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 2014, including:

- The control of the annual statements of the Association, as attached to this report;
- The justification of our appreciations;
- The specific checks and 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 accounting methods and information provided in the annex and made sure of their correct application.

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 activity report and in the documents addressed to the members on the financial situation and the yearly statements.

Limoges, on 7 July 2015

KPMG Enterprises
Department of KPMG S.A.

Sébastien Guérit
Partner

Fiscal year closed on 31 December 2014
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>GROSS</th>
<th>AMORTIZ. OR PROV.</th>
<th>NET 2014</th>
<th>NET 2013</th>
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<td>ACCOUNTS RECEIVABLES</td>
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<td>- Trade receivables and related accounts</td>
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<td>COMPLETED AND OUTSTANDING PROJECTS</td>
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<td>- Ongoing technical assistance</td>
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<td><strong>Total completed and outstanding projects</strong></td>
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<td>CASH ASSETS AND MISCELLANEOUS</td>
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<tr>
<td>- Bank</td>
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<td><strong>TOTAL cash assets</strong></td>
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<td>164 508</td>
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<td>1 448</td>
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INTERNATIONAL NETWORK
OF BASIN ORGANIZATIONS

STATEMENT AT 31 DECEMBER 2014

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>AMOUNT 2014</th>
<th>AMOUNT 2013</th>
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<tbody>
<tr>
<td>NET ASSETS</td>
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<tr>
<td>- Balance brought forward</td>
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<td>- Operating results</td>
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<tr>
<td>Capital stock</td>
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<td>LIABILITIES</td>
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<tr>
<td>- Debts to Credit Institutions</td>
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<td>70</td>
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<td>- Debts to suppliers and related accounts</td>
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<td>- Other liabilities</td>
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<td>TOTAL LIABILITIES</td>
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## PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2014

<table>
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<tr>
<th></th>
<th>12/31/2014</th>
<th>12/31/2013</th>
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</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUE</strong></td>
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<tr>
<td>- Income</td>
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<td>- Subscription fees</td>
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<td>- Other products</td>
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<td><strong>OPERATING REVENUE</strong></td>
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<td><strong>OPERATING EXPENSES</strong></td>
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<td>- Inputs, external services</td>
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<td>97 482</td>
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<td>- Personnel costs</td>
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<tr>
<td>- Amortization and provisions</td>
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<td>499</td>
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<td><strong>OPERATING EXPENSES</strong></td>
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<td><strong>CURRENT OPERATING INCOME</strong></td>
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<td><strong>FINANCIAL PRODUCTS</strong></td>
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<td>- Interests earned on the</td>
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<td><strong>FINANCIAL EXPENSES</strong></td>
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<tr>
<td>- Quarterly bank charges</td>
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<td>- Exchange losses</td>
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<td><strong>FINANCIAL RESULTS</strong></td>
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<td><strong>SPECIAL PROFITS</strong></td>
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<td>- Special profits</td>
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<td><strong>SPECIAL RESULT</strong></td>
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<tr>
<td><strong>RESULTS</strong></td>
<td>822</td>
<td>4 888</td>
</tr>
</tbody>
</table>
ANNEX 2014

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SUMMARY

*******

A – MAJOR FACTS OF THE FISCAL YEAR

1 – MAIN EVENTS OF THE FISCAL YEAR

2 – ACCOUNTING PRINCIPLES, RULES AND METHODS

B – INFORMATION RELATIVE TO THE STATEMENT

1 – ASSETS

2 – LIABILITIES

C – INFORMATION RELATIVE TO THE PROFIT AND LOSS STATEMENT
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.

We will note the continuation of the “VBA-INBO” project, funded by the European Union for the implementation of the action entitled: "Capacity Building of the Volta Basin Authority for implementing priority activities of the 2010-2014 Strategic Plan - Improvement of regional water resources management and sustainable development in the basin". In order to have it completed, INBO signed, on 8 October 2012, with the International Office for Water, a framework agreement for the nonprofit secondment of personnel.

The annual INBO Liaison Bureau meeting was held from 12 to 15 November 2014 in Bucharest (Romania).

In 2014, INBO organized (contributed to):

- On 9 and 10 April: the Second Workshop “River Basin Commissions and Other Joint Bodies for Transboundary Water Co-operation: Technical Aspects” in Geneva (Switzerland),
- On 28 and 29 April: the third meeting of OECD Water Governance Initiatives, in Madrid (Spain),
- From 7 to 9 May: the 3rd “International Forum on Integrated Water Management: Tools for Action” in Quebec (Canada),
- On 19 May: the Conference of the Regional Process “Europe” of the 7th World Water Forum, in Brussels (Belgium),
- From 27 to 29 May: the 3rd Istanbul International Water Forum (IIWF) (Turkey),
- From 12 to 14 June: “Africa Water 2014”, prelude to the 7th World Water Forum, in Ouagadougou (Burkina-Faso),
- From 25 to 26 June: the 9th session of the Working Group on Integrated Water Resources Management, in Geneva (Switzerland),
- From 15 to 18 September: the 17th International River Symposium, in Canberra (Australia),
- From 8 to 10 October: the “4th International Conference on Water in Mountains”, in Megève (France),
- From 15 to 17 October: the “Regional Exchange on IWRM Experiences in the Mekong River Basin”, in Vientiane (Laos),
- From 27 to 29 October: the 6th "European River Restoration" Conference, in Vienna (Austria),
- From 12 to 15 November: EUROPE-INBO 2014, in Bucharest (Romania),
- From 26 to 28 November: the 1st International Environment Forum for Basin Organizations, in Nairobi (Kenya).
In 2014, INBO especially participated:

- On 23 and 24 January: in the “Technical Workshop on urban Flood Management in Beijing, Amsterdam and Paris” and in the Technical Workshop and Symposium on Flood Management, in Paris (France),
- On 27 and 28 February: in the 2nd Stakeholders’ meeting of the 7th World Water Forum in Gyeongju (South Korea),
- On 6 and 7 May: in the “Managing Groundwater in Coastal Areas and SIDS” in Athens (Greece),
- On 19 and 20 May: in the conference on “Sustainability in the Water-Energy-Food Nexus”, in Bonn (Germany),
- From 19 to 23 May: in the “Water Security for Policy Makers and Practitioners Short Course”, in Norwich (England),
- On 22 and 23 May: in the 5th Water Week in Beirut – “Interaction between Water, Energy, Food and Ecosystems in the Mediterranean Region - Current Challenges and Future Prospects” at the Notre Dame University - Louaize (Lebanon),
- On 22 and 23 May: in the Workshop “Counting our gains : Sharing Experiences on Identifying, Assessing and Communicating the Benefits of Transboundary Water Co-operation”, in Geneva (Switzerland),
- From 26 to 29 May: in the 44th Congress of the French Group of Pesticides – “Crop Protection and Environmental Health - New Designs and Inheritance” at the University of the Antilles and Guiana (Martinique),
- From 23 to 27 June: in the “Water Week Latin America”, in Mexico City (Mexico),
- On 7 July: in the Thematic Process of the 7th World Water Forum (World),
- From 21 to 25 July: in the “International Conference on the Status and Future of the World’s Large Rivers 2014”, in Manaus (Brazil),
- On 31 August: in the seminar on “How the Two Global Water Conventions Support Transboundary Water Co-operation”, in Stockholm (Sweden),
- From 8 to 12 September: in the “CATHALAC Groundwater Field Practices – International Course” (World),
- On 24 September: in the Exhibition “Big Cities, Great Lakes, Great Basin”, in Saint-Paul Bay (Canada),
- On 25 September: in the 6th Champlain Meeting on Water Management in the Charente Estuary, in Rochefort (France),
- On 25 and 26 September: in the International Conference on Integrated Management of Environment (ICIME), in Hammamet (Tunisia),
- On 28 September: in the International River Day (World),
- On 4 November: in the Meeting of the Strategic Co-Ordination Group, in Brussels (Belgium),
- From 18 to 20 November: in the “Global Water Summit”, in Chicago (USA),
- From 18 to 20 November: in the French-Jordanian Forum on Water Sustainability, in Amman (Jordan),
- On 24 and 25 November: in 4th meeting of OECD Water Governance Initiatives, in Paris (France),
- On 4 December: at the 50-year anniversary of the Water Law of 1964 – “Achievements and Prospects”, at the University of Paris - Sud (France),
- On 3 December: at the International Conventions for Transboundary Water Management – What Challenges for the Future?, in Paris (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 Règlementation Comptable - CRC).
B – INFORMATION RELATIVE TO THE STATEMENT

1 – ASSETS

*Fixed assets = €50*

It concerns the purchase of a computer workstation

*Other trade receivables = €207*

This item corresponds to a contractual advance under the VBA project (BVAF1135).

*Cash assets = €164,158*

*Cash = €350*

2 – LIABILITIES

*Debts to Credit Institutions = €57*

It concerns the interest and bank fees of 2014 paid in 2015.

*Debts to suppliers and related accounts = €65,914*

They include:

- KPMG fees for the preparation of the annual accounts for an amount of €4,502,
- Chargebacks from the International Office for Water concerning an administrative service for an amount of €5,000,
- Chargebacks from the International Office for Water concerning the nonprofit secondment of personnel for an amount of €56,727,
- A 2015 insurance premium advance to MAIF for an amount of €315.

*Planned revenue = €1,000*

This is a 2015 subscription fee paid in advance by the Loire-Brittany Water Agency.
C – PROFIT AND LOSS STATEMENT

Products:

- studies carried out 56 250 euros
- subscription fees 29 732 euros
- other products: 0 euros
- financial 167 euros
- special 0 euros

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Total products 86 149 euros

Expenditures:

- Inputs 0 euros
- Other service providing 21 240 euros
- Car rentals 277 euros
- Insurance 315 euros
- Expenses for Symposia and seminars 3 750 euros
- Fees 4 064 euros
- Fees on projects 2 070 euros
- Catalogues and publications 156 euros
- Travel expenses and daily allowances 4 815 euros
- Postage 0 euros
- Bank charges 869 euros
- Current management expenses 136 euros
- Personnel costs 47 136 euros
- Amortizations and provisions 499 euros

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Total operating expenses 76 980 euros

Net operating result: 822 euros.

D – STAFF: 0

Nothing – no manpower
It should be noted, however, that, under the "VBA-INBO" project, a non-profit framework agreement for the loan of labour was signed by INBO and the International Office for Water. This agreement is subject to specific detailed invoices from the International Office for Water.