

Annual Accounts 2013

of

Akvo Foundation

's-Gravenhekje 1A
1011 TG Amsterdam

26 March 2014
14-351/MdV

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Supervisory board report

1. General

1.1 Formation and objectives

Akvo Foundation was formed on 26 September 2008; as from August 2011 it maintains its office at 's-Gravenhekje 1A in Amsterdam.

The objectives of the foundation are:

1. to contribute towards the creation of a sustainable society and the advancement of developing countries. To support a future where country governance and development cooperation is open, transparent and collaborative;
2. to build a superior open online platform and a trusted partner network, which allows country governance and development cooperation to be collaborated around, financed through, reported on and monitored, via interoperable platforms;
3. to maintain the website www.akvo.org to which it holds the rights.

It endeavours to realise its objectives by:

- a. making a user-driven open knowledge platform available on the internet, on which global information may be published, maintained and obtained in the field of sustainable water and sanitation solutions;
- b. creating and operating an online database where projects and financing are connected and where funding may be directly linked to local initiatives and reported upon by those involved;
- c. creating and operating a mobile phone and internet-based monitoring and evaluation system;
- d. facilitating cooperation, personal contacts and dialogue between individuals and organisations who work together on sustainable solutions at a practical (local) level.

1.2 Supervisory board

Per 31 December 2013 the supervisory board of the foundation was composed as follows:

- A. Leusink - Chairman
- A.M.H.Th. Koemans
- dr. M.J. Nitzberg
- S. Nadhamuni

The foundation's articles provide that the supervisory board must be composed of at least three persons by private law. Supervisory board members will be appointed for a period not exceeding four years and will withdraw in accordance with a rotation schedule to be determined by the supervisory board; a member withdrawing by rotation will be eligible for reappointment immediately but only once.

Supervisory board member retirement schedule

		<u>Appointed</u>	<u>End of period</u>
A. Leusink	Chairman	22-08-2012	31-08-2016
A.M.H.Th. Koemans	Treasurer	22-08-2012	31-08-2016
M.J. Nitzberg	Secretary	22-08-2012	31-08-2016
S. Nadhamuni	Member	22-08-2012	31-08-2016

The supervisory board has been established on the 22nd of August 2012.

During 2013 supervisory board meetings were held on March 26, May 24, September 10 and December 12.

During 2013, the supervisory board met four times. Areas discussed included the on-going financial monitoring of quarterly and year reports, the development of current products and future products, the composition of the Akvo team and its management team and the shift to a more decentralized organizational structure, which includes setting up more international hubs to execute regional operations.

1.3 Management and staff

The management of Akvo (board of directors) is charged to Peter van der Linde and Thomas Bjelkeman-Pettersson.

At the end of 2013, Akvo had 18 staff of 15,1 full time equivalent (FTE) that were directly employed. For the execution of its activities it also uses the services of self-employed persons. Those with contracts lasting six months or more were 22 contractors or 16,4 FTE.

During 2013, Mr Van der Linde had a gross salary of € 77.380 per year. Mr Bjelkeman-Pettersson was a subcontractor with a total cost to the foundation of € 100.594 per year (including social costs, excluding expenses).

1.4 Articles

The foundation's articles (art. 15.3) provide that the board of directors must prepare a balance sheet and an income statement within six months after the end of the financial year. The board of directors is required to instruct a certified public accountant, or another expert within the meaning of Section 393 (part 9) of Book 2 of the Dutch Civil Code, to audit the balance sheet and the income statement. The accountant submits an audit report to the board of directors and represents the outcome of his audit in an auditor's opinion. When the report is ready it has to be approved by the supervisory board as well.

2. Taxes

2.1 Value Added Tax (VAT)

During 2013 Akvo, in cooperation with Lentink De Jonge Accountants & Belastingadviseurs, performed a review with respect to the VAT status of Akvo. This issue was raised by Lentink De Jonge in the management letter accompanying the financial year report 2012.

The review concluded that Akvo receives compensation for most activities performed, which means there is a liability to VAT. This also means that Akvo is entitled to claim any VAT that is charged to Akvo via purchases and services (to the extent that these purchases and services relate to the economic activities). In consultation with Lentink De Jonge it was determined that this revised tax status is applicable. In 2013 Akvo acted accordingly to the new VAT status.

2.2 Corporate Income Tax (CIT)

The results of the foundation are not subject to Corporate Income Tax.

3. Administrative matters

The board of directors has appointed Jac's den Boer & Vink bv, management consultancy for non-profit organisations, to prepare the financial statements, as in previous years.

The financial statements comprise the balance sheet, the income statement, the cash flow statement and the notes to the balance sheet and the income statement. The firm of Lentink De Jonge Accountants & Belastingadviseurs was appointed to audit the annual accounts, as in previous years. The auditor's opinion regarding this audit is included under the heading Other Information.

4. Executive board report 2013

In this executive board report we give a short overview of:

- The Platform
- Key strategic partnerships
- Financials
- Organisation
- Team

The Platform

Software

The Akvo software is a key asset of Akvo around which the whole operation is structured. Akvo has three main software products:

- Akvo Really Simple Reporting (Akvo RSR), was maintained and evolved during 2013. The number of projects has increased from 671 at the end of 2012 to 1.557 at the end of 2013, with total project value increasing from € 138 million to € 680 million.
- Akvo FLOW is an Android mobile phone and internet cloud-based service. Akvo acquired FLOW from Water for People in 2012 and during 2013 continued to develop the system and deploy it at scale for a wider range of partner organisations.
- Akvo Openaid was improved in 2013. Akvo Openaid is a web-based tool for publishing large quantities of development aid data to international format standards, in a human-friendly format. It is a collaboration between Akvo and Zimmerman & Zimmerman.

Akvopedia

The water and sanitation knowledge portal has expanded to cover more than 800 articles in English, organised within four portals - Water, Sanitation (which also includes articles in Spanish and French), Approaches and Finance. Akvo worked closely with IRC International Centre for Water and Sanitation, to introduce the latter during 2013.

Key strategic partnerships

Some of the most respected, dynamic organisations in international development have strategic agreements in place with Akvo. They are listed on www.akvo.org. Some key strategic partnerships are listed below:

WASH Alliance

The Dutch WASH Alliance (Simavi, ICCO, WASTE, AMREF, Rain, Akvo) aims to empower communities and realise sustainable water and sanitation solutions for two million people in 11 developing countries. Akvo's activities in this consortium are focused on supporting the 132 local consortium partners to use our tools optimally. This includes providing training in internet and SMS reporting, helping local partners to use video as a reporting tool and stimulating knowledge-sharing through Akvopedia and other knowledge-sharing tools.

Connect4Change

Connect4Change (IICD, Cordaid, ICCO, Edukans, Text to Change, Akvo) aims to strengthen 136 partner organisations in Africa and South America through the sustainable use of information and communications technology in health, economic development and education programmes. Our share of the funding will be used to expand the current platform to include these new sectors, and to develop new software features.

Dutch Ministry of Foreign Affairs

In 2013 the PPP programme of the Dutch Foreign Affairs contributed to the further development of Akvo. Collaboration also continued with two departments - DME and FES - which focus on water and the environment and open data, respectively. In 2013, Akvo began work to bring DME's new sustainable water fund portfolio online, spearheading a new form of web-based monitoring and reporting in the Dutch development sector. In 2013 we built on partnerships in our PPP program with special focus on building out strategic partnerships with national governments (US, Ghana, Liberia etc.) - companies (Mars) and multilateral organisations (UNICEF, UN Habitat and UNDP).

Millennium Water Alliance

Backed by USAID, Coca Cola and FEMSA, this major consortium of US NGOs in the field of water and sanitation is working towards realizing the water and sanitation elements of the Millennium Development Goals. Akvo is supporting MWA in Latin America and East Africa, where it's using FLOW for project monitoring. MWA also uses Akvo RSR to visualize its projects on its website.

Cordaid

Cordaid is one of the largest Dutch NGOs. In 2013 it brought a large portion of its project portfolio online using Akvo RSR, with plans to complete this process in 2014. Cordaid is the first key partner to fully utilise the latest Application Programming Interface capabilities (API) in Akvo RSR.

Water For People

Akvo and Water For People agreed to collaborate around the monitoring and evaluation system that Water For People has built. This includes Akvo taking over the software development, operation and partnership work for FLOW to support global monitoring in water and sanitation, and create opportunities for it to support other development categories. During 2013 Akvo developed FLOW 1.6 with financial support of Water For People, the Dutch Ministry of Foreign Affairs and Cisco, Inc.

UNICEF

In 2013, Akvo agreed a global partnership with UNICEF, aimed at further ways to support national monitoring systems, that allow continuous national water point mapping exercises in Western Africa. We will build on the UNICEF partnership, when designing national water point mapping exercises in Eastern Africa and Asia.

Smarter WASH, Ghana

This consortium programme is in conjunction with IRC and focuses on the further development of Akvo FLOW and a large scale implementation of mobile monitoring in Ghana, in cooperation with national and regional government. The programme aims to improve the way that monitoring data can be used to provide better water and sanitation services across the country.

Financials

Fundraising

In 2009 two long-term loans were agreed with the Rabobank € 300.000 (to be redeemed 1 September 2014) and € 150.000 (to be redeemed 1 January 2015). Due to Akvo's healthy finances during 2011, 2012 and 2013 Akvo repaid € 22.500 per year, the maximum amounts allowed without incurring financial penalties. The balance of the two loans per 1 January 2014 are € 255.000 and € 127.500. Akvo is exploring the opportunity of re-financing the loan with the Rabobank.

MFS II (Cofinancing System II)

Akvo secured, together with the two consortia Connect 4 Change (C4C) and Dutch WASH Alliance (WASH), structural funding from the Ministry of Foreign Affairs (Netherlands) for the period 2011-2015. Akvo will receive structural funding totalling approximately € 720.000 per year in the period 2011-2015.

Public Private Partnerships

In 2011 Akvo secured a Public Private Partnership grant from the Ministry of Foreign Affairs. The PPP grant has a total value of € 2,5 million divided over four years starting July 2011, ending April 2014. We've submitted a proposal for the continuation of this program till the end of 2016.

PPP Smarterwash

In 2012 Akvo secured a PPP grant together with the IRC consortium of € 1,3 million, where Akvo has to have an own contribution of 53%. This will be covered by the Bill and Melinda Gates Foundation (€ 368.000 secured via IRC and an own contribution of € 332.000).

Consultancy & Other income

In 2013 Akvo worked on several consultancy contracts worth of € 1,1 million. This consultancy includes Football4Water, Mars, MWA Kenya and South America, ICCO, UN-Habitat, Cordaid, Ministry of Liberia, IFAD program and RAIN.

Organisation

Administration

Jac's den Boer & Vink bv assists in developing quarterly reports and annual accounts. Its work is continually being reviewed by the Akvo management team. Akvo introduced a time registration system from January 2013 onwards, to improve the monitoring and allocation of resources, and their alignment with programme revenues.

Communications

Akvo communicates with its partners and wider audiences through its website, Akvo.org, via a very active blog which features contributions from a wide range of team members, via the Twitter and Facebook social media services, through video on the Akvo.tv YouTube channel and through a monthly email newsletter that reaches more than 1.000 subscribers. In 2013, the Akvo.org website was fully redesigned, to make it easier to understand our products and services.

Team

Akvo's team has grown to 40 people at the end of 2013, with the majority being subcontractors for communication and technical product development. The team integrates well, and as the staff members are not located in one place, team meetings are continuously organised online via Skype to ensure proper coordination and communication. During 2013, the entire team met twice in Amsterdam, to get to know each other in person and to be updated on the strategic direction of the organisation.

5. Results for 2013

The foundation reports a positive balance of income and costs of € 84.484 for the financial year ending 31 December 2013, which was slightly lower than the budget 2013. Because of the increase of income from consultancy, the foundation managed to increase income by € 636.409 (when compared to the financial year ending 31 December 2012). The cost level in 2013 exceeded the 2012 level by € 862.485. This increase primarily relates to activities carried out in relation to the obtained subsidies.

x € 1.000	Actual 2013	Actual 2012
INCOME		
Income own fundraising		
- Fundraising activities	1	10
- Project contributions	<u>100</u>	<u>98</u>
Total income own fundraising	101	108
Government subsidies	2.054	1.889
Other income	<u>1.178</u>	<u>700</u>
Total income	<u>3.333</u>	<u>2.697</u>
COSTS		
Expenditure on behalf of the objectives	2.454	1.841
Expenditure fundraising	0	0
Charged staff costs	-1.856	-1.814
Direct project costs - staff	1.856	1.814
Direct project costs - material	<u>795</u>	<u>545</u>
Total direct project costs	<u>2.651</u>	<u>2.359</u>
Total costs	<u>3.249</u>	<u>2.386</u>
Balance of income and costs	<u><u>84</u></u>	<u><u>311</u></u>
Appropriation:		
- Designated reserve intangible fixed assets	-79	-79
- Continuity reserve	155	369
- Designated fund project donations	8	23
- Designated fund grant MFS II - WASH	<u>0</u>	<u>-2</u>
Balance of income and costs	<u><u>84</u></u>	<u><u>311</u></u>

6. Policy and function reserves and funds

Designated reserve intangible fixed assets

The designated reserve intangible fixed assets represents the value of the Akvo Platform.

Continuity reserve

The continuity reserve exists to ensure that the organisation can also meet its obligations in the future. In 2012 the continuity reserve started to build up, following a budgeted scheme for the period 2011 till 2015.

Designated fund

This fund is formed because received project donations with a restricted objective are not fully spent yet.

7. Risk management system

General

Our risk management document was established some years ago. It has been reviewed and updated on several occasions during 2013, to reflect the changing and expanding scope of work that Akvo performs around the world.

Financial risk management system

The foundation's primary objective is to ensure that the foundation realises projects in accordance with the objectives as laid down in the articles of association. Consequently the capital management is risk adverse and the resources of Akvo will only be held on current accounts and savings. Received interest on bank deposits in 2013 amounted to 1,2%. At least annually, the yield on the positions will be evaluated.

8. Ratios

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
Total expenditure on behalf of the objectives/ total income	73,62%	72,22%	68,28%
Costs own fundraising	0,00%	0,00%	0,00%
Total expenditure on behalf of the objectives/ total costs	75,54%	80,53%	77,17%

The annual accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands. For the Dutch Ministry of Foreign Affairs, the Guideline 650 is mandatory. This guideline states that the ratios mentioned above should be mentioned. The ratios are solely presented because it is mandatory. Akvo doesn't make use of this ratios for its internal control system and therefore hasn't set targets.

9. Outlook/budget 2014

Income statement budget 2014

	<u>Budget 2014</u>
	€
INCOME	
Income own fundraising	
- Project contributions	p.m
Government subsidies	1.025.000
Other income	<u>2.477.522</u>
Total income (A)	<u>3.502.522</u>
COSTS	
Expenditure on behalf of the objectives	3.501.309
Charged staff costs	-1.877.724
Direct project costs	
- Direct project costs - staff	1.877.724
- Direct project costs - material	725.000
- Charged product costs	<u>-924.300</u>
Total costs (B)	<u>3.302.009</u>
Balance of income and costs (A - B)	<u><u>200.513</u></u>

The supervisory board of Akvo Foundation

A. Leusink - Chairman

**A. Balance sheet as at 31 December 2013
after appropriation of the result**

<u>Ref.</u>	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
ASSETS		
1. Intangible fixed assets	0	79.262
2. Tangible fixed assets	69.825	81.521
3. Financial fixed assets	33.693	0
4. Receivables	387.161	385.036
5. Cash and cash equivalents	<u>800.062</u>	<u>728.928</u>
Total assets	<u><u>1.290.741</u></u>	<u><u>1.274.747</u></u>
LIABILITIES		
Reserves and funds		
Reserves		
6. - Designated reserve intangible fixed assets	0	79.262
7. - Continuity reserve	<u>403.189</u>	<u>247.591</u>
Total reserves	403.189	326.853
Funds		
8. - Designated funds	60.496	52.361
9. Long-term debts	127.500	405.000
10. Short-term debts	<u>699.556</u>	<u>490.533</u>
Total liabilities	<u><u>1.290.741</u></u>	<u><u>1.274.747</u></u>

B. Income statement 2013

<u>Ref.</u>	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
INCOME			
	Income own fundraising		
11.	1.489	25.000	10.251
12.	<u>100.248</u>	<u>p.m.</u>	<u>97.674</u>
	Total income own fundraising	25.000	107.925
13.	2.053.527	1.268.500	1.888.456
14.	<u>1.178.009</u>	<u>1.872.000</u>	<u>700.483</u>
	Total income (A)	<u>3.165.500</u>	<u>2.696.864</u>
COSTS			
<i>Expenditure on behalf of the objectives</i>			
	- Projects		
	92.100	p.m.	74.393
	- Akvo Platform		
15.	2.236.674	2.165.500	1.651.441
16.	25.037	24.500	26.217
	79.262	79.279	79.279
17.	<u>21.048</u>	<u>17.000</u>	<u>10.119</u>
	Total expenditure on behalf of the objectives	<u>2.286.279</u>	<u>1.841.449</u>
<i>Expenditure fundraising</i>			
	- Costs for obtaining government subsidies		
	<u>0</u>	<u>0</u>	<u>0</u>
	Charged staff costs		
	<u>-1.856.075</u>	<u>-958.000</u>	<u>-1.814.021</u>
	Direct project costs - staff		
	1.856.075	958.000	1.814.021
18.	1.455.934	552.700	544.855
	<u>-661.266</u>		
	Total direct project costs	<u>1.510.700</u>	<u>2.358.876</u>
	Total costs	<u>2.838.979</u>	<u>2.386.304</u>
	Balance of income and costs	<u>326.521</u>	<u>310.560</u>

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
Appropriation:			
- Designated reserve intangible fixed assets	-79.262	-79.279	-79.279
- Continuity reserve	155.598	405.800	368.423
- Designated fund project donations	8.148	0	23.281
- Designated fund grant MFS II - WASH	<u>0</u>	<u>0</u>	<u>-1.865</u>
Balance of income and costs	<u><u>84.484</u></u>	<u><u>326.521</u></u>	<u><u>310.560</u></u>

C. Cash flow statement

	<u>2013</u>	<u>2012</u>
	€	€
<u>Cash flow from operational activities</u>		
Balance of income and costs	84.484	310.560
Interest PPP	0	1.539
Amortisation fixed assets	79.262	79.279
Depreciation	<u>23.944</u>	<u>11.084</u>
Gross cash flow from operational activities	<u>187.690</u>	<u>402.462</u>
Changes in working capital		
- Change in receivables	-2.125	-345.172
- Change in short-term debt	<u>209.010</u>	<u>312.542</u>
Total changes in working capital	<u>206.885</u>	<u>-32.630</u>
<u>Cash flow from investing activities</u>		
Movements in fixed assets	-12.248	-63.210
Movements in financial assets	<u>-33.693</u>	<u>0</u>
Cash flow from investing activities	<u>-45.941</u>	<u>-63.210</u>
<u>Cash flow from financing activities</u>		
Change in long-term debt	<u>-277.500</u>	<u>-22.500</u>
Changes in cash and cash equivalents	71.134	284.122
Cash and cash equivalents at beginning of year	<u>728.928</u>	<u>444.806</u>
Cash and cash equivalents at year end	<u><u>800.062</u></u>	<u><u>728.928</u></u>

D. Accounting policies

The Annual Accounts have been prepared in accordance with accounting principles generally accepted in the Netherlands (amongst others Guideline 650 of the Dutch Accounting Standards Board, the guideline for fundraising institutions).

The Guideline 650 is the Annual Accounts format required by the Dutch Ministry of Foreign Affairs for the MFS programmes, which will provide the majority of Akvo's income in 2013.

Unless otherwise indicated, assets and liabilities are entered at nominal value under the historical cost convention.

Intangible fixed assets

The value of the Akvo Platform is set at 60% of the Akvo software developers' time. Software developers are contracted monthly or hourly and their costs are presented on page 25.

The Akvo Platform is amortised on a straight-line basis taking the estimated economic useful life into account. The estimated economic useful life of the Akvo Platform is set at a maximum of five years. The useful life is to be revised yearly. Non-current assets are valued against purchase price with a five year depreciation. Items that do not exceed € 1.000 are not capitalised but charged directly to the income statement.

Tangible fixed assets

Depreciation of the furniture and fixtures, the car and the computers (valued against purchase price) is calculated on a straight-line basis taking the estimated economic useful life into account. The estimated economic useful life of the furniture and fixtures and the car is set at five years, of the computers at three years. Items that do not exceed € 450 are not capitalised but charged directly to the income statement. Additions for the year 2013 are considered to have contributed to the foundation's activities pro rata. All tangible fixed assets are used for the foundation's objectives.

Financial assets

The financial assets consists of a participation in Akvo Kenya limited and is valued at the net asset value.

Pension

For its directly employed employees, Akvo has set up a pension scheme in 2011 with Centraal Beheer Achmea. The scheme is a defined contribution plan whereas Akvo contributes 2/3 of the premium and the employees pays 1/3 of the premium. Therefore, the pension costs in the Annual Accounts represent 2/3 of the total premium.

Income and expenditure

Income and expenditure are recognised as they are earned or incurred and are recorded in the financial statements of the period to which they relate. Losses are taken into account if they originate in the financial year and as soon as these are anticipated. For the execution of consultancy and program activities, Akvo uses the 'handleiding overheadstarieven' of the Ministry of Foreign Affairs. For the PPP Ghana program, Akvo used tariffs according to the approved budget.

E. Notes to the balance sheet

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
1. <u>Intangible fixed assets</u>		
<i>Akvo Platform</i>		
Balance January 1st	79.262	158.541
Movements:		
- Amortisation	<u>-79.262</u>	<u>-79.279</u>
Balance December 31st	<u><u>0</u></u>	<u><u>79.262</u></u>
Purchase value	396.378	396.378
Accumulated amortisation	<u>-396.378</u>	<u>-317.116</u>
Balance December 31st	<u><u>0</u></u>	<u><u>79.262</u></u>
<p>The Akvo Platform (www.akvo.org) has an online marketplace for development aid projects with unique features. The 1.557 projects in Akvo had a total value of over € 680 million.</p>		
2. <u>Tangible fixed assets</u>		
Furniture and fixtures	43.384	47.819
Computers	14.216	18.582
Car	<u>12.225</u>	<u>15.120</u>
Total tangible fixed assets	<u><u>69.825</u></u>	<u><u>81.521</u></u>

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
- Furniture and fixtures		
Balance January 1st	47.819	18.885
Movements:		
- Additions	7.506	33.282
- Depreciation	<u>-11.941</u>	<u>-4.348</u>
Balance December 31st	<u><u>43.384</u></u>	<u><u>47.819</u></u>
- Computers		
Balance January 1st	18.582	10.510
Movements:		
- Additions	4.742	13.843
- Depreciation	<u>-9.108</u>	<u>-5.771</u>
Balance December 31st	<u><u>14.216</u></u>	<u><u>18.582</u></u>
- Car		
Balance January 1st	15.120	0
Movements:		
- Additions	0	16.085
- Depreciation	<u>-2.895</u>	<u>-965</u>
Balance December 31st	<u><u>12.225</u></u>	<u><u>15.120</u></u>
3. <u>Financial fixed assets</u>		
Participation Akvo Kenya	<u><u>33.693</u></u>	<u><u>0</u></u>

Akvo holds 97% of the shares of Akvo Kenya limited. The participation is valued at the net asset value as at 31 December 2013.

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
4. <u>Receivables</u>		
Debtors	229.509	178.702
Akvo Kenya	64.739	0
VAT	43.143	3.044
PayPal USA - balance 31-12-2012	13.657	7.097
C4C grant 2011 en 2013	9.733	10.334
Costs paid in advance	8.514	18.165
WASH grant 2012 en 2013	5.006	94.980
Interest	1.932	7.830
Contributions via PayPal and iDEAL December	202	9.314
Aqua for All - Football for WASH	0	37.500
Agentschap NL - Akvopedia Finance Portal	0	17.696
Other receivables	<u>10.726</u>	<u>374</u>
Total receivables	<u><u>387.161</u></u>	<u><u>385.036</u></u>

No provision for uncollectible items is deemed necessary.

5. <u>Cash and cash equivalents</u>		
Rabobank NL12 RABO 1096 7209 30	669.154	660.356
Rabobank NL20 RABO 0149 0257 42	98.684	34.547
Rabobank NL47 RABO 1094 1309 82	19.911	19.911
Rabobank NL70 RABO 0333 3222 23	12.313	14.044
Cash	<u>0</u>	<u>70</u>
Total cash and cash equivalents	<u><u>800.062</u></u>	<u><u>728.928</u></u>

Reserves

Designated reserve intangible fixed assets	0	79.262
Continuity reserve	<u>403.189</u>	<u>247.591</u>
Total reserves	<u><u>403.189</u></u>	<u><u>326.853</u></u>

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
6. - Designated reserve intangible fixed assets		
Balance January 1st	79.262	158.541
Appropriation of the result	<u>-79.262</u>	<u>-79.279</u>
Balance December 31st	<u><u>0</u></u>	<u><u>79.262</u></u>

The designated reserve intangible fixed assets represents the value of the Akvo Platform.

7. - Continuity reserve		
Balance January 1st	247.591	-120.832
Appropriation of the result	<u>155.598</u>	<u>368.423</u>
Balance December 31st	<u><u>403.189</u></u>	<u><u>247.591</u></u>

The continuity reserve exists to ensure that the organisation can also meet its obligations in the future. Its size is determined by the risk the organisation runs of reduced income. The size of the continuity reserve is set at a maximum of € 1.098.391 being the costs of directly employed personnel and the office and general costs in 2013.

8. Designated funds

- Project donations

Balance January 1st	52.361	29.080
Corrections balance January 1st	-13	0
Appropriation of the result	<u>8.148</u>	<u>23.281</u>
Balance December 31st	<u><u>60.496</u></u>	<u><u>52.361</u></u>

The designated fund 'project donations' represents the balance of the received funds of projects (which are a part of the Akvo marketplace) and the payments made to the projects. Payments are made when a project is fully funded.

	<u>31-12-2013</u>	<u>31-12-2012</u>
	€	€
9. <u>Long-term debts</u>		
Rabobank loan	<u>127.500</u>	<u>405.000</u>

In 2009 a long-term loan was concluded with Rabobank. The loan bears an interest of 5,8% per annum for two years. The loan is to be redeemed on 1 January 2015. In 2013 a redemption of € 7.500 is made.

10. <u>Short-term debts</u>		
Rabobank loan	255.000	0
Ministry of foreign affairs PPP - received in advance 2014	111.843	0
Ministry of foreign affairs PPP - received in advance 2013	0	255.000
Ministry of foreign affairs PPP - received in advance 2012	0	79.591
Received in advance (other)	104.558	24.834
Monthly contractors	86.397	22.304
IRC PPP Ghana - received in advance	80.857	0
Payroll tax	25.904	23.662
Creditors	18.931	71.445
Balance leave hours	13.606	8.122
Other short-term debts	<u>2.460</u>	<u>5.575</u>
Total short-term debts	<u>699.556</u>	<u>490.533</u>

In 2009 a long-term loan was concluded with Rabobank. The loan bears an interest of 5% per annum for three years. The loan is to be redeemed on 1 September 2014. In 2013 a redemption of € 15.000 is made.

In 2013, Akvo received a PPP subsidy of € 835.000. Together with the accrued interest of 2012 of € 3.121 makes a total of € 838.121 of which an amount of € 805.869 is spent. The funds for the first half year of 2014 of € 180.000 were transferred in December 2013 and presented as an advanced payment and deducted from the remaining balance 2012 of € 79.591. The receivable grant of 2013 of € 68.157 is deducted from the advanced payment of € 180.000. The remaining balance 2013 is € 111.843.

CONTINGENT RIGHTS AND OBLIGATIONS

Housing

From 1st of October 2012 Akvo signed a housing agreement with Metroprop for the office space at 's-Gravenhekje 1A third floor. This agreement has a duration of four years and three months, 1 October 2012 till 31 December 2016. After expiring of this period, the housing contract might be continued for a period of five years. The term of notice of the contract is twelve months before expiration date. Yearly, at 1 August an indexation of the rent takes place. In total an amount of € 69.243 has to be paid for the rent of the office space in 2014.

Lease copier

In December 2013, a copier was leased. The agreement has a duration of five years, from 6 December 2013 till 5 December 2018. The lease fee is € 32 per month.

F. Notes to the income statement

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
<u>Income own fundraising</u>			
Fundraising activities	1.489	25.000	10.251
Project contributions	<u>100.248</u>	<u>p.m.</u>	<u>97.674</u>
Total income own fundraising	<u><u>101.737</u></u>	<u><u>25.000</u></u>	<u><u>107.925</u></u>
11. - Fundraising activities			
Donation fees	1.489		919
Membership fees	<u>0</u>		<u>9.332</u>
Total fundraising activities	<u><u>1.489</u></u>	<u><u>25.000</u></u>	<u><u>10.251</u></u>
12. - Project contributions	<u><u>100.248</u></u>	<u><u>p.m.</u></u>	<u><u>97.674</u></u>

Project contributions and contributions via iDEAL and PayPal are restricted funds. These funds are earmarked for water and sanitation projects in the Akvo marketplace. These are not considered 'real' income. They are matched by projects. Some projects are not fully funded yet and these restricted funds remain in our accounts.

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
13. <u>Government subsidies</u>			
Ministry of Foreign Affairs - PPP	805.869	510.000	708.632
Ministry of Foreign Affairs - PPP - FLOW	0	0	366.368
MFS II - WASH consortium	320.141	318.500	413.456
MFS II - C4C consortium	439.399	440.000	400.000
IRC - PPP Ghana	488.118	0	0
	<u>2.053.527</u>	<u>1.268.500</u>	<u>1.888.456</u>
Total government subsidies	<u>2.053.527</u>	<u>1.268.500</u>	<u>1.888.456</u>

The Ministry of Foreign Affairs PPP subsidy has a total value of € 2.500.000. The subsidy has a duration of four years (July 2011 - June 2015). The MFS II WASH subsidy has a total value of € 1.585.000 and a duration of five years (2011 - 2015). The MFS II C4C subsidy has a total value of € 2.000.000 and a duration of five years (2011 - 2015). The Ministry of Foreign Affairs PPP Ghana subsidy has a total value of € 1.310.200 and a duration of four years (2013 - 2016).

14. <u>Other income</u>			
Consultancy	973.063	1.850.000	278.595
PPP Ghana Akvo USA	130.000	0	0
Participation Akvo Kenya	33.693	0	0
UNICEF	19.890	0	0
Interest	2.779	7.000	6.404
FLOW	0	0	390.270
Other income	18.584	15.000	25.214
	<u>1.178.009</u>	<u>1.872.000</u>	<u>700.483</u>
Total other income	<u>1.178.009</u>	<u>1.872.000</u>	<u>700.483</u>

Explanation distribution of costs 2013

Policy for the distribution of costs

Considering the objectives of the foundation (see page 1) all costs of the Akvo office, are allocated to the Akvo Platform.

Costs	Destination							Actual 2013	Budget 2013	Actual 2012
	Objectives		Fundraising				Manage- ment and admini- stration			
	Projects	Akvo Platform	Own fund- raising	Joint appeals	Third party appeals	Govern- ment grants				
€	€	€	€	€	€	€	€	€	€	
Donations and contributions	92.100							92.100	p.m.	74.393
Personnel costs		1.979.370						1.979.370	1.969.500	1.348.424
Housing costs		94.129						94.129	85.000	54.564
Office costs and general costs		163.175						163.175	101.000	138.807
Consultancy		0						0	10.000	109.646
Publicity and communication								0	0	0
Financial costs		25.037						25.037	24.500	26.217
Amortisation Akvo Platform		79.262						79.262	79.279	79.279
Depreciation costs		21.048						21.048	17.000	10.119
Direct project costs - material		794.668						794.668	552.700	544.855
Costs obtaining government grants								0	0	0
Total	92.100	3.156.689	0	0	0	0	0	3.248.789	2.838.979	2.386.304

Continuation explanation distribution of costs 2013

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
<u>Donations and contribution</u>	<u>92.100</u>	<u>p.m.</u>	<u>74.393</u>

Project contributions and contributions via iDEAL and PayPal are restricted funds. These funds are earmarked for projects in the Akvo RSR. These are not considered 'real' income. They are matched by projects. Some projects are not fully funded yet and these restricted funds remain in our accounts.

15. Personnel and office costs

Personnel costs	1.979.370	1.969.500	1.348.424
Housing costs	94.129	85.000	54.564
Office costs and general costs	163.175	101.000	138.807
Consultancy	0	10.000	109.646
	<u>2.236.674</u>	<u>2.165.500</u>	<u>1.651.441</u>

- Personnel costs

Staff contracted monthly	1.138.283	1.163.500	692.627
Staff directly employed	841.087	806.000	655.106
Staff contracted hourly	0	0	691
	<u>1.979.370</u>	<u>1.969.500</u>	<u>1.348.424</u>

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
<i>Staff directly employed</i>			
Gross wages (included holiday fee)	665.813	645.500	517.673
Social costs	87.734	91.000	76.957
Pension costs	39.314	41.000	27.840
Travel costs	24.051	15.000	17.765
Sickness insurance	13.867	10.000	4.963
Other staff costs	<u>10.308</u>	<u>3.500</u>	<u>9.908</u>
Total staff directly employed	<u><u>841.087</u></u>	<u><u>806.000</u></u>	<u><u>655.106</u></u>
<i>FTE (interns excluded)</i>	12,82	11,10	10,71
<i>Costs per FTE</i>	65.607	72.613	61.168

Except for A.M.H.Th. Koemans, who received a remuneration of € 1.594 (including € 194 travel costs) in 2013, no remuneration was offered to the members of the supervisory board and no loans, advances or guarantees were granted.

- Housing costs

Office rent	79.314	67.500	26.550
Service costs	11.820	12.500	6.910
Other housing costs	<u>2.995</u>	<u>5.000</u>	<u>21.104</u>
Total housing costs	<u><u>94.129</u></u>	<u><u>85.000</u></u>	<u><u>54.564</u></u>

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
- Office costs and general costs			
Computer hardware	2.071	8.000	6.391
Computer software and IT support	36.138	12.000	18.068
Remote worker office costs	0	0	39.927
Sundries	27.101	35.000	30.464
Printing and copying	2.415	2.000	2.125
Postage and telephone	7.660	8.000	8.844
Office costs	4.283	8.000	6.256
Representation	2.420	1.000	1.589
Catering	0	500	357
Insurance	3.563	4.000	1.998
Travel costs	32.941	10.000	12.262
Internet costs	2.434	2.500	1.655
Communication and PR	28.373	10.000	8.871
Administration costs	12.182	0	
Costs boardmembers	1.594	0	
	<u>163.175</u>	<u>101.000</u>	<u>138.807</u>
Total office costs and general costs	<u>163.175</u>	<u>101.000</u>	<u>138.807</u>

The office costs and general costs exceed the budget due to higher costs for travel, communication and PR and the purchase of computer software and IT support due to more staff hire, the office move and two Akvo team weeks.

16. Financial costs

Interest on Rabobank loan	19.955	22.000	22.381
Bank charges	5.082	2.500	3.836
	<u>25.037</u>	<u>24.500</u>	<u>26.217</u>
Total financial costs	<u>25.037</u>	<u>24.500</u>	<u>26.217</u>

17. Depreciation costs

Furniture and fixtures	11.941	9.000	4.348
Computers	9.107	8.000	5.771
	<u>21.048</u>	<u>17.000</u>	<u>10.119</u>
Total depreciation costs	<u>21.048</u>	<u>17.000</u>	<u>10.119</u>

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
	€	€	€
18. <u>Direct project costs - material</u>			
PPP	399.621		181.058
WASH	215.275		78.997
C4C	298.679		86.174
PPP - Ghana	6.733		0
Unicef	17.517		0
FLOW	31.246		198.626
RSR	17.103		0
Akvopedia	4.442		0
Openaid	2.790		0
Consultancy	<u>462.528</u>		<u>0</u>
Total direct project costs - material	<u>1.455.934</u>	<u>552.700</u>	<u>544.855</u>

G. Ratios

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Actual 2012</u>
Total expenditure on behalf of the objectives/ total income	73,62%	72,22%	68,28%
Costs own fundraising	0,00%	0,00%	0,00%
Total expenditure on behalf of the objectives/ total costs	75,54%	80,53%	77,17%

The annual accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands. For the Dutch Ministry of Foreign Affairs, the Guideline 650 is mandatory. This guideline states that the ratios mentioned above should be mentioned. The ratios are solely presented because it is mandatory. Akvo doesn't make use of this ratios for its internal control system and therefore hasn't set targets.

Other information

Appropriation

The balance of income and costs of € 84.484 is processed as presented on page 13 (income statement 2013).

Post balance sheet events

There have been no significant events post balance date which would materially affect the annual accounts.

Independent auditor's report

The independent auditor's report is included at the next page of the annual accounts.

INDEPENDENT AUDITOR'S REPORT

Foundation Akvo
's Gravenhekje 1A
1011 TG AMSTERDAM
The Netherlands

Report on the financial statements

We have audited the accompanying financial statements 2013 of Foundation Akvo, The Hague, which comprise the balance sheet as at 31 December 2013, the income statement 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 and for the preparation of the management board report, both in accordance with the Guideline annual reporting 650 for "Fundraising organisations" of the Dutch Accounting Standard Board. 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 judgement, 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Foundation Akvo as at 31 December 2013, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 for "Fundraising organisations"

We report that the management board report, to the extent we can assess, is consistent with the financial statements.

Harderwijk, was signed 26 March 2014

Lentink de Jonge Accountants
Henk Bronkhorst
(External Auditor)

Accountants

Matrix of the income and costs per project

	PPP		WASH		C4C		PPP- Ghana	UNICEF	FLOW	RSR	Akvo- pedia	Open Aid	Other pro- grams new	Consultancy		Akvo general		Total		
	Result	Budget	Result	Budget	Result	Budget	Result	Result	Result	Result	Result	Result	Budget	Result	Budget	Result	Budget	Result	Budget	
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	
Income																				
Government grants	805.869	510.000	320.141	318.500	439.399	440.000	488.118												2.053.527	1.268.500
Other income							130.000	19.890						973.063	1.850.000	156.793	47.000		1.279.746	1.897.000
Total income	805.869	510.000	320.141	318.500	439.399	440.000	618.118	19.890	0	0	0	0	0	973.063	1.850.000	156.793	47.000	3.333.273	3.165.500	
Costs																				
Staff costs																				
- contracted monthly	68.488	111.000	6.819	90.000	2.792	160.000	432.953	0	157.874	336.120	102.657	14.312	0	137.509	0	-121.241	802.500	1.138.283	1.163.500	
- directly employed	337.760	250.000	98.047	160.000	137.928	187.000	178.432	32.539	39.095	90.271	262	6.713	0	422.808	0	-502.768	209.000	841.087	806.000	
Total staff costs	406.248	361.000	104.866	250.000	140.720	347.000	611.385	32.539	196.969	426.391	102.919	21.025	0	560.317	0	-624.009	1.011.500	1.979.370	1.969.500	
Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	92.100	0	92.100	0	
Housing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	94.129	85.000	94.129	85.000	
Office costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	163.175	101.000	163.175	101.000	
Direct project costs																				
(including staff hourly)	399.621	149.000	215.275	68.500	298.679	93.000	6.733	17.517	31.246	17.103	4.442	2.790	242.200	462.528	10.000	0	0	1.455.934	562.700	
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79.262	79.279	79.262	79.279	
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21.048	17.000	21.048	17.000	
Financial costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25.037	24.500	25.037	24.500	
Charged costs	0	0	0	0	0	0	0	0	-225.740	-355.340	-66.113	-14.073	0	0	0	0	0	-661.266	0	
Total costs	805.869	510.000	320.141	318.500	439.399	440.000	618.118	50.056	2.475	88.154	41.248	9.742	242.200	1.022.845	10.000	-149.258	1.318.279	3.248.789	2.838.979	
Balance of income and costs	0	0	0	0	0	0	0	-30.166	-2.475	-88.154	-41.248	-9.742	-242.200	-49.782	1.840.000	306.051	-1.271.279	84.484	326.521	

Income statement as at 31 December 2013 Ministry of Foreign Affairs - PPP

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Depletion rate</u>
	€	€	%
<u>Staff and material costs</u>			
Staff contracted monthly	68.488	111.000	61,7%
Staff directly employed	337.760	250.000	135,1%
Direct project costs (included staff hourly)	<u>399.621</u>	<u>149.000</u>	268,2%
Total staff and material costs	<u><u>805.869</u></u>	<u><u>510.000</u></u>	158,0%
<i>Financed by:</i>			
- Ministry of Foreign Affairs	<u><u>805.869</u></u>		

Cofinancing paragraph

According to the PPP monitoring protocol, Akvo has to show that an equal amount of the yearly cost is cofinanced. For PPP is agreed that 3% of the total project value online may be used as cofinancing. Furthermore, the consultancy activities can also be used to match the cofinancing condition.

Total PPP costs 2013	<u><u>805.869</u></u>
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	<u>Actual 2013</u>
	€
Actual cofinancing 2013:	
Un Habitat	24.685
Ministry of Liberia	31.535
Mars Chocolate	68.020
MWA Kenya	41.695
Cordaid	57.858
Partners for Water	20.213
3% of the project value online	<u>425.393</u>
Total actual cofinancing 2013	<u><u>669.399</u></u>
<i>Total cofinancing up to 2013</i>	<u><u>2.661.270</u></u>
<i>Remaining grant up to 31 December 2013</i>	
Total grant (01-07-2011 - 31-12-2014)	2.500.000
Total costs 2011	-386.948
Total costs 2012	-1.075.000
Total costs 2013	<u>-805.869</u>
Remaining grant up to 31 December 2013	<u><u>232.183</u></u>

Income statement as at 31 December 2013 UNICEF

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Depletion rate</u>
	€	€	%
<u>Staff and material costs</u>			
Staff directly employed	32.539		
Direct project costs (included staff hourly)	<u>17.517</u>		
Total staff and material costs	<u><u>50.056</u></u>	<u><u>0</u></u>	-
<i>Financed by:</i>			
- Snape	<u><u>19.890</u></u>		

Income statement as at 31 December 2013 PPP - Ghana

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Depletion rate</u>
	€	€	%
<u>Staff and material costs</u>			
Staff contracted monthly	432.953		
Staff directly employed	178.432		
Direct project costs (included staff hourly)	<u>6.733</u>		
Total staff and material costs	<u><u>618.118</u></u>	<u><u>0</u></u>	-
<i>Financed by:</i>			
- IRC	488.118		
- Akvo USA	<u>130.000</u>		
<i>Total</i>	<u><u>618.118</u></u>		

Income statement as at 31 December 2013 MFS II - WASH consortium

	<u>Actual 2013</u>	<u>Budget 2013</u>	<u>Depletion rate</u>
	€	€	%
<u>Staff and material costs</u>			
Staff contracted monthly	6.819	90.000	7,6%
Staff directly employed	98.047	160.000	61,3%
Direct project costs (included staff hourly)	<u>215.275</u>	<u>68.500</u>	314,3%
Total staff and material costs	<u><u>320.141</u></u>	<u><u>318.500</u></u>	100,5%
<i>Financed by:</i>			
- <i>Stichting Simavi</i>	<u><u>320.141</u></u>		
<i>Remaining grant up to 31 December 2013</i>			
Total grant (01-01-2011 - 31-12-2015)	1.585.000		
Total costs 2011	-391.363		
Total costs 2012	-413.456		
Total costs 2013	<u>-320.141</u>		
Remaining grant up to 31 December 2013	<u><u>460.040</u></u>		

Income statement as at 31 December 2013 MFS II - C4C consortium

	Actual 2013	Adjusted budget 2013	Depletion rate
	€	€	%
<u>Staff and material costs</u>			
Staff contracted monthly	2.792	160.000	1,7%
Staff directly employed	137.928	187.000	73,8%
Direct project costs (included staff hourly)	<u>298.679</u>	<u>93.000</u>	321,2%
Total staff and material costs	<u><u>439.399</u></u>	<u><u>440.000</u></u>	99,9%
 <i>Financed by:</i>			
- <i>Stichting International Institute for Communication and Development (IICD)</i>	<u><u>439.399</u></u>		
 <i>Remaining grant up to 31 December 2013</i>			
Total grant (01-01-2011 - 31-12-2015)	2.000.000		
Total costs 2011	-410.334		
Total costs 2012	-400.000		
Total costs 2013	<u>-439.399</u>		
Remaining grant up to 31 December 2013	<u><u>750.267</u></u>		

Result Football for Water 31 December 2013

	<u>Actual 2013</u>
	€
<u>Staff and material costs</u>	
Staff	77.814
Direct project costs	<u>52.515</u>
Total staff and material costs	<u><u>130.329</u></u>
<i>Financed by:</i>	
- Aqua for All	77.000
- Akvo own contribution	<u>53.329</u>
<i>Total</i>	<u><u>130.329</u></u>