

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

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JANUARY 2013
FOR
WATER WITNESS INTERNATIONAL**

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

THURSDAY



S2179KJC
SCT 03/10/2013 #496
COMPANIES HOUSE

WATER WITNESS INTERNATIONAL
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY 2013

	Page
Report of the Trustees	1 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Notes to the Financial Statements	11 to 13
Detailed Statement of Financial Activities	14

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST JANUARY 2013

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 January 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

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.

Two new Trustees were appointed in 2012, Prof Bruce Lankford and Dr Rev Christopher Wigglesworth.

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC353570 (Scotland)

Registered Charity number
SC041072

Registered office
65/1 Warrender Park Road
Edinburgh
EH9 1ES

Trustees
A N Brown
Ms H Triviais
M Rogers
Rev Dr J C Wigglesworth - appointed 10.9.12
Prof B A Lankford - appointed 10.9.12

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 JANUARY 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Risk management

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

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST JANUARY 2013

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.12 to engage in other charitable purposes.

WATER WITNESS INTERNATIONAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST JANUARY 2013

OBJECTIVES AND ACTIVITIES

Significant activities

Against these objectives and in line with our Strategic and Business Plan the following activities were carried out between January 2012 and February 2013 and are organised below by activity area.

a) Research and development

Department for International Development - Systematic Review of water institution performance

On 16th June 2011, WWI entered into a contract with the University of East Anglia to lead the delivery of a global 'systematic review' of evidence for the UK Department for International Development which addresses the question:

What factors determine the performance of institutional mechanisms for water resources management in developing countries in terms of delivering pro-poor outcomes, and supporting sustainable economic growth?

Water Witness International has contracted Dr Nick Hepworth to work as Principle Investigator on this prestigious research won through a highly competitive bidding process. Nick leads a team of six at the University of East Anglia and the work progresses well, appraising over 28000 articles to generate evidence and insights which will guide policy and research over the coming decade. This work generated £15,112 income for Water Witness, and was successfully completed in 2012, with results presented at Stockholm International Water Week.

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

Alliance for Water Stewardship - development of certifiable standards for global water stewardship

Throughout 2012, WWI continued to serve as a Board member organisation of the Alliance for Water Stewardship, a not for profit corporation registered in Delaware, USA which is guiding the development of a global standard for water stewardship over the coming years. On behalf of WWI, Nick Hepworth in a voluntary capacity sits as a board member for the organisation, meeting once physically (Washington DC) and eight times by telephone to guide and steer the organisation. The AWS recruited an Executive Director in 2011, Adrian Sym. Adrian takes over much of the operational leadership of the organisation and receives advice from WWI on a regular basis.

WWI continues to ensure that developing country priorities and realities are reflected in the development of the standard and nominated two members of the International Standard Development Committee from Africa.

In 2012 WWI re-submitted a funding application Concept Note to DFID's Global Poverty Action Fund Innovation window for work to develop the standard in India and Africa. Although the concept note was accepted for full proposal development, the project was ultimately not selected for an award because of DFID's retrenchment from India.

This activity delivers on objectives 1.3 to 1.7

b) Advocacy and communication

Water Alternatives Journal Special edition and book chapter

In October 2012 WWI edited and introduced a special edition of the journal Water Alternatives on corporate engagement in water policy having secured financial support from GIZ, TNC and WWF. This special edition was labelled a 'landmark contribution' by Prof Tony Allan.

WWI also lead authorship of book chapter on the same issue under development by UEA, and co-founded the Corporate Water Research Network.

WATER WITNESS INTERNATIONAL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST JANUARY 2013

OBJECTIVES AND ACTIVITIES

Significant activities

This activity helps deliver our charitable objectives 1.1 - 1.8

Oxford Water Security Conference

WWI presented on its work at this international event in Oxford in April 2012.

This activity helps deliver objective 1.8

c) Capacity building and service delivery

Social Accountability Monitoring on Water Resources in East Africa

In 2012 WWI successfully applied for a £250 000 funding grant from DFID's Global Poverty Action Fund Innovation window for the project 'Fair Water Futures' to undertake globally pioneering work in accountability for equitable WRM with communities in East Africa and partners: the Freshwater Action Network, the African Network for Environment and Water and Tanzania Water and Sanitation Network. Following due diligence WWI is gearing up for delivery of this 2.5 year project in 2013.

This activity helps deliver objectives 1.2; 1.6 and 1.10

Professional Development training at the UEA Water Security Centre

In May 2012 WWI provided training services to University of East Anglia's 'Water security for policy makers' course' which included delegates from DFID, UN Agencies, National governments and NGOs including WaterAid and WWF.

ACHIEVEMENT AND PERFORMANCE

Given the limited resources available to the organisation in its fourth year, its achievements and impact are again considered to be significant. Through our work on the ground in Peru, Tanzania and Kenya and our global initiatives through the AWS, the CEO Water Mandate, and DFID Systematic Review our impact, profile and reach have grown steadily - and this is demonstrated through outputs and qualitative, anecdotal evidence. An outstanding challenge is to establish and resource organisational impact monitoring and evaluation which will allow us to objectively demonstrate our contribution.

FINANCIAL REVIEW

WWI ended the financial year in the black, with £32 in the account with £2,527 of monies due in and £1,209 of amounts owing. There was a small deficit for the year of £82 compared to a surplus of £1,275 last year.

Planning and research is on-going in relation to long-term funding strategies and this will be presented to the board in 2013.

Resourcing our work

Despite the economic downturn, WWI was able to maintain income, largely as professional fees, of which WWI retains 10 to 15% in order to fund administration and development.

Several large funding bids were submitted in 2012, including one to GPAF. Securing long term core funding for the Charity's work has been the focus of a pro-bono study carried out by Dr Kate Studd and this work will be acted on further in 2013

WATER WITNESS INTERNATIONAL

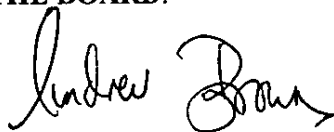
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST JANUARY 2013

FUTURE DEVELOPMENTS

Through 2012 there has been steady growth in our work load, and interest in our work and we can begin to point to definite achievements and change brought by our activities. In 2012 the finalisation of our work on DFID's Systematic Review, commencement of the GPAF Fair Water Futures project will be major priorities which will significantly boost our profile, impact and reach. We will also be developing an international project 'Fair Water Footprints'.

In addition to successful delivery of these initiatives our priorities will lie in consolidating internal management, governance, policy and procedures, and in attracting additional resources to bolster the foundations of our steady growth and attainment of our charitable objectives.

ON BEHALF OF THE BOARD:

A handwritten signature in cursive script, appearing to read 'Andrew Brown', written in black ink.

A N Brown - Trustee

16th September 2013

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

I report on the accounts for the year ended 31st January 2013 set out on pages eight to thirteen.

Respective responsibilities of trustees and examiner

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

Basis of the independent examiner's report

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

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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

16th September 2013

WATER WITNESS INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JANUARY 2013

	Notes	2013 Unrestricted funds £	2012 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		700	-
Incoming resources from charitable activities			
Water Management Research and Advice		11,083	21,911
Total incoming resources		<u>11,783</u>	<u>21,911</u>
RESOURCES EXPENDED			
Charitable activities			
Water Management Research and Advice		10,907	19,774
Governance costs		958	862
Total resources expended		<u>11,865</u>	<u>20,636</u>
NET INCOMING/(OUTGOING) RESOURCES			
		(82)	1,275
RECONCILIATION OF FUNDS			
Total funds brought forward		1,432	157
TOTAL FUNDS CARRIED FORWARD		<u><u>1,350</u></u>	<u><u>1,432</u></u>

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

BALANCE SHEET AT 31ST JANUARY 2013

	Notes	2013 Unrestricted funds £	2012 Total funds £
CURRENT ASSETS			
Debtors	4	2,527	-
Cash at bank		32	1,926
		<u>2,559</u>	<u>1,926</u>
CREDITORS			
Amounts falling due within one year	5	(1,209)	(494)
NET CURRENT ASSETS		<u>1,350</u>	<u>1,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,350	1,432
NET ASSETS		<u>1,350</u>	<u>1,432</u>
FUNDS	6		
Unrestricted funds		1,350	1,432
TOTAL FUNDS		<u>1,350</u>	<u>1,432</u>

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

**BALANCE SHEET - CONTINUED
AT 31ST JANUARY 2013**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st January 2013.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st January 2013 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 16th September 2013 and were signed on its behalf by:



.....
A N Brown -Trustee

The notes form part of these financial statements

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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.

Charitable activities include expenditure associated with one of the charity's objectives and principle activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

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.

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. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Other operating leases	325	-
	<u> </u>	<u> </u>

WATER WITNESS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST JANUARY 2013

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st January 2013 nor for the year ended 31st January 2012.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st January 2013 nor for the year ended 31st January 2012.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Other debtors	2,527	-
	<u>2,527</u>	<u>-</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	1,209	494
	<u>1,209</u>	<u>494</u>

6. MOVEMENT IN FUNDS

	At 1.2.12	Net movement in funds	At 31.1.13
	£	£	£
Unrestricted funds			
General fund	1,432	(82)	1,350
	<u>1,432</u>	<u>(82)</u>	<u>1,350</u>
TOTAL FUNDS	<u>1,432</u>	<u>(82)</u>	<u>1,350</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	11,783	(11,865)	(82)
	<u>11,783</u>	<u>(11,865)</u>	<u>(82)</u>
TOTAL FUNDS	<u>11,783</u>	<u>(11,865)</u>	<u>(82)</u>

WATER WITNESS INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST JANUARY 2013**

7. RELATED PARTY DISCLOSURES

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

During the year the charity paid Common Futures Consulting Ltd (a company of which Mr Hepworth is a director and shareholder) for consultancy services to the value of £9,999 (2012 - £19,774). There was no balance due at the year end (2012 - £Nil).

WATER WITNESS INTERNATIONAL
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JANUARY 2013

	2013 £	2012 £
INCOMING RESOURCES		
Voluntary income		
Donations	700	-
Incoming resources from charitable activities		
Commissioned research	11,083	21,911
Total incoming resources	11,783	21,911
RESOURCES EXPENDED		
Charitable activities		
Rent	325	-
Advertising & website	583	-
Commissioned research	9,999	19,774
	10,907	19,774
Governance costs		
Independent examination	410	750
Sundry expenses	40	37
Meeting expenses	683	-
Bank charges and interest	(175)	75
	958	862
Total resources expended	11,865	20,636
Net (expenditure)/income	(82)	1,275

This page does not form part of the statutory financial statements