INBO Association

Yearly Auditor’s Report

Fiscal year closed on 31 December 2010
INBO Association
21, rue de Madrid – 75008 Paris
This report has 9 pages
INBO Association

Head Office: 21 rue de Madrid – 75008 Paris

Yearly Auditor's report

Fiscal year closed on 31 December 2010

Dear Madam, Dear Sir,

Pursuant to the mission which was entrusted to us by your liaison bureau, we present our report on the fiscal year closed on 31 December 2010, including:

- The control of the annual statements of INBO Association, attached to this report;
- The justification of our appreciations;
- The checks and specific information planned for in the law.

The annual statements were closed by the President. We have to give an opinion on these accounts, based on our audit.

1. Opinion on the yearly statements

We carried out our audit according to the professional rules applicable in France; these rules require the implementation of dispatches in order to obtain the reasonable insurance that the annual statements do not include significant anomalies. An audit consists in examining, by spot checks or by other selection methods, the items justifying the amounts and data contained in these yearly statements. It also consists in appreciating the accounting principles used, the significant estimates retained and the overall presentation of the accounts. We estimate that the collected items are sufficient and suited for giving our opinion.

We certify that the yearly statements are, in accordance with French accounting rules and principles, regular and sincere, and give a faithful idea of the result of the past fiscal year and of the financial situation and assets of the association at the end of this fiscal year.
2. Justification of the appreciations

In accordance with the provisions of article L.823-9 of the Commercial Law relating to the justification of our appreciations, we bring the following to your attention:

- **Accounting rules and principles**
  
  When appreciating the accounting rules and principles used by your association, we checked the suitability of the above accounting methods and information provided in the annex and made sure of their correct application.

- **Accounting estimates**
  
  We made the appreciation of the assumptions used by the association on the basis of the elements available to date, and carried out tests to check by questioning the application of these methods.

  The appreciations thus given are based on our audit of the yearly accounts, taken as a whole, and thus contributed to shaping our opinion expressed in the first part of this report.

3. Specific checks and information

In accordance with the applicable professional standards, we also carried out specific checks planned for in the law.

We have no observation to formulate on the sincerity and consistency with the annual statements of the information given in the President’s management report and in the documents addressed to the members on the financial situation and the yearly statements.

Limoges, on 22 July 2011

KPMG Enterprises  
*Department of KPMG S.A.*

*Henri Limouzineau*  
Partner
## INTERNATIONAL NETWORK OF BASIN ORGANIZATIONS

### STATEMENT AT 31 DECEMBER 2010

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>GROSS</th>
<th>AMORTIZ. OR PROV.</th>
<th>NET 2010</th>
<th>NET 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACCOUNTS RECEIVABLE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trade receivables and related accounts</td>
<td>6 400</td>
<td>6 400</td>
<td>0</td>
<td>31 617</td>
</tr>
<tr>
<td>- Other trade receivables</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>693</td>
</tr>
<tr>
<td><strong>TOTAL Receivables</strong></td>
<td>6 400</td>
<td>6 400</td>
<td>0</td>
<td>32 314</td>
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<tr>
<td><strong>COMPLETED AND OUTSTANDING PROJECTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Ongoing technical assistance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>167 789</td>
</tr>
<tr>
<td><strong>Total completed and outstanding projects</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>167 789</td>
</tr>
<tr>
<td><strong>CASH ASSETS AND MISCELLANEOUS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Bank</td>
<td>78 370</td>
<td>0</td>
<td>78 370</td>
<td>134 998</td>
</tr>
<tr>
<td>- Cash</td>
<td>350</td>
<td>0</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td><strong>TOTAL cash assets</strong></td>
<td>78 720</td>
<td>0</td>
<td>78 720</td>
<td>135 348</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>85 120</td>
<td>6 400</td>
<td>78 720</td>
<td>335 451</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>AMOUNT 2010</th>
<th>AMOUNT 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Balance brought forward</td>
<td>17 705</td>
<td>16 268</td>
</tr>
<tr>
<td>- Operating results</td>
<td>7 502</td>
<td>1 437</td>
</tr>
<tr>
<td><strong>Capital stock</strong></td>
<td>25 207</td>
<td>17 705</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Debts to Credit Institutions</td>
<td>33</td>
<td>70</td>
</tr>
<tr>
<td>- Debts to suppliers and related accounts</td>
<td>53 480</td>
<td>86 556</td>
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<tr>
<td>- Other liabilities</td>
<td>0</td>
<td>231 120</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td>53 513</td>
<td>317 746</td>
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<tr>
<td><strong>PLANNED REVENUES</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>78 720</td>
<td>335 451</td>
</tr>
</tbody>
</table>
## PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2010

<table>
<thead>
<tr>
<th></th>
<th>31/12/10</th>
<th>31/12/09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
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<td></td>
</tr>
<tr>
<td>- Subscription fees</td>
<td>69 731</td>
<td>119 270</td>
</tr>
<tr>
<td>- Other products</td>
<td>34 941</td>
<td>32 733</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td>104 672</td>
<td>152 079</td>
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<tr>
<td><strong>EXTERNAL EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- External services and others</td>
<td>97 170</td>
<td>150 611</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td>97 170</td>
<td>150 611</td>
</tr>
<tr>
<td><strong>CURRENT OPERATING INCOME</strong></td>
<td>7 502</td>
<td>1 468</td>
</tr>
<tr>
<td><strong>FINANCIAL EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Quarterly bank charges</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td><strong>FINANCIAL RESULTS</strong></td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td><strong>RESULTS</strong></td>
<td>7 502</td>
<td>1 437</td>
</tr>
</tbody>
</table>
ANNEX 2010
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2 – LIABILITIES

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A – MAJOR FACTS OF THE FISCAL YEAR

1 – MAIN EVENTS OF THE FISCAL YEAR

No significant event occurred during the fiscal year from an economic and accounting viewpoint.

Please note the KPI project completion in July. An end-of-project "audit certificate" was drafted and sent to the financial donor. This audit found no significant anomaly.

INBO General Assembly took place in Dakar (Senegal) from 20 to 23 January 2010.

In 2010, INBO especially participated:

- On 17 February: in the Board meeting of NANBO (North American Network of Basin Organizations [Istanbul - Turkey]
- From 8 to 10 March: in the MENBO International Workshop ("participation of the private sector in hydraulic infrastructures in Lebanon") [Beirut - Lebanon]
- From 3 to 5 May: in the consultation workshop of Basin Organizations in Southern Africa [Piggs Peak - Swaziland]
- On 12 May: in MENBO’s special meeting of experts [Tarragona - Spain]
- On 9 September: in the seminar on "improving water governance in basins" [Stockholm - Sweden]
- From 29 September to 1st October: in the second international conference on "Sustainable River Basins" [Mexico City - Mexico]
- From 11 to 15 October: in the conference of the Asian Development Bank and its partners on the "water crisis and choices" [Manila - Philippines]
- From 22 to 26 November: in the National Meeting of River Basin Committees (XII ENCOB) [Ceara - Brazil]
- From 23 to 26 November: in the Second Symposium on "experiences in river basin management " [Sao Paulo - Brazil]
- From 6 to 8 December: in the international conference of UNESCO / ISRAM on "Transboundary Aquifers: Challenges and Prospects" [Paris - France]

In 2010, INBO organized:

- From 20 to 23 January: its 8th World General Assembly in Dakar (Senegal)
- From 27 to 29 January: the international forum to adapt to "the effects of climate change on water" [Washington DC - United States]
- From 21 to 24 September: its world's liaison bureau in Megève (France)
- From 22 to 24 September: EUROPE-INBO 2010 on "Water in mountains - Megève 2010" [Megève - France]
2 – ACCOUNTING PRINCIPLES, RULES AND METHODS

The yearly statement of accounts is established and presented in accordance with the French regulations in force, issued from orders of the Committee of Accounting Regulations (Comité de la Réglementation Comptable - CRC).

B – INFORMATION RELATIVE TO THE STATEMENT

1 – ASSETS

Receivables from users = € 6,400
This item corresponds to an amount payable by the European Commission on the KPI project. This amount is 100% provisioned due to the significant delay of payment.

Assets = € 78,370

Cash = € 350

2 – LIABILITIES

Debts to Credit Institutions = € 33
It concerns the interest and bank fees of 2010 paid in 2011.

Debts to suppliers and related accounts = € 53,480
They are made up of:

- chargebacks from the International Office for Water concerning projects for a total amount of € 36,335,
- invoices from consultants in projects for € 6,314,
- invoices to be received concerning services provided for € 10,831.
C – PROFIT AND LOSS STATEMENT

Products:

- studies carried out 69 731 Euros
- subscription fees 34 941 Euros
- other products 0 Euros

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Total products 104 672 Euros

Expenditures:

- Other service providing 41 435 Euros
- Insurance 295 Euros
- Fees 10 102 Euros
- Catalogues and publications 26 181 Euros
- Travel expenses and allowances 11 827 Euros
- Bank charges 859 Euros
- Other current management expenses 71 Euros
- Provision for customer’s depreciation 6 400 Euros

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Total operating expenses 97 170 Euros

Net operating result: 7 502 Euros

D – STAFF: 0

Nothing – No manpower