

**2014 FINANCIAL REPORT**

**Stichting Practica  
Papendrecht**

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**ANNUAL FINANCIAL STATEMENTS**

Balance as of December 31, 2014

<b>Assets</b>	<i>ref</i>	<b>31-12-14</b>	<b>31-12-13</b>	
		EUR	EUR	EUR
<i>Fixed Assets</i>				
<b>Tangible Fixed Assets</b>	2.1			
Other non current assets		<u>19.440</u>	<u>12.968</u>	
			<b>19.440</b>	<b>12.968</b>
<b>Financial Fixed Assets</b>				
Rent deposit		<u>6.897</u>	<u>0</u>	
			<b>6.897</b>	<b>0</b>
<i>Current Assets</i>				
Accounts Receivable	2.2	95.470	67.327	
Other receivables, prepayments and accrued income	2.3	<u>3.987</u>	<u>1.092</u>	
			<b>99.457</b>	<b>68.419</b>
<b>Cash and cash equivalents</b>	2.4			
			<b>417.058</b>	<b>399.977</b>
		<u>542.852</u>	<u>481.364</u>	
<b>Equity and liabilities</b>				
<b>Equity</b>				
Continuity reserve	2.5	214.470	142.980	
Restricted reserves	2.5	105.305	100.000	
Other reserves	2.5	<u>64.983</u>	<u>65.478</u>	
			<b>384.758</b>	<b>308.458</b>
<b>Short-term debts</b>				
Accounts payable		36.833	72.823	
Taxes and social insurance premiums	2.6	11.073	8.542	
Other debts, accruals and deferred income	2.7	<u>110.188</u>	<u>91.541</u>	
			<b>158.094</b>	<b>172.906</b>
		<u>542.852</u>	<u>481.364</u>	

## Statement of revenues and expenses for the year 2014

	<i>ref</i>	<b>2014</b> EUR	<b>2013</b> EUR
Revenues		1.031.507	1.028.041
Project costs		<u>-507.352</u>	<u>-504.599</u>
		<b>524.155</b>	<b>523.442</b>
Personnel costs	3.1	353.793	311.931
Depreciation	3.2	8.260	2.400
Other operational expenses	3.3	<u>88.351</u>	<u>42.924</u>
<b>Total expenses</b>		<b>450.404</b>	<b>357.255</b>
<b>Operating result</b>		<b>73.751</b>	<b>166.187</b>
<b>Finance result</b>		<u><b>2.549</b></u>	<u><b>2.075</b></u>
<b>Surplus for the year</b>		<b>76.300</b>	<b>168.262</b>

The surplus for the year 2014 is added to the following reserves:

	<b>2014</b> EUR	<b>2013</b> EUR
- Continuity reserve	71.490	71.490
- Restricted reserves	5.305	80.000
- Other reserves	<u>-495</u>	<u>16.772</u>
	<b>76.300</b>	<b>168.262</b>

## 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 2014, the Foundation Board was comprised of Ms. M.H. Meerburg, Mr. R.H. Alderink, Mr. B.J. Kouwenhoven, Mr. B. Satijn and Mr. V. Post.

#### 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
<b>January 1, 2014</b>	
Acquisition price	31.324
Accumulated depreciation	-18.356
	<hr/>
Book value	<b>12.968</b>
<b>Changes in 2014</b>	
Investments	14.732
Depreciation	-8.260
	<hr/>
	<b>6.472</b>
<b>December 31, 2014</b>	
Acquisition price	46.056
Accumulated depreciation	-26.616
	<hr/>
Book value	<b>19.440</b>
Depreciation percentages	20- 33,3%

2.2 *Accounts Receivable*

	31-12-14	31-12-13
	EUR	EUR
Accounts Receivable	95.470	78.870
Provision for doubtful debts	0	-11.543
	<hr/>	<hr/>
	<b>95.470</b>	<b>67.327</b>



### 2.3 Other receivables, prepayments and accrued income

	31-12-14	31-12-13
	EUR	EUR
Interest bank	1.931	759
Loan personnel	2.056	0
Pre-paid costs and other prepayments	<u>0</u>	<u>333</u>
	<b>3.987</b>	<b>1.092</b>

### 2.4 Cash and cash equivalents

	31-12-14	31-12-13
	EUR	EUR
ASN Bank	195.009	10.000
Triodos Bank	180.252	382.700
Societe Generale Madagascar	<u>41.797</u>	<u>7.277</u>
	<b>417.058</b>	<b>399.977</b>

### 2.5 Equity

	2014	2013
	EUR	EUR
Continuity reserve		
At 1 January	142.980	71.490
Result appropriation	<u>71.490</u>	<u>71.490</u>
At 31 December	<b>214.470</b>	<b>142.980</b>

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.

	2014	2013
	EUR	EUR
Restricted reserves		
At 1 January	100.000	20.000
Result appropriation	<u>5.305</u>	<u>80.000</u>
At 31 December	<b>105.305</b>	<b>100.000</b>

	<b>2014</b>	<b>2013</b>
Restricted reserves are formed for:		
- Concept development solar irrigation	20.000	0
- Concept development flood plain irrigation	5.000	0
- Concept development small piped water supply systems	15.000	0
- Concept development payment and management systems for rural drinking water supply	10.000	0
- Concept development for low-cost sludge collection and treatment	10.000	0
- Investment office and staff facilities location Madegascar	20.000	20.000
- Development of training programmes and facilities for manual drilling	15.305	20.000
Investments in worksshop equipment	10.000	0
- Research & development concerning renewal energy applications	0	25.000
- Research & development for decision support tools	0	10.000
- Research & development low cost desalination	0	5.000
- Research & development concerning other activities	0	10.000
- Office move	0	10.000
	<u>105.305</u>	<u>100.000</u>

	<b>2014</b>	<b>2013</b>
Other reserves	EUR	EUR
At 1 January	65.478	48.706
Result appropriation	<u>-495</u>	<u>16.772</u>
At 31 December	<b>64.983</b>	<b>65.478</b>

### **Short-term debts**

#### **2.6 Taxes and social insurance premiums**

	<b>31-12-14</b>	<b>31-12-13</b>
	EUR	EUR
Payroll taxes	<u>11.073</u>	<u>8.542</u>
	<b>11.073</b>	<b>8.542</b>

## 2.7 Other debts, accruals and deferred income

	31-12-14	31-12-13
	EUR	EUR
Current projects	27.409	18.097
Project costs	12.750	0
Holiday allowances	12.300	11.763
Vacation days	16.993	20.731
Restricted bonuses employees (maximum 8% of annual salary)	21.679	19.776
Net wages	13.057	15.174
Auditor's fees	<u>6.000</u>	<u>6.000</u>
	<b>110.188</b>	<b>91.541</b>
<i>Current projects</i>		
- Invoiced in advance	106.904	148.008
- To be invoiced	<u>-79.495</u>	<u>-129.911</u>
	27.409	18.097

## 2.8 Rights and obligations not included in the balance sheet

The foundation has entered into a rental obligation for housing for an amount of € 27.588 per year. This obligation expires on December 31, 2016.

### 3 Explanatory notes to the statement of revenues and expenses

#### 3.1 Personnel costs

	2014	2013
	EUR	EUR
Wages and salaries	283.916	250.914
Social security contributions	52.825	44.386
Other personnel costs	<u>17.052</u>	<u>16.631</u>
	<b>353.793</b>	<b>311.931</b>
Average number of FTEs in service	<b>5,1</b>	<b>4,7</b>

#### 3.2 Depreciation

	2014	2013
	EUR	EUR
Depreciation	<u>-8.260</u>	<u>-2.400</u>
	<b>-8.260</b>	<b>-2.400</b>

#### 3.3 Other operational expenses

	2014	2013
	EUR	EUR
Housing costs	41.899	9.390
Sales costs	1.383	3.257
Office expenses	26.635	21.736
General costs	<u>18.434</u>	<u>8.541</u>
	<b>88.351</b>	<b>42.924</b>

Papendrecht, April 30, 2015

On behalf of the General Management

H. Aalderink  
Chairman

B.J. Kouwenhoven  
Treasurer

Stichting Practica  
Geulweg 16-18  
3356 LB PAPENDRECHT

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Wages and salaries	283.916	250.914
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Average number of FTEs in service	5,1	4,7

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#### 3.3 Other operational expenses

	2014	2013
	EUR	EUR
Housing costs	41.899	9.390
Sales costs	1.383	3.257
Office expenses	26.635	21.736
General costs	<u>18.434</u>	<u>8.541</u>
	<b>88.351</b>	<b>42.924</b>

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3356 LB PAPENDRECHT

**Auditor's report**



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Stichting Practica  
Geulweg 16-18  
3356 LB PAPENDRECHT

We have audited the accompanying financial statements 2014 of Stichting Practica, Wageningen, which comprise the balance sheet as at December 31, 2014, 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 these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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: "Given the nature and the size of the company and its operations it was not possible for the company to maintain appropriate internal controls in 2012 without incurring disproportionate costs. As a result, we were 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 2012. Although these circumstances were not applicable to financial year 2013, the fact remains that, as a consequence of the above, we were not able to form an opinion retrospectively about whether the balance sheet as at December 31, 2012, gave a true and fair view of the financial position, which opinion could serve as a basis for the audit on the financial statements for the year 2013. If the amounts shown in the balance sheet 2012 were to require adjustment, this would directly affect the results reported for the year 2013. Both the composition and the amount of the result for 2013 therefore remain uncertain". These circumstances are not applicable to the current financial year, but do apply to the corresponding figures.

### **Disclaimer of opinion with respect to the financial statements**

In our opinion, except for the effects of the matter described in the Basis for disclaimer of opinion paragraph, the financial statements give a true and fair view of the financial position of Stichting Practica as at December 31, 2014 and of its results for the year then ended in accordance with Dutch Accounting Standard 640 "Organisaties zonder winststreven".

Ridderkerk, April 30, 2015

BAKKER accountants & adviseurs



drs. R de Geus RA MBA