

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST MARCH 2017  
FOR**

**WATER WITNESS INTERNATIONAL**



**JRW**  
chartered accountants

**REGISTERED COMPANY NUMBER: SC353570 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC041072**

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST MARCH 2017  
FOR  
WATER WITNESS INTERNATIONAL**

JRW  
Chartered Accountants  
Riverside House  
Ladhope Vale  
Galashiels  
Selkirkshire  
TD1 1BT

**WATER WITNESS INTERNATIONAL**  
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**FOR THE YEAR ENDED 31ST MARCH 2017**

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**WATER WITNESS INTERNATIONAL**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

**TRUSTEES**

A N Brown (resigned 6.4.17)  
Ms H Triviais (resigned 6.4.17)  
M Rogers  
Rev Dr J C Wigglesworth  
Prof B A Lankford  
J Seager  
L G Rankin (appointed 15.3.17)  
Ms D Duncan (appointed 15.3.17)  
J M Brett (appointed 15.3.17)  
Miss L Salame (appointed 15.3.17)  
Ms D Kaur (appointed 15.3.17)  
Dr S C Kaare (appointed 15.3.17)

Meab Mdimi of Tanzania is an honorary Trustee without voting rights.

**REGISTERED OFFICE**

UN House  
4 Hunter Square  
Edinburgh  
EH1 1QW

**REGISTERED COMPANY  
NUMBER**

SC353570 (Scotland)

**REGISTERED CHARITY  
NUMBER**

SC041072

**INDEPENDENT EXAMINER**

JRW  
Chartered Accountants  
Riverside House  
Ladhope Vale  
Galashiels  
Selkirkshire  
TD1 1BT

**BANKERS**

The Royal Bank of Scotland  
36 St Andrew Square  
Edinburgh  
EH2 2YB

**WATER WITNESS INTERNATIONAL**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

1.1 to promote sustainable development through the equitable and effective management of water resources for the benefit of the public by:

1.1.1 the preservation, conservation and protection of the environment and the prudent use of resources;

1.1.2 the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;

1.1.3 the promotion of sustainable means of achieving economic growth and equitable water resource use;

1.2 to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the water environment, and the sustainable management of water resources in any part of the world, and to promote study and research in such subjects in any part of the world;

1.3 to relieve poverty, ill health and human suffering, reduce conflict and promote sustainable development and the conservation of bio-diversity through the promotion of equitable and effective water resource management;

1.4 to advance understanding and education concerning the effects and causes of poverty, ill health, human suffering, conflict and the loss of bio-diversity, particularly in relation to the management and regulation of water resources in any part of the world;

1.5 research, development, investigations and analysis in connection with water resources and the management, regulation or performance of such resources in any part of the world, including the socio economic impacts of water resources and their uses;

1.6 the development, identification and promotion of best practice and effective tools for water resource regulation, dialogue and conflict resolution;

1.7 research and development in connection with certifiable standards for sustainable water resource management;

1.8 advocacy, communication and campaigning to promote the interests of the poor, the powerless and the environment, and to provide an objective commentary and critical analysis of water resource management in any part of the world;

1.9 the provision of sources of information and education together with training services in respect of water resource management in any part of the world;

1.10 the provision of strategic and operational support to other organisations in order to achieve improved performance and accountability in water resource management and to engage in relevant strategic collaborations in any part of the world;

1.11 the provision of mediation and broker services in respect of conflicts involving water resources;

1.12 to engage in other charitable purposes.



**WATER WITNESS INTERNATIONAL**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

**OBJECTIVES AND ACTIVITIES**

**Significant activities**

Against these objectives and in line with our Strategic and Business Plan the following activities were carried out between March 2015 and March 2017 are organised below by activity area.

**a) Research and development**

Research and development to support implementation and impact of the Alliance for Water Stewardship Standard

During 2016-17 our team supported and documented the costs and benefits of further applications of the AWS standard in Africa by Diageo. We are now leading research and development with Diageo and others to downscale the application and guidance on AWS for smallholders and SMEs in Africa. We are also working with groups in Zambia as part of our R&D around the standard. This work is being supported by the Scottish Government's Climate Justice Fund and with their support we hosted a Regional Water Stewardship Leaders Forum and regional training in April 2016.

This activity helps deliver objectives. 1.1 to 1.10

**b) Advocacy and communication**

Social Accountability Monitoring for water security in East and Southern Africa

We continued and extended delivery of Phase II of our Fair Water Futures Programme project, through additional investment of £200 000 from the Scottish Government's climate justice fund. This has allowed us to extend operations in both Tanzania and Zambia and will see us approach 1 million beneficiaries including in several new case study sites.

The work also drives system change for pro-poor water management and significant achievements have been registered over the year, with: formal commitment to increased and sustainable financing for water resource management as a result of our submission to the Joint Sector Review in Tanzania; new commitment to hold an annual sector review process in Zambia.

We have also shared our learning internationally, and have initiated a new partnership with Oxfam, WaterAid and WIN to support a global community of practice and learning. The partnership was catalysed following our co-leadership of a keynote session at Stockholm Water Week.

This activity helps deliver objectives 1.1 to 1.10

**c) Capacity building and service delivery**

Global Water Stewardship Forum, Edinburgh

In November 2016 WWI led several sessions at the Global Water Stewardship Forum in Edinburgh to support progress in water stewardship.

This activity helps deliver objectives 1.1-1.7 and 1.10.

Professional Development and MSc training at the UEA Water Security Centre, and University of Edinburgh

In June 2016 WWI provided training services to University of East Anglia's Water security MSc course, Policy makers training and continues to support the University of Edinburgh's Undergraduate and Masters courses.

Practitioner-2-Practitioner

In February 2017 WWI hosted an international capacity building exchange which saw the Deputy Director of Water Resources in Tanzania spend two weeks within the UK, as a model for long term capacity support exchange between UK and African water managers.

# WATER WITNESS INTERNATIONAL

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

### OBJECTIVES AND ACTIVITIES

#### Significant activities

2016-17 year has seen the consolidation of the organisations work and credibility, with staff headcount stabilising at eleven. This year has seen us revise our governance structure and invest in securing new funding from new sources, namely grant making foundations in the US and the UK. With an imminent core funding agreement for the next 3 years, this puts us in a strong position to extend the reach and depth of delivery against our charitable objectives.

### FINANCIAL REVIEW

#### Financial position

This has been another significant year for the charity with major projects continuing from last year and others coming online and the funding for these resulting in a significant increase in the overall figures.

Total income has decreased from £489,234 to £463,316, and total expenditure has increased from £454,195 to £462,252. The surplus for this year is £1,064 (2016 £35,039).

#### Reserves policy

The projects undertaken to date have had specific funding provided to perform the tasks required. As such there have been few opportunities to build a general reserve for other works and general expenses. The Trustees are aware of the need to do so in order to meet ongoing costs and to allow the charity to be able to develop further.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The organisation is a company limited by guarantee, as defined by the Companies Act 2006, and is governed by its Memorandum and Articles of Association. Every member undertakes to contribute such an amount as may be required towards the debts and liabilities of the company in the event of its being wound up, but not exceeding the sum of £1.

In 2012 WWI revised and implemented a range of new governance and operational policies to reflect the growth in our work and organisation. These included: child and vulnerable people protection; anti-bribery; HIV in the workplace; IT security; Health and Safety; ethics; equal opportunities and environment, together with a risk management procedure and register; financial manual. To oversee this development and implementation an Audit and Finance Committee (AFC) was established. The AFC is overseeing a review of these policies and procedures which will be completed in 2017.

#### Recruitment and appointment of new trustees

The WWI Trustee recruitment process involves advertising our call and role specification through multiple channels, ahead of an informal interview and orientation training. If it is found that the interests and skills of the individual align with the needs identified in our Board skills matrix, then the appointment is put before our board for a vote, as per our Memorandum and Articles.

#### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Approved by order of the board of trustees on 10th August 2017 and signed on its behalf by:



J M Brett - Trustee



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
WATER WITNESS INTERNATIONAL**

I report on the accounts for the year ended 31st March 2017 set out on pages seven to thirteen.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of the independent examiner's report**

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin D Ferguson, CA  
JRW  
Chartered Accountants  
Riverside House  
Ladhope Vale  
Galashiels  
Selkirkshire  
TD1 1BT

10th August 2017



**WATER WITNESS INTERNATIONAL**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies		124,189	258,669	382,858
Other income		<u>80,458</u>	<u>-</u>	<u>80,458</u>
<b>Total</b>		204,647	258,669	463,316
 <b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Direct Costs		87,763	274,294	362,057
Water Management*Research and Advice		98,316	-	98,316
Other		<u>1,879</u>	<u>-</u>	<u>1,879</u>
<b>Total</b>		<u>187,958</u>	<u>274,294</u>	<u>462,252</u>
 <b>NET INCOME/(EXPENDITURE)</b>		 16,689	 (15,625)	 1,064
 <b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>		 <u>16,689</u>	 <u>48,367</u>	 <u>65,056</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		 <u><u>33,378</u></u>	 <u><u>32,742</u></u>	 <u><u>66,120</u></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**WATER WITNESS INTERNATIONAL**

**BALANCE SHEET  
AT 31ST MARCH 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total funds £
<b>FIXED ASSETS</b>				
Tangible assets	4	415	13,726	14,141
<b>CURRENT ASSETS</b>				
Debtors	5	30,288	5,171	35,459
Cash at bank and in hand		<u>7,401</u>	<u>13,845</u>	<u>21,246</u>
		37,689	19,016	56,705
<b>CREDITORS</b>				
Amounts falling due within one year	6	(4,726)	-	(4,726)
		<u>32,963</u>	<u>19,016</u>	<u>51,979</u>
<b>NET CURRENT ASSETS</b>				
		33,378	32,742	66,120
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		<u>33,378</u>	<u>32,742</u>	<u>66,120</u>
<b>NET ASSETS</b>				
<b>FUNDS</b>				
Unrestricted funds	7			33,378
Restricted funds				<u>32,742</u>
<b>TOTAL FUNDS</b>				
				<u>66,120</u>

The notes form part of these financial statements

**WATER WITNESS INTERNATIONAL**

**BALANCE SHEET - CONTINUED  
AT 31ST MARCH 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st March 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 10th August 2017 and were signed on its behalf by:



J M Brett -Trustee

The notes form part of these financial statements



# WATER WITNESS INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 1. ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

#### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

#### **VAT**

The figures in these financial statements are VAT inclusive. The company was VAT registered for part of the year and the net payments are included separately. The company had de-registered for VAT by the year end.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**WATER WITNESS INTERNATIONAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2017**

**2. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	£
Depreciation - owned assets	4,714
Other operating leases	<u>8,657</u>

**3. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st March 2017.

**4. TANGIBLE FIXED ASSETS**

	Equipment £	Motor vehicles £	Totals £
<b>COST</b>			
At 1st April 2016	7,329	29,675	37,004
Additions	<u>630</u>	<u>-</u>	<u>630</u>
At 31st March 2017	<u>7,959</u>	<u>29,675</u>	<u>37,634</u>
 <b>DEPRECIATION</b>			
At 1st April 2016	3,380	15,399	18,779
Charge for year	<u>1,145</u>	<u>3,569</u>	<u>4,714</u>
At 31st March 2017	<u>4,525</u>	<u>18,968</u>	<u>23,493</u>
 <b>NET BOOK VALUE</b>			
At 31st March 2017	<u>3,434</u>	<u>10,707</u>	<u>14,141</u>

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Other debtors	<u>35,459</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade creditors	<u>4,726</u>

**WATER WITNESS INTERNATIONAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2017**

**7. MOVEMENT IN FUNDS**

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted funds</b>				
General fund	2,045	15,705	15,628	33,378
IWASP	<u>14,644</u>	<u>984</u>	<u>(15,628)</u>	<u>-</u>
	16,689	16,689	-	33,378
<b>Restricted funds</b>				
DFID - Fair Water Futures	1,887	5,000	(6,887)	-
Climate Justice Fund	<u>46,480</u>	<u>(20,625)</u>	<u>6,887</u>	<u>32,742</u>
	48,367	(15,625)	-	32,742
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u><u>65,056</u></u>	<u><u>1,064</u></u>	<u><u>-</u></u>	<u><u>66,120</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	124,993	(109,288)	15,705
IWASP	<u>79,654</u>	<u>(78,670)</u>	<u>984</u>
	204,647	(187,958)	16,689
<b>Restricted funds</b>			
DFID - Fair Water Futures	5,000	-	5,000
Climate Justice Fund	<u>253,669</u>	<u>(274,294)</u>	<u>(20,625)</u>
	258,669	(274,294)	(15,625)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u><u>463,316</u></u>	<u><u>(462,252)</u></u>	<u><u>1,064</u></u>



**WATER WITNESS INTERNATIONAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2017**

**7. MOVEMENT IN FUNDS - continued**

The Fair Water Futures fund is a project in Tanzania, with grant funding from the UK Government through the Department For International Development. This project is now complete and the fixed assets remaining from it have been transferred to the Climate Justice Fund.

The Climate Justice Fund from the Scottish Government provides for Phase II of the Fair Water Futures Programme and supports scaling up of the project in Tanzania and extension into Zambia. The work combines social accountability monitoring, budget analysis, advocacy and private sector stewardship with capacity building support to improve water management for the benefit of vulnerable communities.

The International Water Stewardship Programme (IWaSP) is a joint investment by the UK and German governments to maximise the contribution of the private sector engagement and collective action between the private sector, civil society and governments to improved water management in developing countries.

WWI is a key partner within this work, supporting strategic analysis and planning, lesson learning, development of guidance and ensuring effective engagement with communities.

**8. RELATED PARTY DISCLOSURES**

Nicholas Hepworth was appointed as Executive Director on 10 September 2012. While he is not a Trustee he is significantly involved in the operations of the charity.

During the year the charity paid Common Futures Consulting Ltd (a company of which Mr Hepworth is a director and shareholder) for consultancy services to the value of £30,000 (2016 - £38,552). There was a balance due at the year end of £Nil (2016 - £Nil).

**WATER WITNESS INTERNATIONAL**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

£

**INCOME AND ENDOWMENTS**

**Donations and legacies**

Grants 382,858

**Other income**

Other income 80,458

**Total incoming resources**

463,316

**EXPENDITURE**

**Charitable activities**

Rent 8,657

Insurance 908

Light and heat 92

Telephone 3,322

Postage and stationery 3,704

Advertising & website 4,341

Sundries 3,208

Management fees 82,312

Delivery contracts 228,852

Administration fees 27,465

Repairs and renewals 116

Motor expenses 1,606

Travel expenses 53,053

Project costs 10,111

Vat payments 5,326

433,073

**Support costs**

**Management**

Subscriptions 1,299

**Finance**

Depreciation of tangible fixed assets 4,714

**Governance costs**

Independent examination 1,290

Meeting expenses 2,768

Training 18,172

Bank charges & interest 936

23,166

**Total resources expended**

462,252

**Net income**

1,064

This page does not form part of the statutory financial statements



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T 01450 372267  
F 01450 373591

**Langholm Office**  
46 High Street  
Langholm  
DG13 0JH  
T 013873 80730  
F 013873 80983

**Peebles Office**  
2 Rowan Court  
Cavalry Park  
Peebles EH45 9BU  
T 01721 720947  
F 01721 724177

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