

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

**TRUSTEES' REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31ST MARCH 2022  
WATER WITNESS INTERNATIONAL**

CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022

	Page
Trustees' Report	1 to 10
Statement of Trustees' Responsibilities	11
Independent Auditor's Report	12 to 14
Statement of Financial Activities	15 to 16
Balance Sheet	17
Cash Flow	18
Notes to the Financial Statements	19 to 30

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006 are responsible for preparing the Trustees' Report and the Financial statements of the charity for the year ended 31<sup>st</sup> March 2022. 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 2019).

**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 biodiversity 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 biodiversity, 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;

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**



**OBJECTIVES AND ACTIVITIES cont'd**

**Objectives and aims**

- 1.11 the provision of mediation and broker services in respect of conflicts involving water resources;
- 1.12 to engage in other charitable purposes.

**Significant activities**

This reporting period has been a busy one in which the team has grown considerably, and a great deal has been achieved despite limitations imposed by COVID19. Highlights include instigating global action for Fair Water Footprints triggered by the publication of our 'How Fair is Fashion's Water Footprint?' report. This sparked the Call for Action leading to the development of the Glasgow Declaration for Fair Water Footprints, signed at COP26 by 28 co-signatories<sup>1</sup>. The delivery plans for the Declaration in Malawi and Madagascar are now underway. This year Water Witness doubled our unrestricted reserves, updated our systems, and made a change across the organization to Microsoft 365, and supported Shahidi wa Maji to produce their 5-year strategy, to develop their own more autonomous future path. Continued restrictions on travel and convening in the first 10 months of the year imposed by the global pandemic resulted in extensions being given on a number of programmes by donors to account for the slower progress, change in the design of certain components and delays in recruitment. Some targets set for 2021-22 will therefore be achieved in 2022-23. Progress on the fifth imperative is expected to pick up with the new Communications Director joining the team in 2022-23.

Against our objectives outlined above and in line with our strategy the following activities described below were carried out between March 2021 and March 2022, organised by a strategic workstream.

**a) Accountable water governance**

Fair Water Futures Programme, Tanzania (Hewlett Foundation Grant)

During 2021-22 our team continued to support our partners in Tanzania, Shahidi wa Maji, to implement our pioneering programme of social accountability monitoring for water security, funded by the William and Flora Hewlett Foundation. In 2021, we supported the analysis and documentation of lessons learned from the assessment of eight historical Uhakika wa Maji case studies (2016 – 2019), generating exciting new learning on how to promote and sustain social accountability practices in communities, to inform the next phases of our work and re-engaging to secure a further positive change in two sites where toxic industrial effluent was being discharged into rivers (Ngerengere River case in Morogoro and the Msimbazi River case in Dar es Salaam). Five new case study sites (small-holders, pastoralists and fisherfolk) were strengthened to secure their water rights, securing tangible outcomes for their communities.

A study was undertaken to assess the adequacy of statutory accountability, oversight, and compliance mechanisms, as well as the overall efficacy and performance of EWURA Consumer Consultative Council (EWURA-CCC) in urban areas and the Rural Water and Sanitation Agency (RUWASA), essential for the high-quality, inclusive water services delivery. The resulting recommendations are important for advocacy to be taken forward in 2022-23. By protecting our operational budget, the grant is being spent more slowly than originally anticipated, therefore the grant end date was extended to 31st June 2023.

Accountability for Water Programme (Hewlett Foundation Grant)

Water Witness continues to lead a global programme of research and knowledge generation to strengthen accountability for water security. In 2021-22, WW organized a five-part webinar series on the global evidence review exploring insights on gender, the role of donors, government response, measuring accountability, and closing civic space, attended by water professionals, academic researchers, government officials, and private sector representatives in over 40 countries. Each session was accompanied by the publication of a summary briefing note, and an adapted version of the global evidence review has been

## TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2022

accepted for the peer-reviewed journal H2Open.

Data collection is in its final stages for Professional Research Fellows across Ethiopia, Kenya, Tanzania, and other selected regions, generating many useful insights documented in draft field reports that have been submitted for review. PRFs are preparing for the programme's very first in-person gathering (long delayed by the pandemic), in Arusha, Tanzania in 2022. Data collection for cross-country research is now well underway. An application has been made for a session entitled 'Accountability: The unseen enabler of good water governance' for World Water Week 2022 to showcase the original findings of PRF investigations.

### Accountability for Water Programme

Water Witness continues to lead a global programme of research and knowledge generation to strengthen accountability for water security. In 2020, of 36 impressive action research proposals received from the government, civil society, and the private sector in the Professional Research Fellows (PRF) programme, 14 were selected from Kenya, Ethiopia, Tanzania, Zimbabwe, Zambia, and Liberia. Part Two of the Accountability for Water Evidence Review focusing on country-level evidence from Ethiopia, Kenya, Tanzania, Uganda, and Zambia was developed.

### Fair Water Futures (Swiss Govt Grant)

Water Witness played a lead role in the development of the Call to Action and in the resulting Glasgow Declaration for Fair Water Footprints, a new global accountability framework for improved water security through global supply chains signed by 28 parties at COP26 in Glasgow. The Declaration has stimulated interest in accountability practices for improved water security in several new contexts, including new countries, such as Malawi, Madagascar, and Peru. WW carried out a scoping, and learning trip to Malawi in 2021-22 to assess the state of water-related accountability and stewardship frameworks and their implementation, and co-develop delivery plans with government, civil society and the private sector to ensure fair and sustainable water footprints by 2030. Similar trips are planned to Madagascar and Peru in 2022-23. Their commitments will be presented at COP27 in the form of Declaration Delivery Plans. This work is already stimulating partnerships investments and research into flood management and has triggered a national multi-stakeholder event to embed water stewardship and WASH4WORK across the economy in Malawi.

### **b) Progressive financing for water**

#### Engagement with the finance sector

This year we have been doing some preparatory (non-programme funded) work on tax justice, noting which leading Multinational Corporations (MNCs) that signed up to the AWS Water Stewardship Standard are also major tax avoiders. While we recognise that this is perfectly legal, we are interested in how this may affect government revenue to support public services, especially water, in different countries, with the aim of stimulating debate and mainstreaming the issue of tax justice in development.

### **c) Redefining corporate responsibility for water**

#### Putting water stewardship to work – Ethiopia (Swiss Govt Grant)

This year we have advanced with gaining the signature of the binding Project implementation agreement with the Ministry of Trade and Industry (MoTI), Ethiopia. The MoTI leads the program implementation in standalone factories and coordinates collaboration with the ETIDI, the Ethiopian Textile and Garment Manufacturers Association, and the Leather Industry Development Institutions. The IPDC remains the program lead in implementation within IPs. A virtual program re-launch and WSS validation workshop was conducted in June. The event, organized by the consortium, presented, and discussed the Cotton, and the Textile & Apparel (T&A) WSS findings. In attendance were representatives of GIZ, UNIDO, Kanoria Africa Textiles Plc, SIWI, ETIDI, 2030WRG, MoTI.

The work we carried out to produce the Pan-African Water Security Scan (WSS), Output 1.4, "*How fair is fashion's water footprint? Tackling the global fashion industry's impacts on Africa's water & workforce health*"

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**

**OBJECTIVES AND ACTIVITIES cont'd**

**Significant activities**

was an important cornerstone in the development of the Glasgow Declaration for Fair Water Footprints signed at COP26, in November 2021.

We convened two roundtable sessions, with eight brands, which explored challenges and opportunities within value chains to ensure a fair fashion water footprint in Africa building on WWI's Pan-African Water Security Scan (Output 1.4). We continue to explore opportunities for embedding resilient and sustainable water management with the Kontoor Group. We trained 96 technical staff (from textile, garment & leather industries, government organisations, universities, and NGOs) on the AWS Standard (Foundation and Advanced Levels). WWI advocated for water stewardship through several channels including: i) the Civil Society Organisations event, organised by the Authority for Civil Society Organizations and the Ethiopian Civil Organizations Council; ii) playing an active role in a panel discussion on the field day at Adama Industrial Park for World Environment Day, along with Industrial Parks Development Corporation (IPDC) and GIZ's Sustainable Industrial Cluster. Support to improve water stewardship continues at three industrial parks, and five SMEs.

WE were granted the 6-month no-cost extension to the end of June 2023 following initial delays in recruitment and convening due to COVID19.

Hawassa and Bole Lemi Industrial Parks COVID-19 Prevention Project – Ethiopia (GIZ Grant)

In collaboration with Industrial Parks Development Corporation (IPDC), Water Witness implemented an emergency 6-month project, funded by GIZ-NatuRes to reduce the morbidity, mortality risks, and social impacts of COVID-19 within and around Hawassa Industrial Park (30,384 workers) and Bole Lemi Industrial Park (19,294 workers). It did so through several preventive strategies, including implementing behaviour change activities such as social sensitization and hygiene promotion campaigns, installing handwashing stations, and providing facemasks and hygiene promotion kits to enhance the use of Personal Protective Equipment (PPEs). Kombolcha Industrial Park in the initial proposal was substituted for Bole Lemi as it was not safely accessible due to civil unrest in the country's north. Despite the project encountering severe delays beyond the control of the project, (the required signature of the implementation agreement with Industrial Parks Development Corporation (IPDC) took three months, half the allocated project time), the project was achieved through a change in the project delivery approach with the intensive engagement of Water Witness staff and service providers.

Malawi Water Stewardship Programme (ScotGov/HydroNation and Peter Stebbings Grants)

The first draft of the systematic review of water resource management and the sector was completed this year and a similar review of water and sanitation services is under development. In 2021-22, WW started scaling up the water stewardship project, initially focusing on raising awareness of water stewardship and the purpose of the project in the CSO community in Malawi, identifying partners aligned with our goals and building strong relationships. Five CSOs (the Ethical Tea Partnership, BASEFlow, Fisherman's Rest, Water for People and the Foundation for Sustainable Irrigation and Development) from the Water and Environmental Sanitation Network (WESNET) have a strong interest in learning more about water stewardship through WW's initial presentations and discussions. This has resulted in the request for further water stewardship training for WESNET members and government officials, which is being organised in 2022. Two partners (the Ethical Tea Partnership and BASEflow) have been selected to implement water stewardship with communities, based on their interest and the interests of the communities they work with, their community reach, staff capabilities to deliver the work and alignment of goals. The WW team will be supporting the Ethical Tea Partnership to implement water stewardship principles with the Thuchila Tea Association in Mulanje (8,082 farmers of which 70% are women). If the pilot is successful, the Ethical Tea Partnership is interested in implementing water stewardship across other smallholder tea grower communities in Malawi. BASEflow will implement water stewardship principles with the Jordani community in Blantyre, comprising 400 individuals. If successful, the project will be upscaled to 32 additional communities relying on artesian wells across Malawi.

## OBJECTIVES AND ACTIVITIES cont'd

### Significant activities

#### d) Stopping climate chaos

##### Stop Climate Chaos Scotland and Alliance Policy Committee

In 2021-22 WW actively participated in COP26, playing a leading role in developing the Glasgow Declaration for Fair Water Footprints for Climate-Resilient, Inclusive, and Sustainable Development launched at the event by 28 cosignatories from government, civil society, and the private sector.

#### e) Activating people power and political will

##### How to address the global water crisis

The Fair Water Footprints initiative described above, funded by the Swiss Government, will carry out public-facing investigations and increase public and political action and awareness about the global water crisis.

## ACHIEVEMENT AND PERFORMANCE

Water Witness continues to achieve significant impacts through its work, overcoming difficulties posed by the COVID-19 pandemic, 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, grounded in strategic interventions guided by our organizational 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.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**

**FINANCIAL REVIEW**

**Financial position**

The charity's results show an income of £1,308,071 (2021: £667,540) and expenditure of £964,527 (2021: £655,207) giving a net surplus of £343,544 (2021: Surplus £12,333). The increase in surplus is due to the additional income from SDC.

**Reserves policy**

The Reserves Policy has been reviewed by the Trustees during the year to 31<sup>st</sup> March 2022.

Reserves will be held:

- To enable the charity to meet all its legal obligations as far as possible in the event of dissolution;
- To support the impact of external funding decisions, especially if cancelled or cannot be secured.
- To hold designated or restricted reserves for a particular purpose as identified by the board.

At 31<sup>st</sup> March 2022, £124,118 (2021: £70,474) was held in total as unrestricted reserves, of this, free reserves amounted to £81,444 (2021: £17,474). Available unrestricted reserves are defined as total unrestricted funds less unrestricted fixed assets and designated funds.

At times, the Trustees may at their discretion designate unrestricted funds for essential future spend or poses:

As at 31<sup>st</sup> March 2022, it was agreed to Designate the following

Malawi Fair Futures Programme	£23,040
Income Generation	<u>£19,636</u>
	<u>£42,676</u>

Designated funds will be reviewed annually and be expected to be used within 1 year.

The charity held restricted reserves of £482,125 (2021: £192,225), to support the programme delivery.

It is the view of Trustees that the charity should retain the equivalent of 6 months unrestricted essential operating costs as free reserves. The Trustees have agreed that to ensure the resilience of the charity it will continue to build free reserves up to that of at least 6 months operating costs, including key personnel's salaries over the next 5 years.

The Trustees will regularly discuss the appropriateness of the policy about the Charity's ongoing financial position to ensure that there is a strong reserves policy to allow the Charity to maintain its financial stability.

**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 the donors towards funding the projects in which we are involved.

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.



**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**



**FUTURE PLANS**

Water Witness will continually review its operations and activities to ensure our programmes and messages are in line with/guided by our 2030 Strategy, relevant to our audience, and meet the challenges of the future.

In 2022 -2023 we will:

- Ensure a dynamic and agile approach across our work to keep the pace with changing landscapes resulting from COVID 19
- Develop a fundraising strategy, building on our strengthened fundraising pipeline for Trusts and Foundations.
- Continue to support the Malawi Fair Futures programme with unrestricted funds received from the Souter and Trust. All other funds are restricted.
- Strengthen our Tanzanian partners to become more autonomous actors in the sector.
- Restructure and strengthen the Senior Management Team as part of the Resilience Plan to ensure the financial stability and longevity of the Charity.
- Work closely with Governmental Partners, Business and Civil Society on new initiatives.
- Continue to embed positive, healthy, and flexible working practices across the organisation

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022  
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.

<b>TRUSTEES</b>	J M Brett (Chair) M Rogers J Seager LG Rankin Ms L Salame Ms D Kaur Dr SC Kaare Yingru Li Kenneth Amaeshi
<b>EXECUTIVE DIRECTOR</b>	Dr Nicholas Hepworth
<b>REGISTERED OFFICE</b>	3/2 Boroughloch Square Edinburgh EH89NJ
<b>REGISTERED COMPANYNUMBER</b>	SC353570 (Scotland)
<b>REGISTERED CHARITY NUMBER</b>	SC041072
<b>INDEPENDENT AUDITORS</b>	Thomson Cooper Castle Court Carnegie Campus Dunfermire KY11 8PB
<b>BANKERS</b>	The Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB

## **Board of Trustees**

The trustees of the charity are also Directors for the purposes of company law and under the charity's articles are known as Trustees of the Board. There is a requirement to have a minimum of three trustees and presently there are nine trustees who meet on a quarterly basis and have delegated the day-to-day management of the organisation to the Executive Director. The Board of Trustees is supported by an Audit and Finance Committee to ensure the charity has safe and effective systems of control in place and reports directly to the Board of Trustees. Membership of this committee comprises of representatives from the Board, the Executive Director, and members of the senior Management Team.

Induction and training of new trustees is led by the Chair and Executive Director, this includes:

- The responsibilities and obligations of trustees
- Key documents and policies of Water Witness International
- Meetings with key members of staff
- Current financial position, including the latest financial statements
- Future strategy, plans and objectives

Upon appointment, all trustees are asked to complete a skills audit and register of interests which is reviewed and updated annually.

All trustees are required to disclose relevant interests and register them with the Executive Director and the Chair and there is a standing item on the agenda at the quarterly Board Meetings, to enable trustees to declare any conflict of interest.

Trustees are required to retire from office at the third Annual General Meeting following the commencement of their term of office.

The 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.

## **Senior Management Team**

The Executive Director has responsibility for the day-to-day management of the organisation in regard to the strategic direction, financial planning and any delegations set by the trustees. They are supported by the Deputy Director, and Business Manager to deliver the strategic development, engagement with partners, and stakeholders and delivering objectives within funded programmes day-to-day day financial management.

## **Remuneration**

Water Witness is committed to paying its staff a fair salary and in a way which ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. Remuneration is proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives. Due consideration is given to the organisation's income, performance, and longer-term forecasts to ensure sustainability.

Salaries are set by the Remuneration Committee and their role is to provide assurance to the Board that Water Witness has a remuneration policy that supports an effective delivery structure to deliver the Strategy, promoting an effective, high performing and diverse workforce.

The Committee's duty is to oversee issues relating to the remuneration of staff, with specific responsibility for making recommendations to the Board regarding the remuneration policy and the Executive Director and senior management's remuneration.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**

**Risk management**

The Trustees continue to deliver on 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 main risk management objectives of WWI are to:

- set out our strategic approach to risk management, embedding risk management within strategic and operational management planning processes;
- integrate an awareness of effective risk management in the culture of the organisation to ensure risks are identified and managed appropriately;
- be aware of, anticipate and respond to changing economic, political, social and legislative requirements;
- prevent injury and damage and reduce the cost of risk;
- raise awareness of the need for active risk management.

These objectives are achieved by:

- developing and maintaining a risk register which details all significant risks which pose a threat to WWI and/or the achievement of its objectives
- assessing both the likelihood of those risks occurring and likely impact of an occurrence
- taking positive action to manage risks (such as putting in place internal controls or mitigating the impact by insurance)
- monitoring and reviewing the risk register on a regular basis
- actively considering risk when planning new activities.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**Auditor**

Thomson Cooper were appointed as auditor to the company by the Trustees. A resolution proposing that they be re-appointed will be put as a General Meeting.

**Provision of Information to Auditor**

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

**Basis of Preparation**

This report is prepared in accordance with the Charities SORP (FRS102) and in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.



**John Brett**

Chair Edinburgh

Date – 9<sup>th</sup> November 2022

## 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 Trustees Report, and the financial statements in accordance with applicable law and regulations.

Charity and Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company and charity law the Trustees must not approve the financial statements unless they are satisfied that they 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.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK 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 that are sufficient to show and explain the charitable company's transactions and disclose reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Safeguarded the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## **Independent auditors' report to the trustees of Water Witness International for the year ended 31 March 2022**

### **Opinion**

We have audited the financial statements of Water Witness International (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 31 March 2022 and of its incoming resources and application of resources, 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 (as amended).

### **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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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.

### **Conclusion relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 Charity for the purpose 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 Charity'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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and non-compliance with laws and regulations. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue and tested a sample of journals to confirm they were appropriate. In addition, we reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including applicable charity and company law and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the charity.

We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit. However, the primary responsibility for the prevention and detection of fraud rests with the trustees.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion, or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Haro (Senior Statutory Auditor)  
for and on behalf of Thomson Cooper, Statutory Auditor  
Dunfermline

Date – *9<sup>th</sup> November 2022*

Thomson Cooper is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.



**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>INCOME FROM:</b>					
Donations and legacies	2	28,090	8,095	36,185	41,559
<b>Charitable activities</b>					
Water Management Research and Advice	4	95,616	1,164,764	1,260,380	603,203
Other income	3	11,506	-	11,506	22,778
<b>Total Income</b>		135,212	1,172,859	1,308,071	667,540
<b>EXPENDITURE ON:</b>					
Raising funds		5,364	-	5,364	234
<b>Charitable activities</b>					
Water Management Research and Advice	5	-	903,590	903,590	606,787
Other	5	51,204	4,369	55,573	48,186
<b>Total Expenditure</b>		56,568	907,959	964,527	655,207
<b>NET INCOME/(EXPENDITURE) before Transfers</b>		78,644	264,900	343,544	12,333
<b>Transfers between funds</b>		(25,000)	25,000	-	-
<b>Net Movement in Funds</b>		53,644	289,900	343,544	12,333
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		70,474	192,225	262,699	250,366
		124,118	482,125	606,243	262,699

The statement of financial activities includes all gains and losses recognised in the year. All Activities relate to continuing operations

**COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME FROM:</b>					
Donations and legacies	2	41,559	-	41,559	14,407
<b>Charitable activities</b>					
Water Management Research and Advice	4	-	603,203	603,203	440,656
Other income	3	22,778	-	22,778	14,367
<b>Total Income</b>		64,337	603,203	667,540	469,430
<b>EXPENDITURE ON:</b>					
Raising funds		234	-	234	116
<b>Charitable activities</b>					
Water Management Research and Advice	5	-	606,787	606,787	597,534
Other	5	46,772	1,414	48,186	41,395
<b>Total Expenditure</b>		47,006	608,201	655,207	639,045
<b>NET INCOME/(EXPENDITURE) before Transfers</b>					
		17,331	(4,998)	12,333	(169,615)
<b>Transfers between funds</b>					
		38,365	(38,365)	-	-
<b>Net Movement in Funds</b>		55,696	(43,363)	12,333	(169,615)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		14,778	235,588	250,366	419,981
		70,474	192,225	262,699	250,366

**BALANCE SHEET  
31ST MARCH 2022**

	Notes	2022 Total funds £	2021 Total funds £
<b>FIXED ASSETS</b>			
Tangible assets	11	<u>30,444</u>	<u>2,000</u>
<b>CURRENT ASSETS</b>			
Debtors	12	152,615	97,866
Cash at bank and in hand		<u>486,072</u>	<u>212,361</u>
		638,687	310,227
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(62,888)</u>	<u>(49,528)</u>
<b>NET CURRENT ASSETS</b>		<u>575,799</u>	<u>260,699</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>606,243</u>	<u>262,699</u>
<b>NET ASSETS</b>		<u>606,243</u>	<u>262,699</u>
<b>FUNDS</b>			
Unrestricted funds	14	124,118	70,474
Restricted Funds		<u>482,125</u>	<u>192,225</u>
<b>TOTAL FUNDS</b>		<u>606,243</u>	<u>262,699</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 9<sup>th</sup> November 2022 and were signed on its behalf by:



J M Brett – Trustee

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations		301,813	(39,771)
Interest paid		3,237	3,896
		<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>		<b>305,050</b>	<b>(35,875)</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(31,339)	(2,460)
		<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>		<b>(31,339)</b>	<b>(2,460)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>273,711</b>	<b>(38,335)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>212,361</b>	<b>250,698</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>486,072</b>	<b>212,363</b>
		<hr/>	<hr/>

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

	2022 £	2021 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>343,544</b>	<b>12,333</b>
<b>Adjustments for:</b>		
Depreciation charges	2,895	461
Interest paid	(3,237)	(3,896)
(Gain)/Loss on sale	-	9,626
(Increase)/decrease in debtors	(54,749)	(82,137)
(Decrease)/increase in creditors	13,360	23,840
	<hr/>	<hr/>

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash in hand	1,516	23
Notice deposits (less than 3 months)	484,556	212,338
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>486,072</b>	<b>212,361</b>
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

### 1. ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP(FRS102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Water Witness International is a private limited company, limited by guarantee, incorporated under the Companies Act in Scotland with company number SC353570. The address of the registered office is 3/2 Boroughloch Square, Edinburgh EH8 9NJ. The nature of the operations and its principal activities are set out on pages 1 to 6.

Water Witness International constitutes a public benefit entity as defined by FRS102.

#### **Going Concern**

The Trustees have a reasonable expectation that the charity has adequate resources to continue with its operational existence for the foreseeable future, forecasts and projections are prepared and performance is monitored against these. The charity continues to adopt the going concern basis in preparing the annual financial statements.

#### **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.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

#### **Fixed assets and Capital Grants**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All tangible fixed assets costing in excess of £1,500 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office & IT Equipment – 25% Straight Line

Motor Vehicles- 25% Straight Line

Furniture – 10% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/expenditure for the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

**1. ACCOUNTING POLICIES (Cont'd)**

**Taxation**

The charity is recognised by HMRC as a Charity and is exempt from corporation tax on its charitable activities.

**Pensions**

The Charity operates a defined contribution pension scheme and the pension charge in the statement of financial activities represents the amounts payable by the charity as they fall due.

**Operating Leases**

Rentals payable under operating leases are charged on a straight line basis over the lease term.

**Employee Benefits**

The costs of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognized immediately as an expense when the charity is demonstrably committed to terminating the employment of an employee or providing termination benefits.

**Fund accounting**

Funds held by the charity are either:

- Unrestricted/General funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted/general funds for specific future purpose or projects.
- Restricted funds – these are funds that 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022**

**2. Donations and Legacies**

	<b>2022</b>	<b>2021</b>
	£	£
Donations	20,090	25,010
Grants	<u>16,095</u>	<u>16,549</u>
	<u>36,185</u>	<u>41,559</u>

**3. Other Income**

	<b>2022</b>	<b>2021</b>
	£	£
Reclaimed VAT, Rent received and other miscellaneous income	<u>11,506</u>	<u>22,778</u>

**4. Income from Charitable Activities**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Water Management Research and Advice</b>		
Grants	<u>1,260,380</u>	<u>603,203</u>

Grants Received included in the above are as follows:

	<b>2022</b>	<b>2021</b>
	£	£
GIZ	234,918	-
Climate Justice Innovation Fund	-	25,801
The William and Flora Hewlett Foundation	534,527	451,000
SDC	460,935	99,352
Other Grants	<u>30,000</u>	<u>27,050</u>
	<u>1,260,380</u>	<u>603,203</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**5. Charitable Activities**

	<b>Unrestricted Funds 2022 £</b>	<b>Restricted Funds 2022 £</b>	<b>Total 2022 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Restricted Funds 2021 £</b>	<b>Total 2021 £</b>
Staff Costs – Human Resources	-	573,528	573,528	7,780	460,003	467,783
Staff Training and Expenses	3,445	-	3,445	74	415	489
Travel and Subsistence	421	17,845	18,266	-	13,893	13,893
Commissioned Research	-	-	-	-	-	-
Consultancy	-	-	-	-	-	-
Project costs	-	186,256	186,256	-	23,462	23,462
Grants to Institutions	-	-	-	-	31,909	31,909
	<u>3,866</u>	<u>777,629</u>	<u>781,495</u>	<u>7,854</u>	<u>529,682</u>	<u>537,536</u>
Share of support Costs (See Note)	42,262	125,961	168,223	28,838	77,105	105,943
Share of Governance costs (See Note 6)	<u>5,076</u>	<u>4,369</u>	<u>9,445</u>	<u>10,080</u>	<u>1,414</u>	<u>11,494</u>
	<u><u>51,204</u></u>	<u><u>907,959</u></u>	<u><u>959,163</u></u>	<u><u>46,772</u></u>	<u><u>608,201</u></u>	<u><u>654,973</u></u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**6. Support Costs**  
**For the year ended March 2022**

	<b>Support Costs</b>	<b>Governance Costs</b>	<b>2022</b>	<b>Basis of allocation</b>
	£	£	£	
Wages	77,086	-	77,086	Direct
Telephone and Web design	7,105	-	7,105	Direct
Rent	52,448	-	52,448	Direct
Insurance	1,251	-	1,251	Direct
Light and Heat	2,842	-	2,842	Direct
Printing, Postage and Stationery	3,593	-	3,593	Direct
Sundries	809	-	809	Direct
Repairs and renewals	11,468	-	11,468	Direct
Motor Expenses	3,739	-	3,739	Direct
Membership and subscriptions	766	-	766	Direct
Bank Charges	986	-	986	Direct
Depreciation	2,895	-	2,895	Direct
Foreign Exchange (Gain)/Loss	3,237	-	3,237	Direct
Audit Fees	-	5,076	5,076	Governance
Professional Fees	-	4,369	4,369	Governance
	<u>168,225</u>	<u>9,445</u>	<u>177,670</u>	

**Support Costs**  
**For the year ended March 2021**

	<b>Support Costs</b>	<b>Governance Costs</b>	<b>2021</b>	<b>Basis of allocation</b>
Wages	23,005	-	23,005	Direct
Advertising	1,593	-	1,593	Direct
Telephone and Web design	3,613	-	3,613	Direct
Rent	43,430	-	43,430	Direct
Insurance	1,140	-	1,140	Direct
Light and Heat	1,726	-	1,726	Direct
Printing, Postage and Stationery	3,930	-	3,930	Direct
Sundries	(2,231)	-	(2,231)	Direct
Repairs and renewals	11,187	-	11,187	Direct
Motor Expenses	1,264	-	1,264	Direct
Membership and subscriptions	2,394	-	2,394	Direct
Bank Charges	909	-	909	Direct
Depreciation	461	-	461	Direct
Loss on Disposal of Assets	9,625	-	9,625	Direct
Foreign Exchange (Gain)/Loss	3,897	-	3,897	Direct
Audit Fees	-	4,500	4,500	Governance
Professional Fees	-	6,994	6,994	Governance
	<u>105,943</u>	<u>11,494</u>	<u>117,437</u>	

**NOTES TO THE FINANCIAL STATEMENTS – continued  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**7. Net Income/(Expenditure)**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation – owned assets	2,895	461
Other operating leases	35,317	55,200
Loss on disposal of Tangible Assets	-	9,625

**8. Auditor Remuneration**

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
3,360	4,776

**9. Trustees’ Remuneration and Benefits**

There was £87.98 paid to trustees for travel expenses, and there was no other remuneration or benefits paid for the year ended 31<sup>st</sup> March 2022(2021- Nil)

**10. Staff Costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries	394,836	303,066
Social Security	33,715	30,489
Pensions	33,450	22,759
	<u>462,001</u>	<u>356,314</u>

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

<b>2022</b>	<b>2021</b>
<u>10</u>	<u>8</u>

The number of employees whose employee benefits (Excluding Employer Pension Costs exceeded £60,000 was:

	<b>2022</b>	<b>2021</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

The Key management personnel of the charity comprise of the Executive Director, Deputy Director, and Business Manager. Remuneration of the key management personnel is approved by the Remuneration Committee in accordance with the remuneration policy and approved by the Board of Trustees at the point of any changes made. The total employee benefits of the key management personnel of the charity were £224,046 (2021: £200,623).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**11. Tangible Fixed Assets**

	Equipment £	Motor Vehicles £	Totals £
<b>Cost</b>			
At 1 <sup>st</sup> April 2021	2,461	-	2,461
Additions	3,827	27,512	31,339
Disposals	-	-	-
	6,288	27,512	33,800
<b>Depreciation</b>			
At 1 <sup>st</sup> April 2021	461	-	461
Charge for the year	1,176	1,719	2,895
Disposals	-	-	-
	1,637	1,719	3,356
<b>Net Book Value</b>			
At 31 <sup>st</sup> March 2022	4,651	25,793	30,444
At 31 <sup>st</sup> March 2021	2000	-	2,000

**12. Debtors: Amounts Falling Due within one year**

	2022 £	2021 £
Other debtors	152,615	97,866

**13. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade Creditors	-	4,380
Other Creditors	51,665	37,779
Taxes and Social Security	11,223	7,369
	62,888	49,528

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**14. MOVEMENT IN FUNDS**

	At 1.4.21 £	Income £	Expenditure £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>					
General fund	17,474	115,172	(51,204)	-	81,442
<b>Designated Funds</b>					
Ferguson Trust – Malawi	25,000	-	-	(25,000)	-
Souter – Malawi	3,000	5,040	-	-	8,040
Peter Stebbings – Malawi	-	15,000	-	-	15,000
Fundraising	25,000	-	(5,364)	-	19,636
	53,000	20,040	(5,364)	(25,000)	42,676
<b>Restricted funds</b>					
GIZ	38,438	3,332	(7,665)	-	34,105
GIZ – Covid	-	215,284	(76,531)	-	138,753
Digital Boost	-	8,095	-	-	8,095
Hewlett Foundation – Phase 2	86,129	324,902	(307,867)	-	103,164
Hewlett Foundation – AFW	2,800	109,787	(114,093)	-	(1,506)
Hewlett Foundation – Ethiopia	1,693	71,382	(39,405)	-	33,670
Hydronation	10,428	-	(25,741)	15,313	-
Hydronation 2021	-	18,057	(22,260)	9,687	5,484
SDC	52,737	280,462	(234,389)	-	98,810
SDC – FWF	-	141,558	(80,008)	-	61,550
	192,225	1,172,859	(907,959)	25,000	482,125
<b>Total Funds</b>	<b>262,699</b>	<b>1,308,071</b>	<b>(964,527)</b>	<b>-</b>	<b>606,243</b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**14. MOVEMENT IN FUNDS- contd**  
**Comparatives for movement in funds**

	At 1.4.20 £	Income £	Expenditure £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>					
General fund	14,780	64,336	(47,005)	(14,635)	17,476
<b>Designated Funds</b>					
Ferguson Trust – Malawi	-	-	-	25,000	25,000
Souter – Malawi	-	-	-	3,000	3,000
Fundraising	-	-	-	25,000	25,000
	-	-	-	53,000	53,000
GIZ	94,226	-	(55,790)	-	38,436
Climate Justice Innovation Fund	10,524	25,801	(41,457)	5,132	-
Hewlett Foundation	33,369	-	(1,433)	(31,936)	-
Hewlett Foundation – Phase 2	-	382,230	(279,025)	(17,076)	86,129
Hewlett Foundation – AFW	-	51,297	(72,132)	23,635	2,800
Hewlett Foundation – Ethiopia	-	17,473	(15,780)	-	1,693
Hydronation	-	27,050	(12,287)	(4,335)	10,428
SDC	97,467	99,352	(130,297)	(13,785)	52,737
	235,586	603,203	(608,201)	(38,365)	192,223
<b>Total Funds</b>	<b>250,366</b>	<b>667,539</b>	<b>(655,206)</b>	<b>-</b>	<b>262,699</b>

Unrestricted reserves are held as designated funds for particular purposes as identified by the trustee and in accordance with the Charity's reserve policy.

The GIZ fund is a project in Tanzania, Ethiopia, and South Africa with grant funding from the Federal Ministry for Economic Cooperation and Development to enable AWS Africa to deliver strategic support through embedding water stewardship in export production zones and business parks, capacity building and supporting stewardship initiatives.

The Scottish Government's Climate Justice Fund and ICT supports water stewardship in public community hubs (hospital and school) and in smallholder farming cooperatives to improve water management for the benefit of vulnerable communities in Malawi assisted by Zambia in the first phase. The Scottish Government's Climate Justice Innovation Fund supports a second phase supporting smallholder farmers in Malawi.

**NOTES TO THE FINANCIAL STATEMENTS – continued  
FOR THE YEAR ENDED 31ST MARCH 2022**

**14. MOVEMENT IN FUNDS- continued**

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 Hewlett Foundation Planning grant provides funds for planning of research to build knowledge and improve accountability and advocacy practice for a fair water future. This aims to better understand the determinants of citizen action, constructive governance responses and optimal external support for accountability across different contexts. This is followed by a research phase 'Accountability for Water', where the grant is made to the Partnership for African Social and Governance Research (PASGR) and a subgrant made to Water Witness to strengthen knowledge, policy, and practice for accountability in the water sector.

The SDC fund is a partnership with Alliance for Water Stewardship, CDP Worldwide; Solidaridad Eastern and Central Africa Expertise Centre on behalf of Solidaridad Ethiopia and Aid by Trade Foundation with grant funding from the Swiss Agency for Development and Cooperation. The goal of the project is to foster "Improved health, livelihoods and environmentally sustainable growth through preferential investment, purchasing, policy and practice for water stewardship throughout Africa's apparel supply chain."

SDC awarded a £1M Swiss Government funding over three and half years for the Fair Water Footprints Programme (Civil society strengthening, investigations, campaigns, and consumer action to trigger global uptake of water stewardship for shared water security). The Glasgow Declaration for Fair Water Footprints for Climate-Resilient, Inclusive and Sustainable Development was launched at COP26 by 28 cosignatories from Government, civil society, and the private sector

In collaboration with Industrial Parks Development Corporation (IPDC), Water Witness implemented an emergency 6-month project, funded by GIZ-NatuRes to reduce the morbidity, mortality risks, and social impacts of COVID-19 within and around Hawassa Industrial Park (30,384 workers) and Bole Lemi Industrial Park (19,294 workers). It did so through several preventive strategies, including implementing behavior change activities such as social sensitization and hygiene promotion campaigns, installing handwashing stations, and providing facemasks and hygiene promotion kits to enhance the use of Personal Protective Equipment (PPEs). Kombolcha Industrial Park in the initial proposal was substituted for Bole Lemi as it was not safely accessible due to civil unrest in the country's north. Despite the project encountering severe delays beyond the control of the project, (the required signature of the implementation agreement with Industrial Parks Development Corporation (IPDC) took three months, half the allocated project time), the project was achieved through a change in the project delivery approach with the intensive engagement of Water Witness staff and service providers.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022**

**15. MOVEMENT IN FUNDS- continued**

WWI entered the Hydro Nation partnership with SEPA, the James Hutton Institute and Baseflow in the third quarter of 2020, signing the collaboration agreement on 7th December 2020. The project was granted a no cost extension to September 2021. Objectives are (i) to develop Alliance for Water Stewardship (AWS) Standard component to augment training of officers as part of a high-level regulatory workshop and (ii) to review Malawi's water sector performance and accountability focusing on Water Resource Management and Sector Governance.

**16. LEASE COMMITMENTS**

The Charity has a commitment for the total of future minimum lease payments under non-cancellable operating leases in respect of property and Photocopying equipment.

Operating Lease Expiring as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating Lease Expiring as follows:		
In less than one year	35,317	38,200
In 2-5 years	12,775	58,000
	48,092	96,200
	48,092	96,200

**17. Analysis of Net Assets among Funds**

	<b>Unrestricted Fund</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total 2022</b>
	<b>2022</b>	<b>Fund</b>	<b>Fund</b>	<b>£</b>
	<b>£</b>	<b>2022</b>	<b>2022</b>	
		<b>£</b>	<b>£</b>	
Fund balances at 31 March 2022 are represented by:				
Fixed Assets	30,444	-		30,444
Current Assets (Liabilities)	50,998	42,676	482,125	575,799
<b>Total</b>	81,442	42,676	482,125	606,243

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022**

**17. Analysis of Net Assets among Funds contd**

	<b>Unrestricted Fund 2021 £</b>	<b>Designated Fund 2021 £</b>	<b>Restricted Fund 2021 £</b>	<b>Total 2021 £</b>
Fund balances at 31 March 2021 are represented by:				
Fixed assets	2,000	-	-	2,000
Current Assets (Liabilities)	15,476	53,000	192,223	260,699
<b>Total</b>	17,476	53,000	192,223	262,699

**18. RELATED PARTY DISCLOSURES**

During the year, the charity had no transactions with related parties (2021: NIL).

**19. POST BALANCE SHEET EVENTS**

The Hewlett Foundation awarded a Phase 3 grant of \$960,000 in July 2022 for a further 2 years until June 2024 to support our continued work in Tanzania on the Fair Water Futures Programme.