

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2019
FOR**

WATER WITNESS INTERNATIONAL

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

WATER WITNESS INTERNATIONAL
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FOR THE YEAR ENDED 31ST MARCH 2019

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WATER WITNESS INTERNATIONAL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST MARCH 2019

TRUSTEES

M Rogers
Rev Dr J C Wigglesworth
Prof B A Lankford (resigned 23.5.18)
J Seager
L G Rankin
Ms D Duncan
J M Brett
Miss L Salame
Ms D Kaur
Dr S C Kaare

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

REGISTERED OFFICE

3/2 Boroughloch Square
Edinburgh
EH8 9NJ

REGISTERED COMPANY NUMBER

SC353570 (Scotland)

REGISTERED CHARITY NUMBER

SC041072

AUDITORS

JRW
Chartered Accountants &
Statutory Auditor
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 2019

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 2019. 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).

Water Witness International moved offices from UN House, 4 Hunter Square, Edinburgh, EH1 1QW to 3/2 Boroughloch Square, Edinburgh, EH8 9NJ on 5th October 2018. The landlord is Alasdair Sinclair MacDonald of The Granary, Hassendeanburn, Hawick, TD9 8RU.

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;

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

OBJECTIVES AND ACTIVITIES

Significant activities

Against these objectives and in line with our Strategic Plan the following activities were carried out between April 2018 and March 2019 and are organised below by activity area.

a) Research and development

William & Flora Hewlett Foundation - Building knowledge to advance social accountability and advocacy practice for a fair water future (Knowledge ASAAP for water)

" On 4th October 2018, WWI won a one-year grant (Nov'18-Nov'19) for US\$ 250,000 with the William & Flora Hewlett Foundation to plan research which will build knowledge and improve accountability and advocacy practice for a fair water future. This planning grant is to develop a longer-term research programme to better understand the determinants of citizen action, governance responses and optimal external support for accountability across different contexts. Work includes mapping of existing knowledge, engagement with end users, scoping and recruitment of partners and case studies and detailed programme design.

" Forging links with other practitioners through the inception of a global consortium, hosting of an Accountability Thinkshop and the peer review of the research plan at World Water Week has built the experience and reputation of WWI as a leader in the sector.

" The planning phase was successfully completed in November 2019 and a full grant of \$1.8 million has now been approved.

This activity helps deliver our charitable objectives 1.1, 1.4, 1.6 & 1.10

Alliance for Water Stewardship - development of the global water stewardship standard

" In 2018-19, WWI continued to serve as a board member of the Alliance for Water Stewardship, a Scottish Charitable Incorporated Organisation, which is responsible for the development of a global standard for water stewardship, the second version of which was published in 2019. This year new AWS members from the private sector committed to implementing the global standard include Apple, Lidl, Proctor and Gamble and PepsiCo.

" WWI continues to ensure that developing country priorities and realities are reflected in the development of the standard, providing lessons learned through our water stewardship work with smallholder farmers and with community hubs (hospital and school) in Malawi funded by the Scottish Government through the Climate Justice Fund (Aug '17-Oct'18 with a no cost extension to June '19) for £200,000 and Climate Justice Innovation Fund (Nov '18 to June '20) for £99,998. This work is already resulting in improved water management locally, and lessons learnt are shaping the global standard to enable it to be applied by smallholder farmers better in future. These lessons were shared both in reports and in presentations at the annual Global Water Forum organised by AWS.

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

OBJECTIVES AND ACTIVITIES

Significant activities

" WWI is playing a key role in the founding of AWS Africa with GIZ support, setting up and supporting the secretariat to become an autonomous entity. Through its field experience, WWI has been instrumental in ensuring WASH (water sanitation and hygiene) in the workplace is a fundamental component of the global water standard, ensuring that people's health is given due attention.

This activity delivers on objectives 1.3 to 1.7, 1.10 & 1.11

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (GIZ) - Enhancing and embedding International Water Stewardship Programme (IWaSP) impact and legacy through strategic support to AWS Africa and targeted country activities

" On 6th December 2018, WWI entered into a two-year grant (Dec'18-Dec'20) for EUR 250,000 with GIZ embedding stewardship in export production zones and business parks as well as strengthen AWS Africa as an autonomous entity to shepherd action and learning into the future.

" While the work undertaken in 2018-19 focused on the establishment of partnerships and building a common understanding of the delivery of the work, in 2019 the focus is on training participants on the global water stewardship standard and implementation.

This activity delivers on objectives 1.1, 1.3, 1.4, 1.6 & 1.7

Annual Learning Review Workshop

" In December 2018, in an Annual Learning Review Workshop key operational challenges, programme lessons and insights gained over the previous year were recognised and ways forward sought to continually improve WWI's work. The findings were grouped into issues around (i) Improved water security for communities, (ii) Advocacy for system change, (iii) Knowledge and influence and (iv) Partner capacity.

" Key lessons included that our convening role at many events offers an opportunity for enhanced understanding of accountability as well as organisational and sector profile, as demonstrated through Habari za Maji Awards and the organisation and delivery of the Equity Report presented at the Joint Water Sector Review in Tanzania.

This activity helps deliver our charitable objectives 1.1 to 1.6 and 1.8 to 1.10

Sharing knowledge and insights through the Water Week Scientific Conference

" The first Tanzanian Water or Maji Week Scientific Conference in March 2019 provided a national platform for sharing new knowledge, insights and experience in research undertaken in water in Tanzania. WWI presented four abstracts with their key partners, rooted in our case study experience, on pollution control and sustainable industrialisation, urban water security, ensuring inclusion and impact for women and engaging the private sector through water stewardship.

This activity helps deliver our charitable objectives 1.2 to 1.5

b) Advocacy and communication

Supporting the Water User Association (WUA) Learning Group to reshape Tanzania's statutory guidelines for WUA formation and operations and related water policy.

" Initiated by WWI and our key Tanzanian partner, Shahidi wa Maji in 2017, the Water User Association (WUA) Learning Group presented the conclusions of its work and recommendations for the future during Maji Week Scientific Conference, March 2019. The Water User Association (WUA) Learning Group are community actors responsible for ensuring common water resources are shared, managed and conserved, conflicts on water use resolved and water availability and use monitored. WWI and its partner initiated this group and provides technical inputs, sharing knowledge and evidence from case sites. This work is now being used to reshape the country's statutory guidelines for WUA formation and operations and related water policy.

This activity helps deliver our charitable objectives 1.8 to 1.10

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

OBJECTIVES AND ACTIVITIES

Significant activities

The Adoption of Risk Based Regulation by Tanzania's Ministry of Water.

" As a result of the Uhakika wa Maji project demonstrating the value of Risk-Based Regulation (RBR) approach to managing water resources, the Ministry of Water (MoW) has chosen to adopt RBR to optimise spend of their limited budget. This has now been adopted and supported by the Water Resources Management (WRM) Technical Working Group. Following the leadership workshop funded by the Hewlett Grant in 2018, good progress has been made and the RBR approach is now being piloted. The Tanzanian Permanent Secretary publicly announced the Ministry of Water's commitment to take up RBR in their plans in his closing remarks in the Joint Water Sector Review (JWSR) meeting in March 2019.

This activity helps deliver our charitable objectives 1.5, 1.6 & 1.8 to 1.10

The Joint Water Sector Review 2019 - Water Sector Equity Report delivered to government and donor party group on water

" The Joint Water Sector Review 2019 (JWSR) meetings were reinstated in March 2019, In collaboration with a range of Tanzanian partners, WWI developed Tanzania's 2019 Water Sector Equity Report, entitled, 'No-one left behind: Putting the water sector to work for inclusive growth and sustainable industrialisation'. Collating evidence from across the sector, the report made 11 key recommendations for change in the areas of (i) adequate WASH for a healthy and skilled workforce, (ii) water stewardship by the private sector, (iii) water secure towns and cities, (iv) sector financing and (v) accountability for water. The report has had a powerful impact not only on government but also on the donor partner group (DPG) on water, who agreed to adopt several key recommendations as the core focus of the DPG statement and workplan over the coming year.

This activity helps deliver our charitable objectives 1.1 to 1.10

The Sector Financing Study - reforming the Water Resources Management is funded

" One of the most significant outcomes of our advocacy work this year has been the Government of Tanzania's commitment to implement the recommendations of the sector financing study and to reform the way Water Resources Management is funded to ensure adequate resourcing. This is a very significant step towards more effective sector governance and has been our primary advocacy target for the past 5 years.

This activity helps deliver our charitable objectives 1.1 to 1.10

Accountability for Water Consortium

" WWI continues to promote the accountability agenda globally (in 2018-19 at meetings in Berlin, London and Findhorn with leaders of global finance and development), and to lead the Accountability for Water Consortium to nurture the community of practice and learning on the topic.

This activity helps deliver our charitable objectives 1.2 to 1.8

Website development and media coverage

" WWI website successfully launched January 2019.

This activity helps deliver objectives 1.2 & 1.8

WATER WITNESS INTERNATIONAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

OBJECTIVES AND ACTIVITIES

Significant activities

c) Capacity building and service delivery

William & Flora Hewlett Foundation: Fair Water Futures: Strengthening accountability practice on water in Tanzania and driving uptake across Africa

" On 12th June 2017, WWI entered into a three-year grant (Jul'17-Jul'20) for US\$ 900,000 with the William & Flora Hewlett Foundation to (i) embed and broaden the impact of our accountability and advocacy work with partners, to drive implementation of water law and improve water security for 1 million vulnerable people in Tanzania; (ii) make clear contributions to pro-poor changes in policy, practice and financing for water; (iii) address knowledge gaps, share lessons, inspire practice and build a regional network and a global consortium to support social accountability on water towards delivery of SDG 6; and (iv) build local capability to enable our partners to facilitate water-security in the long term. In 2018-19 this work has made good progress in the work with communities, government and civil society partners.

" The gender report documents findings from studies in Dar Es Salaam and Morogoro, with lessons learnt now being integrated into the programme. The gender study will be shared with global partners and via social accountability webinars (GPSA), as well as in regional conferences.

" Training materials, a training manual and a facilitators guide have been developed, translated, illustrated and cartoons created to support community water witnesses (Mashahidi) to guide and inform communities on water issues. The materials are available to be used more widely in Tanzania and globally for social accountability monitoring on water.

" Community Water Witnesses (Mashahidi) have been provided with smart phones and trained to enable them to capture issues and information from the case sites which they can then upload to the public information portal, AKVO RSR.

" Habari za Maji Media awards successfully raised the water sector profile in the public eye, strengthened media relations and improved understanding of social accountability to journalists, government and the public.

" T-shirts, posters and flyers have been developed, produced and distributed primarily to support advocacy work and to raise awareness on water issues within the communities

" Supported partner to update and finalise organisational strategy document and KPIs

These activities help deliver our charitable objectives 1.1 to 1.11

Conclusion of water stewardship work with farmer supply chains

" The Maji SASA project working with farmers in the supply chain of the Serengeti Brewery Ltd.'s Moshi site to address significant water and climate related risks was concluded and evaluated in 2018. Examples of the 12 key recommendations include (i) Farmers report that the knowledge gained will enable increased barley production and coping in dry years; (ii) Farmers are able to make better informed decisions, can calculate their anticipated and actual profits, and have a better understanding of how to deal with risks; (iii) Extension workers report intent to scale lessons and use training materials at District level.

This activity helps deliver our charitable objectives 1.5 & 1.6

Professional Development training on the AWS Water Stewardship Standard

" In March 2019 WWI provided training services AWS, organising a champion's course and training national and international participants from the public and private sector and civil society. Participants will go on to implement, monitor or audit the standard.

This activity helps deliver our charitable objective 1.9

d) Resourcing our work

In 2018-19 WWI was able to increase its income on last year to £926,260. The table below illustrates each source of income with the amount funded.

In 2020 a new funding strategy will be developed to support WWI's new 10-year strategy

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

OBJECTIVES AND ACTIVITIES

Significant activities

Annex 1: Funding Apr 2018- to Mar 19

Donor	Name	Duration	Amount	For	Location
Scottish Govt	Climate Justice Fund Malawi/Zambia	01.08.17-01.10.18 - no cost extension to June '19	14 Months across 2 financial years: Apr '17-Mar '18: £126,236 Apr '18-Mar '19: £73,764 Total: £200,000	Malawi Stewardship Initiative	Blantyre, Chikwawa & Kasungu districts
Scottish Govt	ICT	To March '19	£37,729	M-Water and AKVO software	
Scottish Govt	Climate Justice Innovation Fund	Nov '18 to June '20	£4,385	Baseline assessments of water risks; training; support to KASFA;	Malawi
GIZ	AWS Africa (GIZ 1) Enhancing legacy	Mar '18 – Mar '19	Euro 50,000	Enhancing collaboration between AWS Africa and IWASP	Variety of work in region
GIZ	AWS Africa (GIZ 2) Enabling	Dec '18 – Dec '20	Euro 271,578	To implement AWS Standard in in Special Economic Zone	Ethiopia, Tanzania South Africa (Pegasys)
AfriAlliance	AfriAlliance	Jul '18 – Mar '21	Euro 15,500	To promote AWS Africa	Region
Matrix Fund	Matrix Fund	Jul '18-Jul '19	\$4,000	Cartoons for Fair Water Future	Tanzania
Hewlett Foundation	Hewlett Foundation Main Grant (Hewlett I)	Jul'17-Jul '20	US\$ 900,000	4 outcomes SwM strategy & development SwM team	Tanzania
Hewlett Foundation	Hewlett Foundation Planning Grant (Hewlett II)	Nov'18-Nov'19	US\$ 250,000	Research plan incl. lit review, research design and how it is to be administered.	Region

STRATEGIC REPORT

Achievement and performance

Our achievements and impact are significant given the amount of funding received and the size of the implementing team. Our reputation in the sector as a source of sound research and well-grounded advocacy continues to grow. The organisation continues to be extremely strategic in its interventions and will continue to keep this focus, guided by our new strategy. As the organisation grows, we will ensure our monitoring and evaluation allows us to objectively demonstrate our contribution to sustainable and equitable water management globally.

Financial review

Financial position

WWI ended the financial year in the black, with £192,097.24 in the GBP account and €218,991.89 in the EUR account. In 2018-19 WWI registered for VAT which allows us to reclaim VAT paid on payments. Planning and research are on-going in relation to long-term funding strategies which are expected to bear fruit in 2019-20. At the same time a funding strategy will be developed to support WWI's new strategy to be launched in November 2019.

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

STRATEGIC REPORT

Financial review

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.

Principal risks and uncertainties

Given the nature of our funding the greatest risk to the charity's work would come from a change in policy from either the UK or Scottish Governments towards funding the projects we are involved in.

Other principal risks facing the operation are considered to be the loss of key personnel, changes in donor policy/interest, failure to deliver impact/poor project management and terrorist activity or political unrest in countries of operation.

Future plans

Building on our strengths and experience to date, in 2019-20 we will develop a 10-year strategy to guide our future work to the date by which the global Sustainable Development Goals are to be delivered. In December 2018 with the steady growth of the organisation, we employed a Deputy Director, Dorcas Pratt, as management demands are greater, our workload has increased and interest in our work continues to grow.

In addition to successful delivery of these initiatives our priorities will lie in developing and delivering our new strategy, ensuring it is supported by robust governance, policy and procedures, as well as sufficient resources to bolster our steady growth and the attainment of our charitable objectives.

Funding has been confirmed for the next three to five years of delivery. We look forward to our next period of growth and global impact.

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.

WWI board is served by the Audit and Finance Committee (AFC) sub-committee which oversees and reports on financial and regulatory compliance, and on compliance with internal policy and process. In 2018-19 the board and AFC reviewed and revised current policy and practice, strengthening particularly the risk policy and register.

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 given due attention to their 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. The organisational risk register is subject to regular review by the AFC.

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Water Witness International for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

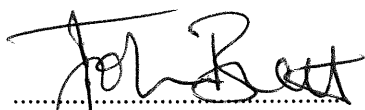
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, JRW, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5th December 2019 and signed on the board's behalf by:


.....
J M Brett - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF WATER WITNESS INTERNATIONAL

Opinion

We have audited the financial statements of Water Witness International (the 'charitable company') for the year ended 31st March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF WATER WITNESS INTERNATIONAL

Opinions on other matters prescribed by the Companies Act 2006

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
WATER WITNESS INTERNATIONAL**



Kevin D Ferguson (Senior Statutory Auditor)
for and on behalf of JRW
Chartered Accountants &
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Riverside House
Ladhope Vale
Galashiels
Selkirkshire
TD1 1BT

6th December 2019

WATER WITNESS INTERNATIONAL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2019**

	Not es	Unrestricted funds £	Restricted funds £	Total 2019 funds £	Total 2018 funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	17,716	98,706	116,422	7,246
Charitable activities	4				
Water Management Research and Advice		-	815,821	815,821	462,295
Investment income	3	5,352	-	5,352	-
Other income		<u>1,362</u>	<u>-</u>	<u>1,362</u>	<u>-</u>
Total		24,430	914,527	938,957	469,541
 EXPENDITURE ON					
Charitable activities	5				
Water Management Research and Advice		11,658	505,512	517,170	482,949
Other		<u>17,526</u>	<u>20,062</u>	<u>37,588</u>	<u>16,930</u>
Total		29,184	525,574	554,758	499,879
NET INCOME/(EXPENDITURE)		(4,754)	388,953	384,199	(30,338)
 RECONCILIATION OF FUNDS					
Total funds brought forward		29,165	6,617	35,782	66,120
TOTAL FUNDS CARRIED FORWARD		<u>24,411</u>	<u>395,570</u>	<u>419,981</u>	<u>35,782</u>

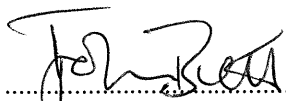
The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

**BALANCE SHEET
AT 31ST MARCH 2019**

		Unrestricted funds	Restricted funds	Total	2019 funds	Total	2018 funds
Not es		£	£		£		£
FIXED ASSETS							
Tangible assets	10	233	12,601		12,834		15,062
CURRENT ASSETS							
Debtors	11	13,742	17,882		31,624		1,036
Cash at bank and in hand		<u>242,872</u>	<u>179,098</u>		<u>421,970</u>		<u>120,071</u>
		256,614	196,980		453,594		121,107
CREDITORS							
Amounts falling due within one year	12	(26,439)	(20,008)		(46,447)		(100,387)
NET CURRENT ASSETS		<u>230,175</u>	<u>176,972</u>		<u>407,147</u>		<u>20,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		230,408	189,573		419,981		35,782
NET ASSETS		<u>230,408</u>	<u>189,573</u>		<u>419,981</u>		<u>35,782</u>
FUNDS	14						
Unrestricted funds					230,408		24,342
Restricted funds					<u>189,573</u>		<u>11,440</u>
TOTAL FUNDS					<u>419,981</u>		<u>35,782</u>

The financial statements were approved by the Board of Trustees on 5th December 2019 and were signed on its behalf by:



 J M Brett - Trustee

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	301,978	95,450
Interest paid		<u>(9,740)</u>	<u>(1,253)</u>
Net cash provided by (used in) operating activities		<u>292,238</u>	<u>94,197</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(2,051)</u>	<u>(5,941)</u>
Net cash provided by (used in) investing activities		<u>(2,051)</u>	<u>(5,941)</u>
<hr/>			
Change in cash and cash equivalents in the reporting period		290,187	88,256
Cash and cash equivalents at the beginning of the reporting period	2	<u>109,501</u>	<u>21,246</u>
Cash and cash equivalents at the end of the reporting period	2	<u>399,688</u>	<u>109,502</u>

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	384,199	(30,338)
Adjustments for:		
Depreciation charges	4,279	5,021
Interest paid	9,740	1,253
(Increase)/decrease in debtors	(30,588)	34,423
(Decrease)/increase in creditors	<u>(65,652)</u>	<u>85,091</u>
Net cash provided by (used in) operating activities	<u>301,978</u>	<u>95,450</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	1,126	7
Notice deposits (less than 3 months)	420,844	120,064
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(22,282)</u>	<u>(10,570)</u>
Total cash and cash equivalents	<u>399,688</u>	<u>109,501</u>

WATER WITNESS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

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' 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.

Allocation and apportionment of costs

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.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2019**

1. ACCOUNTING POLICIES - continued

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.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	-	2,250
Grants	<u>116,422</u>	<u>4,996</u>
	<u>116,422</u>	<u>7,246</u>

Grants received, included in the above, are as follows:

	2019	2018
	£	£
Other grants	<u>116,422</u>	<u>4,996</u>

3. INVESTMENT INCOME

	2019	2018
	£	£
Rents received	<u>5,352</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2019	2018
	Activity	£	£
Grants	Water Management Research and Advice	<u>815,821</u>	<u>462,295</u>

Grants received, included in the above, are as follows:

	2019	2018
	£	£
GIZ	8,887	-
Other grants	<u>806,934</u>	<u>462,295</u>
	<u>815,821</u>	<u>462,295</u>

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2019**

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Water Management Research and Advice	<u>85,885</u>	<u>431,285</u>	<u>517,170</u>

6. SUPPORT COSTS

	Finance £	Information technology £	Human resources £
Other resources expended	16,074	167	1,485
Water Management Research and Advice	<u>19,611</u>	<u>6,355</u>	<u>343,774</u>
	<u>35,685</u>	<u>6,522</u>	<u>345,259</u>

	Other £	Governance costs £	Totals £
Other resources expended	15,795	4,067	37,588
Water Management Research and Advice	<u>61,545</u>	<u>-</u>	<u>431,285</u>
	<u>77,340</u>	<u>4,067</u>	<u>468,873</u>

7. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Depreciation - owned assets	4,279	5,020
Other operating leases	<u>21,109</u>	<u>14,409</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Trustees' expenses

Trustees expenses paid during the year amounted to £2,305 (2018- £1,459), a total of 4 trustees were reimbursed for travel and subsistence expenses.

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2019**

9. STAFF COSTS

	2019 £	2018 £
Wages and salaries	<u>347,535</u>	<u>305,135</u>

The average monthly number of employees during the year was as follows:

	2019	2018
	<u>5</u>	<u>3</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£70,001 - £80,000	<u>1</u>	<u>1</u>

10. TANGIBLE FIXED ASSETS

	Equipment £	Motor vehicles £	Totals £
COST			
At 1st April 2018	13,900	29,675	43,575
Additions	<u>2,051</u>	<u>-</u>	<u>2,051</u>
At 31st March 2019	<u>15,951</u>	<u>29,675</u>	<u>45,626</u>
 DEPRECIATION			
At 1st April 2018	6,869	21,644	28,513
Charge for year	<u>2,271</u>	<u>2,008</u>	<u>4,279</u>
At 31st March 2019	<u>9,140</u>	<u>23,652</u>	<u>32,792</u>
 NET BOOK VALUE			
At 31st March 2019	<u>6,811</u>	<u>6,023</u>	<u>12,834</u>
At 31st March 2018	<u>7,031</u>	<u>8,031</u>	<u>15,062</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	<u>31,624</u>	<u>1,036</u>

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2019**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 13)	22,282	10,570
Trade creditors	10,808	2,550
Other creditors	<u>13,357</u>	<u>87,267</u>
	<u>46,447</u>	<u>100,387</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>22,282</u>	<u>10,570</u>

14. MOVEMENT IN FUNDS

	At 1.4.18	Net movement in funds	Transfers between funds	At 31.3.19
	£	£	£	£
Unrestricted funds				
General fund	29,165	(4,751)	-	24,414
Restricted funds				
GIZ	(4,823)	210,817	-	205,994
Climate Justice Innovation Fund	7,282	231	(6,535)	978
Hewlett Foundation	1,008	175,147	-	176,155
Scottish Government ICT	1,968	(8,503)	6,535	-
Scottish Government	<u>1,182</u>	<u>11,258</u>	<u>-</u>	<u>12,440</u>
	6,617	388,950	-	395,567
	<u>35,782</u>	<u>384,199</u>	<u>-</u>	<u>419,981</u>
TOTAL FUNDS	<u>35,782</u>	<u>384,199</u>	<u>-</u>	<u>419,981</u>

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2019**

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	24,430	(29,181)	(4,751)
Restricted funds			
GIZ	285,561	(74,744)	210,817
Climate Justice Innovation Fund	4,384	(4,153)	231
Hewlett Foundation	496,361	(321,214)	175,147
Scottish Government ICT	16,924	(25,427)	(8,503)
Scottish Government	<u>111,297</u>	<u>(100,039)</u>	<u>11,258</u>
	914,527	(525,577)	388,950
	-----	-----	-----
TOTAL FUNDS	<u>938,957</u>	<u>(554,758)</u>	<u>384,199</u>

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
Unrestricted Funds			
General fund	33,378	(4,213)	29,165
Restricted Funds			
GIZ	-	(4,823)	(4,823)
Climate Justice Innovation Fund	32,742	(25,460)	7,282
Hewlett Foundation	-	1,008	1,008
Scottish Government ICT	-	1,968	1,968
Scottish Government	<u>-</u>	<u>1,182</u>	<u>1,182</u>
	32,742	(26,125)	6,617
	-----	-----	-----
TOTAL FUNDS	<u>66,120</u>	<u>(30,338)</u>	<u>35,782</u>

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2019**

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	29,543	(33,756)	(4,213)
Restricted funds			
GIZ	45,642	(50,465)	(4,823)
Climate Justice Innovation Fund	80,618	(106,078)	(25,460)
Hewlett Foundation	179,288	(178,280)	1,008
Scottish Government ICT	20,805	(18,837)	1,968
Scottish Government	<u>113,645</u>	<u>(112,463)</u>	<u>1,182</u>
	439,998	(466,123)	(26,125)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>469,541</u>	<u>(499,879)</u>	<u>(30,338)</u>

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2019

14. 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.

The Climate Justice Innovation 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 Scottish Government and Scottish Government-ICT funds are separate funds granted under the Climate Justice Innovation Fund which provide for the extension of the Fair Water Futures Programme into Malawi.

The International Water Stewardship Programme (IWaSP) is a joint investment by the UK and German governments to maximize 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.

The Hewlett Foundation fund provides for Phase III of the Fair Water Futures Program, to strengthen water accountability in Tanzania and stimulate regional practice and learning on the role of social accountability in driving progress on water security globally.

The GIZ fund is a project in Tanzania, with grant funding from the Federal Ministry for Economic Cooperation and Development and their co-financing partner UK Government through the Department For International Development to support Maji Stewardship Action for Smallholders and SME's in Africa.

15. 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 Mr Hepworth was paid a salary of £76,449 (2017 £43,341).

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 £200 (2017 - £30,000). There was a balance due at the year end of £Nil (2017 - £Nil).