the year then ended in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

#### *What we have audited*

We have audited the accompanying financial statements 2015 of IRC International Water and Sanitation Centre, The Hague ('the foundation').

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the income statement for the year then ended;
- the cash-flow statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

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#### *The basis for our opinion*

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

We are independent of IRC International Water and Sanitation Centre in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

Ref.: e0379308

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### ***Responsibilities of management and the supervisory board***

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board; and 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 foundation'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 foundation 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 foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the foundation's financial reporting process.

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### ***Our responsibilities for the audit of the financial statements***

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

The Hague, 17 May 2016  
PricewaterhouseCoopers Accountants N.V.

  
M. van Ginkel RA



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## ***Appendix to our auditor's report on the financial statements 2015 of IRC International Water and Sanitation Centre***

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In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### ***The auditor's responsibilities for the audit of the financial statements***

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- 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 intentional 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 foundation'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, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the foundation'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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the foundation 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.

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

## Branch office IRC Burkina Faso

### Balance Sheet as at 31 December 2015

	<u>31 December 2015</u>		<u>31 December 2014</u>	
	€	€	€	€
<b><u>Assets</u></b>				
<b>Non-current Assets</b>				
<b>Current assets</b>				
Prepayments	12,313		6,674	
Cash and Bank Balance	39,739		21,243	
		52,052		27,917
<b>Total assets</b>		<b>52,052</b>		<b>27,917</b>
<b><u>Liabilities</u></b>				
<b>Current liabilities</b>				
Accounts payable	30		28	
Outstanding cheques	3,234		1,180	
		3,264		1,208
		<b>3,264</b>		<b>1,208</b>
<b>Provisions</b>				
Employees - end of contract benefits	17,640			-
		17,640		
		<b>17,640</b>		
<b>Net Assets</b>		<b>31,148</b>		<b>26,709</b>
<b>Financed by</b>				
Accumulated Fund		<b>31,148</b>		<b>26,709</b>

### Income and Expenditure as at 31 December 2015

	<u>31 December 2015</u>	<u>31 December 2014</u>
	€	€
<b><u>Income</u></b>		
Transfer IRC NL to Burkina Faso	785,223	296,703
Transfer other projects	350,272	34,046
	<b>1,135,495</b>	<b>330,749</b>
<b><u>Expenditures</u></b>		
Project costs DGIS	41,380	30,262
Project costs WaWash	266,518	226,318
Project costs SaniEst	477,204	49,838
Project costs SaniEst Communes	94,465	
Project costs SaniEst Helvetas	197,315	
Project costs Danida BF prg	4,186	2,762
Project costs Sanifaso		378
Project costs LVIA		648
Project costs CTB Projet de renforcement des capacités BF	2,966	
Project costs Helvetas water Study BF	9,159	
Project Oxfam	11,032	
Project Unicef KM & SL	122	
	<b>1,104,347</b>	<b>319,206</b>
<b>Surplus transferred to accumulated</b>	<b>31,148</b>	<b>20,543</b>
<b>Balance 01 January</b>		5,600
<b>correction balance 31/12/2013 IRC BF</b>		566
<b>Balance 31 December</b>	<b>31,148</b>	<b>26,709</b>

## Branch office IRC Ghana

Amounts in Cedis

### Balance Sheet as at 31 December 2015

	31 December 2015	31 December 2014
	₵	₵
<b>Assets</b>		
Non-current Assets	152,287	101,078
Current assets		
Prepayments	297,398	113,352
Cash and Bank Balance	96,510	374,273
	393,908	487,625
<b>Total current assets</b>	<b>393,908</b>	<b>487,625</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	104,122	110,464
IRC Netherlands	248,292	301,713
	352,414	412,177
<b>Net Current Assets</b>	<b>41,494</b>	<b>75,448</b>
	41,494	75,448
<b>Net Assets</b>	<b>193,781</b>	<b>176,526</b>
<b>Financed by</b>		
Accumulated Fund	193,781	176,526

### Income and Expenditure as at 31 December 2015

	31 December 2015	31 December 2014
	₵	₵
<b>Income</b>		
Core Programme funding	1,178,186	629,909
SKMI/UNICEF project	178,983	664,891
Other projects	389,979	1,995
	1,747,148	1,296,795
<b>Expenditures</b>		
Personnel Costs	603,463	419,929
Housing Costs	124,472	69,848
Administrative costs	287,482	164,272
RCN	18,576	59,998
Other projects	695,900	501,688
	1,729,893	1,215,735
<b>Surplus for the year</b>	<b>17,255</b>	<b>81,060</b>
Balance brought forward	176,526	193,781
<b>Balance carried forward</b>	<b>193,781</b>	<b>274,841</b>

currency rate 2015

3.85

**Branch office IRC UGANDA**

Amounts in Shiling

**Balance Sheet as at 31 December 2015**

		<b>31st December 2015</b>	
		<b>UGX</b>	<b>UGX</b>
<b><u>ASSETS</u></b>			
	Current Assets		
	Cash and Bank Balance	272,406,753	
	Staff Working Advances	9,542,813	
			281,949,566
	<b>TOTAL ASSETS</b>		<b>281,949,566</b>
<b><u>LIABILITIES</u></b>			
	Account payable		
	PAYE payable	7,422,060	
	Withholding Tax	90,001	
			7,512,061
	<b>TOTAL LIABILITIES</b>		<b>7,512,061</b>
<b><u>NET CURRENT ASSETS</u></b>			<b>274,437,505</b>
<b>Financed by</b>			
<b>Fund balance</b>			<b>274,437,505</b>

**Statement of income and expenditure as at 31 December 2015**

January through December 2015

<b><u>Income</u></b>			
	Transfer from IRC- NL	580,619,125	
	Triple S	75,926,276	
	WSSCC	416,717,481	
	ACRA-CCS	24,384,000	
	SNV	25,858,075	
	Cencern World Wide	18,958,906	
	Other projects and income	2,840,200	
	<b>Total Income</b>		<b>1,145,304,063</b>
<b><u>Expenses</u></b>			
	Office Costs	105,765,062	
	Communication	25,048,434	
	Transport & Travel	151,602,991	
	Personnel Expenses	388,817,435	
	Partners & Consultants	31,278,472	
	Program costs	168,354,164	
	<b>Total Expense</b>		<b>870,866,558</b>
<b>Balance carried forward</b>			<b>274,437,505</b>

currency rate 2015

0.00029

**Branch office IRC Ethiopia**

Amounts in Birr

**BALANCE SHEET as at 31 December 2015**

	31st December 2015	
	ETB	ETB
<b><u>ASSETS</u></b>		
Current assets		
Cash and bank balance	653,115	
<b>Total assets</b>	<b>653,115</b>	
<b><u>EQUITY AND LIABILITIES</u></b>		
Equity		
Capital	2,070,990	
Current liabilities		
Accounts Payable	154,853	
<b>Total Equity and Liabilities</b>	<b>2,225,843</b>	
<b>NET CURRENT ASSETS</b>		<b>(1,572,728)</b>
Financed by		
Fund balance		<b>(1,572,728)</b>

**STATEMENT OF INCOME AND EXPENDITURE****FOR THE PERIOD FROM 25 AUGUST 2015 TO 31 DECEMBER 2015**

	Birr	Birr
Income (Transfer from Head office)		-
General and Admin. Expenses		
601 · Office costs	56,718	
602 · Survey costs	205,125	
603 · Communication	13,130	
605 · Transport and Travel	156,113	
606 · Meetings and events	179,170	
607 · Personal expenses	686,377	
608. Insurance	62,159	
609 · Partners and consultants	212,244	
610 · Bank service charge	523	
612 · License and registration	1,169	
<b>Total expenditure</b>		<b>1,572,728</b>
<b>DEFICIT OF INCOME OVER EXPENDITURE</b>		<b>(1,572,728)</b>
<b>FUND BALANCE BROUGHT FORWARD</b>		<b>-</b>
<b>FUND BALANCE CARRIED FORWARD</b>		<b>(1,572,728)</b>

currency rate 2015

0.043996

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