

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

TRUSTEES REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2021
WATER WITNESS INTERNATIONAL



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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 31st March 2021, The trustees have adopted he 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 socioeconomic 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;
- I.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;



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

The COVID-19 pandemic, announced on 11th March 2020, impacted on the pace of implementation, restricting both international and in-country travel and face-to-face meetings. In Tanzania particularly the absence of any data to guide decisions about safe working was problematic. Our COVID response strategy of 'wellbeing, resilience and agility' saw all team members working from home to protect their health and wellbeing, as well as those we work with. To ensure future resilience and ability to maintain impact, recruitment of some positions was postponed, and one staff member was furloughed, to enable the operational delivery budget to be protected until field work and community engagement resumed. Demonstrating agility by redesigning delivery in COVID secure ways, we were able to support an effective operational response to COVID through Health, Safety, and COVID control communications within our partner communities.

Against our objectives outlined above and in line with our strategy the following activities described below were carried out between March 2020 and March 2021, organised by strategic workstream.

a) Accountable water governance

Fair Water Futures Programme, Tanzania

During 2020-21 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. During 2020, we started the new funding phase. Facing limitations imposed by the pandemic, particularly around travel and face-to-face meetings, our work focused on carrying out an evaluation of the previous phase, documentation, learning, training, and organisational development as well as planning for the resumption of full operations. During this year we supported the recruitment of a Director and Project Officer in our Tanzanian partner, significantly strengthening their capability. In February 2021, field work resumed, as our team undertook an extended scoping study in five Districts in four Regions of Tanzania, identifying new case study sites focused on water security for small-holders, pastoralists and fisherfolk. By protecting our operational budget, the grant is being spent more slowly than originally anticipated, and we foresee an extension of the grant end date by three months to 30th June 2022.

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 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.

b) Progressive financing for water

Engagement with 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.



OBJECTIVES AND ACTIVITIES cont'd

Significant activities

c) Redefining corporate responsibility for water

Alliance for Water Stewardship in Africa

Water Witness are leading the work of the Alliance for Water Stewardship in Africa. The WW office in Ethiopia provides water stewardship updates from the region to international AWS Meetings.

Putting water stewardship to work – Ethiopia (Swiss Govt grant)

This year, partners held the launch meeting in January 2021 to jointly plan the interventions and identify risks and opportunities for collaboration. Water Security Scans of Ethiopia and Africa's textile and apparel sectors were drafted to advance water stewardship for water justice in Africa.

Malawi Water Stewardship Programme (Scot Gov)

This year we continued to support smallholder farmers from Sukambizi (tea) and Phata (sugar) cooperatives, to review and implement their water stewardship plans. Through linking with district authorities, they have now been invited to join district development committees. The introductory training on AWS Standard for NWRA, the Malawi regulator, as part of wider SEPA training has been postponed due to COVID-19 restrictions. We worked to strengthen the Malawi CSO water network (WESNET) in focusing advocacy efforts of CSOs across the sector. The first draft of the systematic review of water resource management and sector was developed this year.

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. We developed an internal climate position paper to focus our work and ensure it can be resourced. In preparation for COP26, we have provided feedback on Water Action Pathway with High Level champions and worked with Stop Climate Chaos Scotland regarding Loss and Damage. We are looking to participate actively in the event.

e) Activating people power and political will

How to address the global water crisis

This year we developed the Fair Water Footprints proposal, to be funded by the Swiss Government, to carry out public facing investigations and increase public and political action and awareness about the global water crisis. During this period, we did not receive FCDO funding for a 4-year programme (£1.3m) as expected due to sudden and severe UK aid cuts. This was raised with the Secretary of State for International Development with other sector actors through the UK WASH Network.

ACHIEVEMENT AND PERFORMANCE

Our achievements and impact are significant given the 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.



FINANCIAL REVIEW Financial position

The charity's results show income of £667,540 (2020: £469,430) and expenditure of £655,207 (2020: £639,045) giving a net surplus of £12,333 (2020: deficit £169,615).

The net surplus this year is due to additional income received to support the charity through COVID from the Edinburgh City Council. In some instances, the charity received funding for future years.

Reserves policy

The Reserves Policy has been reviewed by the Trustees during the year to 31st March 2021.

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 31st March 2021 £70,476 (2020: £14,778) was held in total as unrestricted reserves, of this, free reserves amounted to £17,476 (2020: £14,780). 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 31st March 2021, it was agreed to Designate the following

Malawi Fair Futures Programme £28,000 Income Generation £25,000 £53,000

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

The charity held restricted reserves of £192,223 (2020: £235,588), 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 in relation to 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.



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 2021 -2022 we will:

- Draft/produce a rolling 3 year Business Plan to support the implementation of our 10 year strategy, to deepen and broad our impact and delivery of our charitable aims and objectives.
- Ensure a dynamic and agile approach across our work to keep the pace with changing landscapes resulting from COVID 19
- Develop of a fundraising strategy, a strengthened fundraising pipeline for Trusts and Foundations and plans to attract individual, corporate, and major donors, with the support of external consultants.
- Continue to support the Malawi Fair Futures programme with unrestricted funds received from the Souter and Ferguson Trusts. All other funds are restricted.
- 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.

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.



TRUSTEES J M Brett (Chair)

M Rogers J Seager LG Rankin Ms. L Salame Ms D Kaur Dr SC Kaare

Yingru Li – (Appointed 17th December 2020) Kenneth Amaeshi (Appointed 17th December 2020)

REGISTERED OFFICE 3/2 Boroughloch Square

Edinburgh EH89NJ

REGISTERED COMPANY

NUMBER

SC353570 (Scotland)

REGISTERED CHARITY

NUMBER

SC041072

INDEPENDENT Thomson Cooper AUDITORS 22 Stafford Street

22 Stafford Street Edinburgh

EH3 7BD

BANKERS The Royal Bank of Scotland

36 St Andrew Square

Edinburgh EH2 2YB



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.

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.
- 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

John Brett

Chair

Edinburgh

Date - 25th October 2021



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 2021

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 2021 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

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

Date - 26th October 2021

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 2021

	Notes	Unrestricted funds	Restricted funds	2021 Total funds £	2020 Total funds £
INCOME FROM: Donations and legacies	2	41,559	-	41,559	14,407
Charitable activities					
Water Management Research and Advice	4	-	603,203	603,203	440,656
Other income	3	22,778		22,778	14,367
Total Income		64,337	603,203	667,540	469,430
EXPENDITURE ON:					
Raising funds		234	-	234	116
Charitable activities					
Water Management Research and Advice	5	-	606,787	606,787	597,534
Other	5	46,772	1,414	48,186	41,395
Total Expenditure		47,006	608,201	655,207	639,045
NET INCOME/(EXPENDITURE) before Transfers		17,331	(4,998)	12,333	(169,615)
Transfers between funds		38,365	(38,365)	12,333	(109,013)
Net Movement in Funds		55,696	(43,363)	12,333	(169,615)
RECONCILIATION OF FUNDS					
Total funds brought forward		14,778	235,588	250,366	419,981
		70,474	192,225	262,699	250,366

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 2020

	Notes	Unrestricted funds £	Restricted funds	2020 Total funds £	2019 Total funds £
INCOME FROM: Donations and legacies	2	14,407	-	14,407	116,422
Charitable activities					
Water Management Research and Advice	4	-	440,656	440,656	815,821
Other income	3	14,367		14,367	6,714
Total Income		28,774	440,656	469,430	938,957
EXPENDITURE ON:					
Raising funds		116	-	116	-
Charitable activities					
Water Management Research and Advice	5	-	597,534	597,534	517,170
Other	5	38,294	3,101	41,395	37,588
Total Expenditure		38,410	600,635	639,045	554,758
NET INCOME/(EXPENDITURE) before Transfers		(9,636)	(159,979)	(169,615)	384,199
Transfers between funds			-	-	-
Net Movement in Funds		(9,636)	(159,979)	(169,615)	384,199
RECONCILIATION OF FUNDS					
Total funds brought forward		24,414	395,567	419,981	35,782
		14,778	235,588	250,366	419,981



BALANCE SHEET 31ST MARCH 2021

	Notes		2021 Total funds £	2020 Total funds £
FIXED ASSETS	- 10100		~	~
Tangible assets	10	_	2,000	9,626
CURRENT ASSETS				
Debtors	11		97,866	15,729
Cash at bank and in hand			212,361	250,698
			310,227	266,427
CREDITORS				
Amounts falling due within one year	12		(49,528)	(25,687)
NET CURRENT ASSETS		_	260,699	240,740
		_		
TOTAL ASSETS LESS CURRENT				
LIABILITIES			262,699	250,366
NET ASSETS		_	262,699	250,366
FUNDS	13			
Unrestricted funds	13		70,476	14,778
Restricted Funds			192,223	235,588
TOTAL FUNDS		_	262,669	250,366
		=	===,==,=	== =,= ==

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 25^{th} October 2021 and were signed on its behalf by:

John Brett J M Brett - Trustee



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

		2021	2020
N	otes	£	£
Cash flows from operating activities:			
Cash generated from operations		(39,771)	(165,439)
Interest paid		3,896	(5,833)
	-		(- , ,
Net cash provided by (used in) operating activities		(35,875)	(171,272)
		(==,=,=,	(- · -,- · -)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,460)	_
Turenase of tanglere three assets		(2,100)	
N-4 l ll l (l) !		(2.450)	
Net cash provided by (used in) investing activities		(2,460)	-
Change in cash and cash equivalents in the reporting			
period		(38,335)	(171,272)
		` ' '	, , ,
Cash and cash equivalents at the beginning of the reporting period		250,698	421,970
• •		230,098	421,970
Cash and cash equivalents at the end of the reporting			
period		212,363	250,698
period		212,363	250,698
RECONCILIATION OF NET INCOME/(EXPENDITUR	E) TO		<u> </u>
	E) TO	NET CASH	FLOW FROM
RECONCILIATION OF NET INCOME/(EXPENDITUR	E) TO I	NET CASH 2021	FLOW FROM 2020
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES	E) TO I	NET CASH	FLOW FROM
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the	E) TO	NET CASH 2021	FLOW FROM 2020
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities)	E) TO I	NET CASH 2021 £	FLOW FROM 2020 £
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for:	E) TO	2021 £ 12,334	FLOW FROM 2020 £ (169,615)
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges	E) TO	2021 £ 12,334	FLOW FROM 2020 £ (169,615) 3,208
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid	E) TO I	2021 £ 12,334	FLOW FROM 2020 £ (169,615)
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges	E) TO	2021 £ 12,334 461 (3,895)	FLOW FROM 2020 £ (169,615) 3,208
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale	E) TO	2021 £ 12,334 461 (3,895) 9,626	FLOW FROM 2020 £ (169,615) 3,208 5,833
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale (Increase)/decrease in debtors	E) TO	2021 £ 12,334 461 (3,895) 9,626 (82,137)	FLOW FROM 2020 £ (169,615) 3,208 5,833 - 15,895
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale (Increase)/decrease in debtors	E) TO	2021 £ 12,334 461 (3,895) 9,626 (82,137)	FLOW FROM 2020 £ (169,615) 3,208 5,833 - 15,895
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale (Increase)/decrease in debtors (Decrease)/increase in creditors	E) TO	2021 £ 12,334 461 (3,895) 9,626 (82,137)	FLOW FROM 2020 £ (169,615) 3,208 5,833 - 15,895
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale (Increase)/decrease in debtors (Decrease)/increase in creditors	E) TO	2021 £ 12,334 461 (3,895) 9,626 (82,137) 23,840	FLOW FROM 2020 £ (169,615) 3,208 5,833 15,895 (20,760)
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale (Increase)/decrease in debtors (Decrease)/increase in creditors ANALYSIS OF CASH AND CASH EQUIVALENTS Cash in hand	E) TO	2021 £ 12,334 461 (3,895) 9,626 (82,137) 23,840 2021 £	FLOW FROM 2020 £ (169,615) 3,208 5,833 - 15,895 (20,760)
RECONCILIATION OF NET INCOME/(EXPENDITUR OPERATING ACTIVITIES Net income/(expenditure) for the reporting period (as per the statement of financial activities) Adjustments for: Depreciation charges Interest paid (Gain)/Loss on sale (Increase)/decrease in debtors (Decrease)/increase in creditors ANALYSIS OF CASH AND CASH EQUIVALENTS	E) TO	2021 £ 12,334 461 (3,895) 9,626 (82,137) 23,840 2021 £	FLOW FROM 2020 £ (169,615) 3,208 5,833 - 15,895 (20,760) 2020 £



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 I January 2019) – (Charities SORP(FRS102)), the Financial Reporting Standards applicable in the UK sand 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 berequired 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.



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.

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.



2.	Donations and Legacies		
		2021	2020
		£	£
	Donations	25,010	11,029
	Grants	16,549	3,378
		41,559	14,407
3.	Other Income	-0-4	
		2021 £	2020 £
	Reclaimed VAT, Rent received and other miscellaneous income	22,778	14,367
4.	Income from Charitable Activities	2021	2020
		£	2020 £
	Water Management Research and Advice	a .	3 €
	Grants	603,203	440,656
	Grants Received included in the above are as follows:		
		2021	2020
		£	£
	GIZ	-	7,549
	Climate Justice Innovation Fund	25,801	69,807
	The William and Flora Hewlett Foundation	451,000	258,707
	SDC	99,352	104,593
	Other Grants	27,050	
		603,203	440,656



5. Charitable Activities

	Unrestricted Funds	Restricted Funds	Total	Unrestricted funds	Restricted Funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Staff Costs – Human						
Resources	7,780	460,003	467,783	3,786	356,113	359,899
Staff Training and						
Expenses	74	415	489	45	1,931	1,976
Travel and Subsistence	-	13,893	13,893	2,705	85,778	88,483
Commissioned						
Research	-	-	-	-	4,477	4,477
Consultancy	-	-	-	-	126	126
Project costs	-	23,462	23,462	-	56,675	56,675
Grants to Institutions		31,909	31,909		33,716	33,716
	7,854	529,682	537,536	6,536	538,816	545,352
Share of support Costs						
(See Note)	28,838	77,105	105,943	31,758	56,826	88,584
Share of Governance						
costs (See Note 6)	10,080	1,414	11,494		4,993	4,993
	46,772	608,201	654,973	38,294	600,635	638,929



6. Support Costs For the year ended March 2021

For the year ended Wartin 2021	Support Costs	Governance Costs	2021	Basis of allocation
	£	£	£	
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
Trustees Expense	-	-	-	Governance
Audit Fees	-	4,500	4,500	Governance
Professional Fees		6,994	6,994	Governance
	105,943	11,494	117,437	

Support Costs

For the year ended March 2020

	Support Costs	Governance Costs	2020	Basis of allocation
Wages	24,648	-	24,648	Direct
Advertising	2,389	-	2,389	Direct
Telephone and Web design	6,459	-	6,459	Direct
Rent	33,400	-	33,400	Direct
Insurance	2,556	-	2,556	Direct
Light and Heat	8,314	-	8,314	Direct
Printing, Postage and Stationery	7,093	-	7,093	Direct
Sundries	13	-	13	Direct
Repairs and renewals	1,455	-	1,455	Direct
Motor Expenses	1,770	-	1,770	Direct
Membership and subscriptions	851	-	851	Direct
Bank Charges	2,260	-	2,260	Direct
Depreciation	3,209	-	3,209	Direct
Loss on Disposal of Assets	-	-	-	Direct
Foreign Exchange (Gain)/Loss	(5,833)	-	(5,833)	Direct
Trustees Expense	-	1,192	1,192	Governance
Independent Examination		3,801	3,801	Governance
	88,584	4,993	93,577	



7. Net Income/(Expenditure)

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

	2021	2020
	£	£
Depreciation – owned assets	461	3,208
Other operating leases	55,200	33,400
Loss on disposal of Tangible Assets	9,625	-

8. Trustees' Renumeration and Benefits

There were no trustees' renumeration or other benefits for the year ended 31st March 2021(2020-Nil)

Trustees' Expenses

£70,001 - £80,000 £80,001 - £90,000 £90,001 - £100,000

Trustees' expenses paid during the year amounted to Nil (2020-£602).

9. Staff Costs

Stan Costs	2021 £	2020 £
Salaries	303,066	194,038
Social Security	30,489	20,737
Pensions	22,759	15,709
	356,314	230,484
The average monthly number of employees during the year was as follows:		
	2021	2020
	8	5
The number of employees whose employee benefits (Excluding Employee	Pension Costs exceed	ed £60,000
was:	2021	2020
£60,001 - £70,000	1	-



10. Tangible Fixed Assets

11.

12.

	Equipment £	Motor Vehicles £	Totals £
Cost			
At 1st April 2020	15,951	29,675	45,626
Additions	2,461	-	2,461
Disposals	(15,951)	(29,675)	(45,626)
At 31st March 2021	2,461		2,461
Depreciation			
At 1 st April 2020	10,842	25,158	36,000
Charge for the year	461	-	461
Disposals	(10,842)	(25,158)	(36,000)
At 31st March 2021	461		461
Net Book Value			
At 31st March 2021	2,000		2,000
At 31st March 2020	5,109	4,517	9,626
Debtors: Amounts Falling Due within one year		2021 f	2020 f
		2021 € 97,866	2020 £ 15,729
Other debtors		£	£
		£	£
Other debtors		£ 97,866	£ 15,729
Other debtors Creditors: Amounts falling due within one year Frade Creditors		£ 97,866 2021 £ 4,380	£ 15,729 2020 £
Other debtors Creditors: Amounts falling due within one year Trade Creditors Other Creditors		£ 97,866 2021 £ 4,380 37,779	£ 15,729 2020 £ 19,269
Debtors: Amounts Falling Due within one year Other debtors Creditors: Amounts falling due within one year Trade Creditors Other Creditors Taxes and Social Security		£ 97,866 2021 £ 4,380	£ 15,729 2020 £



13. MOVEMENT IN FUNDS

NO VENDINI INTENDO	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds General fund	14,780	17,331	(14,635)	17,476
Designated Funds				
Ferguson Trust – Malawi	-	-	25,000	25,000
Souter – Malawi	-	-	3,000	3,000
Fundraising		_	25,000	25,000
		-	53,000	53,000
Restricted funds				
GIZ	94,226	(55,790)		38,436
Climate Justice Innovation Fund	10,524	(15,656)	5,132	_
Hewlett Foundation	33,369	(1,433)	(31,936)	-
Hewlett Foundation – Phase 2	-	103,205	(17,076)	86,129
Hewlett Foundation – AFW	-	(20,835)	23,635	2,800
Hewlett Foundation – Ethiopia	-	1,693	-	1,693
Hydronation	-	14,763	(4,335)	10,428
SDC	97,467	(30,945)	(13,785)	52,737
	235,586	(4,998)	(38,365)	192,223
Total Funds	250,366	12,333	-	262,699

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

Thet movement in runus, included in the above are as follows.	Incoming Resources £	Resources Expended £	Movement in Funds £
Unrestricted Funds			
General fund	64,336	(47,005)	17,331
Restricted Funds			
GIZ	-	(55,790)	(55,790)
Climate Justice Innovation Fund	25,801	(41,457)	(15,656)
Hewlett Foundation	-	(1,433)	(1,433)
Hewlett Foundation – Phase 2	382,230	(279,025)	103,205
Hewlett Foundation – AFW	51,297	(72,132)	(20,835)
Hewlett Foundation – Research Ethiopia	17,473	(15,780)	1,693
Hydronation	27,050	(12,287)	14,763
SDC	99,352	(130,297)	(30,945)
	603,203	(608,201)	(4,998)
Total Funds	667,539	(655,206)	12,333



13. MOVEMENT IN FUNDS- contd Comparatives for 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
	395,567	(159,981)	-	235,586
Total Funds	419,981	(169,615)	-	250,366

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

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

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

During the year the Trustees took the decision to separate the Hewlett Foundation funding into the separate projects, resulting in a transfer to Unrestricted funds to correct the balance carried forward.

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.



13. 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."

Hyrdonation

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.

WWI secured match funding for Hydro Nation from Allan & Nesta Ferguson Charitable Trust in December 2019, starting work in December 2020, with an agreed no cost extension to September 2021. Objectives are (i) to improve water security, livelihood security and climate resilience for > 10,000 organised smallholder farmers in Malawi and (ii) to achieve pro-poor changes in systems, policy, practice, and financing for water resource management (WRM) and water security.

Despite limitations on face-to-face meetings and travel imposed by the global pandemic, WWI and WW Malawi made good progress in 2020-21.



14. LEASE COMMITTEMENTS

Operating Lease Expiring as follows:

	2021	2020
	£	£
Operating Lease Expiring as follows:		
In less than one year	38,200	20,700
In 2-5 years	58,000	74,600
	96,200	95,300

15. RELATED PARTY DISCLOSURES

During the year, the charity had no transactions with related parties. (2020: £7,257)

16. 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. We have largely been able to reprioritise work and achieve the same objectives in different ways, while discussing our progress with our donors.

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.

Working from home continues as advised by the Scottish Government, and there has been no return to international travel as yet. 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.

UK Aid Direct withdrew funds for a 4-year project worth £1.3m principally in Tanzania. While WW continues to follow this up with FCDO, it is unlikely that the offer will be reinstated. This has resulted not only in the significant loss of time in preparation, but also lost opportunity to both trial the approach more widely and develop SwM as an autonomous organisation at a faster pace. As part of the BOND NGO network, we are supporting work to push for reinstatement of 0.7% of GNI for development aid. We are also raising the issue with FCDO water contacts through the UK WASH Network.

£1M Swiss Government funding over three and half years has been approved 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) has been agreed in to start in June 2021.