

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

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020
FOR
WATER WITNESS INTERNATIONAL**

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

WATER WITNESS INTERNATIONAL

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WATER WITNESS INTERNATIONAL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST MARCH 2020

TRUSTEES

M Rogers
Rev Dr J C Wigglesworth (deceased 4.4.20)
J Seager
L G Rankin
Ms D Duncan (resigned 17.12.19)
J M Brett
Miss L Salame
Ms D Kaur
Dr S C Kaare

With the passing of our Trustee, Rev. Wigglesworth, we lose a truly remarkable man.

REGISTERED OFFICE

3/2 Boroughloch Square
Edinburgh
EH8 9NJ

**REGISTERED COMPANY
NUMBER**

SC353570 (Scotland)

**REGISTERED CHARITY
NUMBER**

SC041072

INDEPENDENT EXAMINER

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

BANKERS

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

WATER WITNESS INTERNATIONAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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 2020. 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 bio-diversity through the promotion of equitable and effective water resource management;

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

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

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

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

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

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

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

WATER WITNESS INTERNATIONAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

OBJECTIVES AND ACTIVITIES

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

Against these objectives and in line with our strategy the following activities, were carried out between March 2019 and March 2020, and are organised below by strategic workstream.

a) Accountable water governance

Fair Water Futures Programme, Tanzania

During 2019-20 our team continued to support our partners in Tanzania to implement our pioneering programme of social accountability monitoring for water security. This work is funded by the William and Flora Hewlett Foundation, and during 2019 we saw the end of one phase of funding and negotiation of new funding of £1 million secured for work starting on April 1st, 2020. At the time of reporting the contract has been signed and the 1st tranche of funding received. With a focus on the water security challenges of growing cities, notable successes have included the formalisation of new regulations and charging regimes for sustainable water use and management in Tanzania.

Accountability for Water Programme

Water Witness continues to lead a global programme of research and knowledge generation to strengthen accountability for water security. In 2019 we finalise the design of a 3-year research programme and secured £1.2M investment in this new collaboration which addresses the knowledge needs of government and civil society in Tanzania, Ethiopia, Kenya, Zambia, and across Africa.

b) Progressive financing for water

Engagement with finance sector

This year our team are newly engaged to influence the global finance sector to ensure that water security is prioritised in investment decision making. Examples include our membership of the Carbon Disclosure Standards Board - Water Technical Working Group, the CDP Water Technical Advisory Committee, attendance at the Findhorn Financing Water Security Retreat, and engagement via our water stewardship programme.

c) Redefining corporate responsibility for water

Global Water Stewardship Forum, Edinburgh.

In November 2019 Water Witness led several sessions at the Global Water Stewardship Forum in Edinburgh to support progress in water stewardship.

Alliance for Water Stewardship, AWS Africa Secretariat

Water Witness are leading the work of the Alliance for Water Stewardship in Africa as the formal secretariat of AWS.

Putting Water Stewardship to work for Africa's Textile and Apparel Sectors

In December 2019 Water Witness won new funding of £3M from the Swiss Agency for Development Co-operation as part of a consortium to advance water stewardship for water justice in Africa.

Scaling water stewardship in Africa

In 19-20 we continued to lead work to embed water stewardship in key sector in Africa through support from GIZ in South Africa, Ethiopia and Tanzania. This included the hosting of a Leadership Retreat attended by 64 delegates from 8 countries in December 2019.

WATER WITNESS INTERNATIONAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

OBJECTIVES AND ACTIVITIES

Significant activities

d) Stopping climate chaos

Stop Climate Chaos Scotland and Alliance Policy Committee

In 2020 we are building up our influence and inputs for action to halt global climate change through membership of these new influential groupings.

e) Activating people power and political will

How to address the global water crisis

In 2019 we embarked on a new strategy to increase public and political action and awareness about the global water crisis. Specific activities included the hosting of a webinar to launch our Manifesto for change at Stockholm Water Week, the launch of our strategy in Edinburgh and our convening of global experts with the UK Department for International Development, and direct engagement with the Secretary of State for International Development.

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

The charity's results show income of £469,431 (2019: £938,957) and expenditure of £639,046 (2019: £554,758) giving a net deficit of £169,615 (2019: surplus £384,199).

The net deficit this year is due to incurred planned costs for funding received last year. In some instances, Water Witness received block funding to spend over several years.

Reserves policy

In line with best practice, Water Witness International targets three months non-programme operating costs as the reserve. In the light of the COVID19 pandemic, the reserves policy will be reviewed in FY 2020/21.

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 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

From April 2019 to November 2019, Water Witness developed and launched a new 10 year strategy which will deepen and broaden our impact and delivery of our charitable aims and objectives.

From March 2020 Programme delivery has been significantly interrupted by the global COVID pandemic.

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2020

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.

The following operational policies and guidelines are in place, and those marked *were subject to review over the reporting period. The Pandemic Contingency Plan and Procedure was developed in March 2020 and implemented as an immediate response to the COVID19 crisis.

- i. Risk Policy and Risk Register*
- ii. Conflict of Interests Policy and Register*
- iii. Safeguarding Policy*
- iv. Health and Safety Policy*
- v. Ethics Policy*
- vi. Anti-Bribery Policy*
- vii. IT Policy
- viii. Equal Opportunities Policy
- ix. HIV & AIDS Workplace Policy
- x. Environmental Policy
- xi. Pandemic Contingency Plan and Procedure
- xii. Partnership Guidelines

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 Audit and Finance Committee (AFC) continues to operate effectively to ensure legal and financial compliance, including with our internal policies.

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.

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.

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued


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;
- 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.

Approved by order of the board of trustees on 26th August 2020 and signed on its behalf by:



J M Brett - Trustee

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

I report on the accounts for the year ended 31st March 2020 set out on pages nine to eighteen.

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

Basis of the independent examiner's report

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

Independent examiner's statement

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

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

have not been met; or

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



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

26th August 2020

WATER WITNESS INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2020

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|--------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | | 14,407 | - | 14,407 | 116,422 |
| Charitable activities | | | | | |
| Water Management Research and Advice | | - | 440,656 | 440,656 | 815,821 |
| Investment income | 2 | 10,818 | - | 10,818 | 5,352 |
| Other income | | <u>3,549</u> | <u>-</u> | <u>3,549</u> | <u>1,362</u> |
| Total | | 28,774 | 440,656 | 469,430 | 938,957 |
| EXPENDITURE ON | | | | | |
| Raising funds | | 116 | - | 116 | - |
| Charitable activities | | | | | |
| Water Management Research and Advice | | - | 597,534 | 597,534 | 517,170 |
| Other | | <u>38,294</u> | <u>3,101</u> | <u>41,395</u> | <u>37,588</u> |
| Total | | <u>38,410</u> | <u>600,635</u> | <u>639,045</u> | <u>554,758</u> |
| NET INCOME/(EXPENDITURE) | | (9,636) | (159,979) | (169,615) | 384,199 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>24,414</u> | <u>395,567</u> | <u>419,981</u> | <u>35,782</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>14,778</u></u> | <u><u>235,588</u></u> | <u><u>250,366</u></u> | <u><u>419,981</u></u> |

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

BALANCE SHEET 31ST MARCH 2020

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 6 | 175 | 9,451 | 9,626 | 12,834 |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | - | 15,729 | 15,729 | 31,624 |
| Cash at bank and in hand | | <u>22,337</u> | <u>243,993</u> | <u>266,330</u> | <u>421,970</u> |
| | | 22,337 | 259,722 | 282,059 | 453,594 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 8 | (7,732) | (33,587) | (41,319) | (46,447) |
| NET CURRENT ASSETS | | <u>14,605</u> | <u>226,135</u> | <u>240,740</u> | <u>407,147</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>14,780</u> | <u>235,586</u> | <u>250,366</u> | <u>419,981</u> |
| NET ASSETS | | <u>14,780</u> | <u>235,586</u> | <u>250,366</u> | <u>419,981</u> |
| FUNDS | 10 | | | | |
| Unrestricted funds | | | | 14,780 | 24,414 |
| Restricted funds | | | | <u>235,586</u> | <u>395,567</u> |
| TOTAL FUNDS | | | | <u>250,366</u> | <u>419,981</u> |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

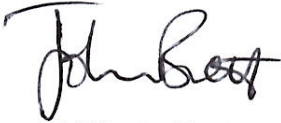
The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

BALANCE SHEET - continued
31ST MARCH 2020

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 26th August 2020 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J M Brett', written in a cursive style.

J M Brett - Trustee

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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 2019)', 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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off 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 2020

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. INVESTMENT INCOME

| | 2020 | 2019 |
|----------------|---------------|--------------|
| | £ | £ |
| Rents received | <u>10,818</u> | <u>5,352</u> |

3. NET INCOME/(EXPENDITURE)

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

| | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 3,208 | 4,279 |
| Other operating leases | <u>33,400</u> | <u>21,109</u> |

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2020 nor for the year ended 31st March 2019.

Trustees' expenses

Trustees expenses paid during the year amounted to £602 (2019- £2,305), a total of 2 trustees were reimbursed for travel and subsistence expenses.

5. STAFF COSTS

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

| | 2020 | 2019 |
|------------------|----------|----------|
| | <u>5</u> | <u>5</u> |
| Admin & Projects | | |

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

| | 2020 | 2019 |
|-------------------|----------|----------|
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | <u>1</u> | <u>-</u> |
| | <u>1</u> | <u>1</u> |

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

6. TANGIBLE FIXED ASSETS

| | Equipment £ | Motor vehicles £ | Totals £ |
|---------------------------------------|----------------|------------------------|---------------|
| COST | | | |
| At 1st April 2019 and 31st March 2020 | <u>15,951</u> | <u>29,675</u> | <u>45,626</u> |
| DEPRECIATION | | | |
| At 1st April 2019 | 9,140 | 23,652 | 32,792 |
| Charge for year | <u>1,702</u> | <u>1,506</u> | <u>3,208</u> |
| At 31st March 2020 | <u>10,842</u> | <u>25,158</u> | <u>36,000</u> |
| NET BOOK VALUE | | | |
| At 31st March 2020 | <u>5,109</u> | <u>4,517</u> | <u>9,626</u> |
| At 31st March 2019 | <u>6,811</u> | <u>6,023</u> | <u>12,834</u> |

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|---------------|---------------|---------------|
| Other debtors | <u>15,729</u> | <u>31,624</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Bank loans and overdrafts (see note 9) | 15,632 | 22,282 |
| Trade creditors | 25,687 | 10,808 |
| Other creditors | <u>-</u> | <u>13,357</u> |
| | <u>41,319</u> | <u>46,447</u> |

9. LOANS

An analysis of the maturity of loans is given below:

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Amounts falling due within one year on demand: | | |
| Bank overdraft | <u>15,632</u> | <u>22,282</u> |

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

10. MOVEMENT IN FUNDS

| | At 1.4.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.20 £ |
|---------------------------------|----------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 24,414 | (9,634) | - | 14,780 |
| Restricted funds | | | | |
| GIZ | 205,994 | (111,768) | - | 94,226 |
| Climate Justice Innovation Fund | 978 | (2,894) | 12,440 | 10,524 |
| Hewlett Foundation | 176,155 | (142,786) | - | 33,369 |
| Scottish Government | 12,440 | - | (12,440) | - |
| SDC | - | 97,467 | - | 97,467 |
| | <u>395,567</u> | <u>(159,981)</u> | <u>-</u> | <u>235,586</u> |
| TOTAL FUNDS | <u>419,981</u> | <u>(169,615)</u> | <u>-</u> | <u>250,366</u> |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 28,774 | (38,408) | (9,634) |
| Restricted funds | | | |
| GIZ | 7,549 | (119,317) | (111,768) |
| Climate Justice Innovation Fund | 69,807 | (72,701) | (2,894) |
| Hewlett Foundation | 258,707 | (401,493) | (142,786) |
| SDC | 104,593 | (7,126) | 97,467 |
| | <u>440,656</u> | <u>(600,637)</u> | <u>(159,981)</u> |
| TOTAL FUNDS | <u>469,430</u> | <u>(639,045)</u> | <u>(169,615)</u> |

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020**

10. MOVEMENT IN FUNDS - continued

Comparatives for 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 | 1,182 | 11,258 | - | 12,440 |
| | <u>6,617</u> | <u>388,950</u> | <u>-</u> | <u>395,567</u> |
| TOTAL FUNDS | <u>35,782</u> | <u>384,199</u> | <u>-</u> | <u>419,981</u> |

Comparative 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 | 111,297 | (100,039) | 11,258 |
| | <u>914,527</u> | <u>(525,577)</u> | <u>388,950</u> |
| TOTAL FUNDS | <u>938,957</u> | <u>(554,758)</u> | <u>384,199</u> |

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.

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

10. MOVEMENT IN FUNDS - continued

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.

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."

11. RELATED PARTY DISCLOSURES

During the year the charity received £7,257 (2019: £3,611) rental income from Clean Water Wave a business operated by D Duncan (Trustee).

12. POST BALANCE SHEET EVENTS

Effect of the COVID 19 Pandemic

The pandemic has affected the operation of the charity by changing how certain activities are implemented due to the cessation of international travel and the inability of staff to visit the field programmes in the early stages of the pandemic. We have largely been able to reprioritise work and achieve the same objectives in different ways, while discussing our progress with our donors.

We anticipate that all projects except the CJIF work in Malawi will be completed on time. The CJIF project was due to be completed on 30 June 2020 and has now been granted a no cost extension by the Scottish Government through CORRA until 31 December 2020.

The charity has tried to alleviate the impact of the effect of the pandemic by assessing risks and establishing mitigation measures associated with the pandemic:

- The charity is making savings where we can, for example on travel.
- We had renegotiated our lease just prior to lockdown.
- One field facing member of staff who would otherwise be supporting teams in the field was put on furlough until 31st July 2020 (began in May). She was brought back on 1st August 2020 and is now producing documentation required to complete the project.
- On 23rd July 2020, Water Witness received a £10k grant from the Coronavirus Business Support Fund from the City of Edinburgh Council which will help us with core costs.

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

12. POST BALANCE SHEET EVENTS - continued

Due to being only in Phase 3 where working from home continues to be advised by Government and where international travel has not yet resumed in full, the relaxation of the lockdown has not yet made a significant difference to the operation of the charity. We have an office protocol prepared and have tested this for returning to the workplace. Overseas our partners are largely working from home and adhering to COVID19 prevention measures to keep themselves and others safe where they are working in the field.

We do not foresee any medium-term financial impact of the COVID pandemic on the operation of the Charity. When the economic recession hits, this may affect the funding environment for charities in general, but how that will evolve and how we will be affected is, as yet, unclear.

WATER WITNESS INTERNATIONAL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2020

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---------------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS | | | | |
| Donations and legacies | | | | |
| Donations | 11,029 | - | 11,029 | - |
| Grants | <u>3,378</u> | <u>-</u> | <u>3,378</u> | <u>116,422</u> |
| | 14,407 | - | 14,407 | 116,422 |
| Investment income | | | | |
| Rents received | 10,818 | - | 10,818 | 5,352 |
| Charitable activities | | | | |
| Grants | - | 440,656 | 440,656 | 815,821 |
| Other income | | | | |
| Other Income | - | - | - | 1,362 |
| Reclaimed VAT | <u>3,549</u> | <u>-</u> | <u>3,549</u> | <u>-</u> |
| | <u>3,549</u> | <u>-</u> | <u>3,549</u> | <u>1,362</u> |
| Total incoming resources | 28,774 | 440,656 | 469,430 | 938,957 |
| EXPENDITURE | | | | |
| Raising donations and legacies | | | | |
| Fundraising Costs | 116 | - | 116 | - |
| Charitable activities | | | | |
| Commissioned research | - | 4,477 | 4,477 | 12,631 |
| Consultancy | - | 126 | 126 | 1,618 |
| Project costs | - | 56,675 | 56,675 | 54,201 |
| Training costs | - | - | - | 17,435 |
| Grants to institutions | <u>-</u> | <u>33,716</u> | <u>33,716</u> | <u>-</u> |
| | - | 94,994 | 94,994 | 85,885 |
| Support costs | | | | |
| Management | | | | |
| Advertising | 2,389 | - | 2,389 | - |
| Finance | | | | |
| Wages | - | 24,648 | 24,648 | 19,580 |
| Carried forward | - | 24,648 | 24,648 | 19,580 |

This page does not form part of the statutory financial statements

WATER WITNESS INTERNATIONAL

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2020**

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---------------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Finance | | | | |
| Brought forward | - | 24,648 | 24,648 | 19,580 |
| Bank charges | - | 2,260 | 2,260 | 2,086 |
| Depreciation of tangible fixed assets | 58 | 3,151 | 3,209 | 4,279 |
| Foreign exchange (gain)/loss | - | (5,833) | (5,833) | 9,740 |
| | 58 | 24,226 | 24,284 | 35,685 |
| Information technology | | | | |
| Telephone and internet | 84 | 3,445 | 3,529 | 4,547 |
| Web design and maintenance | 1,014 | 385 | 1,399 | 451 |
| Repairs and renewals | - | - | - | 652 |
| IT Licences | - | 1,531 | 1,531 | 872 |
| | 1,098 | 5,361 | 6,459 | 6,522 |
| Human resources | | | | |
| Wages | 3,786 | 356,113 | 359,899 | 327,955 |
| Recruitment costs | - | - | - | 16,246 |
| Staff training | 45 | 1,931 | 1,976 | 1,058 |
| | 3,831 | 358,044 | 361,875 | 345,259 |
| Other | | | | |
| Trustees' expenses | - | 1,192 | 1,192 | 2,305 |
| Rent | 12,785 | 20,615 | 33,400 | 21,109 |
| Insurance | 241 | 2,315 | 2,556 | 2,783 |
| Light and heat | 8,314 | - | 8,314 | 2,430 |
| Printing, postage & stationery | 4,852 | 2,241 | 7,093 | 6,200 |
| Sundries | 13 | - | 13 | 287 |
| Repairs & renewals | 1,155 | 300 | 1,455 | 3,581 |
| Motor expenses | - | 1,770 | 1,770 | 1,602 |
| Travel & subsistence | 2,705 | 85,778 | 88,483 | 34,331 |
| Membership and subscriptions | 851 | - | 851 | 1,778 |
| Professional fees | - | - | - | 934 |
| | 30,916 | 114,211 | 145,127 | 77,340 |
| Governance costs | | | | |
| Independent examination | - | 3,801 | 3,801 | 4,067 |
| Total resources expended | 38,408 | 600,637 | 639,045 | 554,758 |
| Net income | (9,634) | (159,981) | (169,615) | 384,199 |

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