

2012 FINANCIAL REPORT

**Stichting Practica
Papendrecht**

BAKKER accountants & adviseurs

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21/09/2013

ANNUAL FINANCIAL STATEMENTS

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Balance as of December 31, 2012

Assets		31-12-12	31-12-11	
	<i>ref</i>	EUR	EUR	EUR
<i>Fixed Assets</i>				
Tangible Fixed Assets	2.1			
Other non current assets		<u>3.550</u>	<u>4.505</u>	
			3.550	4.505
<i>Current Assets</i>				
Accounts Receivable	2.2	41.737	13.708	
Other receivables, prepayments and accrued income	2.3	<u>2.568</u>	<u>1.056</u>	
			44.305	14.764
Cash and cash equivalents	2.4		231.765	103.205
			<u>279.620</u>	<u>122.474</u>
 <i>Equity and liabilities</i>				
Equity				
Continuity reserve	2.5	71.490	0	
Restricted reserves	2.5	20.000	0	
Other reserves	2.5	<u>48.706</u>	<u>41.945</u>	
			140.196	41.945
Short-term debts				
Accounts payable		10.752	9.307	
Taxes and social insurance premiums	2.6	7.402	7.346	
Other debts, accruals and deferred income	2.7	<u>121.270</u>	<u>63.876</u>	
			139.424	80.529
			<u>279.620</u>	<u>122.474</u>

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Statement of revenues and expenses for the year 2012

	<i>ref</i>	2012 EUR	2011 EUR
Revenues		643.683	351.251
Project costs		<u>-284.492</u>	<u>-178.897</u>
		359.191	172.354
Personnel costs	3.1	213.362	122.096
Depreciation	3.2	3.164	3.458
Other operational expenses	3.3	<u>44.374</u>	<u>29.893</u>
Total expenses		260.900	155.447
Operating result		98.291	16.907
Finance costs		<u>-40</u>	<u>-422</u>
Surplus for the year		98.251	16.485

The surplus for the year 2012 is added to the following reserves:

	2012 EUR
- Continuity reserve	71.490
- Restricted reserves	20.000
- Other reserves	6.761
	<u>98.251</u>

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Notes to the balance sheet and the statement of revenues and expenses

1 General notes

1.1 General

Objective/mission/management

The objective, as stipulated in Foundation Practica's statutes is to make development, improvement and implementation of technology in the area of water and energy possible. In 2012, the Foundation Board was comprised of Mr. R. H. Alderink, Mr. E. J. Huyskes, Ms. M. H. Meerburg and Ms. H. M. Toonen.

1.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

1.3 Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the foundation. If necessary for the purpose of providing the essential view, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

1.4 Accounting policies for the balance sheet

General

The financial statements have been prepared in accordance with the Dutch Accounting Standard 640 "Organisaties zonder winststreven" as issued by the Dutch Accounting Standards Board. The financial statements are expressed in euros. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and statement of revenues and expenses include references to the notes.

Tangible Fixed Assets

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses

Receivables

Trade receivables are carried at the fair value of the consideration, usually its face value. A provision is accounted for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are stated at face value.

Restricted reserves

Restricted reserves concern equity that has been earmarked by the Board for a special purpose.

Short-term debts

Short-term debts have a term of a maximum of 1 year.

1.5 *Accounting policies for the statement of revenues and expenses*

General

Results are determined as the difference between the realisable value of the services rendered, and the costs and other charges for the year. Revenues are recognised in the year in which they are realized; losses are taken as soon as they are foreseeable.

Revenues

The subsidies and gifts are accounted for in the year to which they relate. Revenues are recognized based on the services performed to the balance sheet date as a percentage of the total services to be performed and in accordance with the subsidy conditions.

Depreciation

Tangible fixed assets are depreciated over their estimated useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

Projectcosts

Costs of projects represents direct expenses attributable to the services performed.

Employee benefits

Salaries, wages and social security contributions are taken to the statement of revenues and expenses based on the terms of employment, where they are due to employees.

Other operational expenses

Other operating expenses comprise costs chargeable to the year that are not directly attributable to the costs of projects.

2 Explanatory notes regarding the balance

2.1 Tangible Fixed Assets

	Other non current assets
	EUR
January 1, 2012	
Acquisition price	17.297
Accumulated depreciation	<u>-12.792</u>
Book value	4.505
Changes in 2012	
Investments	2.209
Depreciation	<u>-3.164</u>
	-955
December 31, 2012	
Acquisition price	19.506
Accumulated depreciation	<u>-15.956</u>
Book value	3.550
Depreciation percentages	20,00%

2.2 Accounts Receivable

	31-12-12	31-12-11
	EUR	EUR
Accounts Receivable	<u>41.737</u>	<u>13.708</u>
	41.737	13.708

2.3 Other receivables, prepayments and accrued income

	31-12-12	31-12-11
	EUR	EUR
Interest bank	1.433	754
Pre-paid costs and other prepayments	<u>1.135</u>	<u>302</u>
	2.568	1.056

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2.4 Cash and cash equivalents

	31-12-12	31-12-11
	EUR	EUR
ING Bank	0	12.180
Triodos Bank	225.479	87.992
Societe Generale Madagascar	<u>6.286</u>	<u>3.033</u>
	231.765	103.205

2.5 Equity

	2012	2011
Continuity reserve		
At 1 January	0	0
Result appropriation	<u>71.490</u>	<u>0</u>
At 31 December	71.490	0

The continuity reserve serves as a buffer in the event certain calamities occur in the future. The Board agreed that Practica will work towards a continuity reserve in 2017 of € 357.450 (based on 50% of the annual operational costs prognosis for 2017 of € 714.900), starting at the end of 2012 and increasing linearly.

	2012	2011
Restricted reserves		
At 1 January	0	0
Result appropriation	<u>20.000</u>	<u>0</u>
At 31 December	20.000	0

A restricted reserve, amounting to € 10.000, is formed for the office move. The remainder of the restricted reserves, amounting to € 10.000, is formed for research and development.

	2012	2011
	EUR	EUR
Other reserves		
At 1 January	41.945	25.460
Result appropriation	<u>6.761</u>	<u>16.485</u>
At 31 December	48.706	41.945

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Short-term debts

2.6 Taxes and social insurance premiums

	31-12-12	31-12-11
	EUR	EUR
Payroll taxes	<u>7.402</u>	<u>7.346</u>
	7.402	7.346

2.7 Other debts, accruals and deferred income

	31-12-12	31-12-11
	EUR	EUR
Current projects	79.183	44.009
Holiday allowances	8.643	4.917
Vacation days	7.844	0
Bonuses employees	14.105	6.818
Net wages	0	5.032
Auditor's fees	<u>11.495</u>	<u>3.100</u>
	121.270	63.876

2.8 Rights and obligations not included in the balance

The foundation has entered into a rental obligation for housing for an amount of € 8.100 per year. This obligation expires on April 1, 2013.

3 Explanatory notes to the statement of revenues and expenses

3.1 Personnel costs

	2012	2011
	EUR	EUR
Wages and salaries	169.603	96.326
Social security contributions	30.117	16.492
Other personnel costs	<u>13.642</u>	<u>9.278</u>
	213.362	122.096
Average number of FTEs in service	3,5	2,0

3.2 Depreciation

	2012	2011
	EUR	EUR
Depreciation	<u>-3.164</u>	<u>-3.458</u>
	-3.164	-3.458

3.3 Other operational expenses

	2012	2011
	EUR	EUR
Housing costs	8.490	8.280
Sales costs	1.807	0
Office expenses	15.879	9.905
General costs	<u>18.198</u>	<u>11.708</u>
	44.374	29.893

Papendrecht, August 29, 2013

On behalf of the General Management

H. Aalderink
Chairman

E. Huyskes
Treasurer

Stichting Practica
Oosteind 47
3356 AB PAPENDRECHT

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Auditor's report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Stichting Practica
Oosteind 47
3356 AB PAPENDRECHT

Report on the financial statements

We were engaged to audit the accompanying financial statements 2012 of Stichting Practica, Wageningen, which comprise the balance sheet as at December 31, 2012, the statement of revenues and expenses for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Dutch Accounting Standard 640 "Organisaties zonder winststreven". Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

The comparative financial information in these financial statements is derived from the financial statements of previous year on which a disclaimer of opinion has been issued, based upon the following: "We have been unable to form an opinion retrospectively about whether the balance sheet as at December 31, 2010, gives a true and fair view of the financial position, which opinion can serve as a basis for the audit on the financial statements for the year 2011. If the amounts shown in the balance sheet mentioned were to require adjustment, this would directly affect the results reported for the year 2011. Both the composition and the amount of the result for 2011 therefore remain uncertain."

Besides, given the nature and the size of the company and its operations it is not possible for the company to maintain appropriate internal controls without incurring disproportionate costs. We have been unable to perform sufficient audit procedures to obtain reasonable assurance on the completeness and accuracy of turnover and related items as shown in the financial statements.



BAKKER
ACCOUNTANTS & ADVISEURS

Vennoten:
drs. R. de Geus RA MBA
J.A. Huijser AA
drs. P.J.W. van Weezel

Disclaimer of opinion with respect to the financial statements

Because of the significance of the matters described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Ridderkerk, September 10, 2013

BAKKER accountants & adviseurs

drs. R de Geus RA MBA