



Annual Report and Financial Statements for the year ended 31st March 2018

WaterHarvest Limited (formerly Wells for India) is a company limited by
guarantee
registered in England & Wales

Charity number 1127564
Company number 06484901

Annual report and financial statements for the year ended 31st March 2018

	<i>Page</i>
Annual report	
Objectives and activities	1
Vision and mission	1
Objectives	1
Background	1
Our approach to projects and grant-making	3
Achievements and performance	3
Geographical focus	3
Projects	3
Leveraging local funding	4
Achievements	4
Learning, research and development	5
Relationships with other organisations	5
Governance and management	6
Fundraising and support	6
Financial review	7
Principal sources of income	7
Restricted funds	7
Reserves policy	7
Recognition of provisions for liabilities	8
Future plans	8
Legal and administrative information	9
Company information	9
Structure, governance and management	10
Trustees	10
Trustees' appointment and induction	10
Patrons	10
UK office	10
India office	10
Public benefit statement	11
Risk management	11
Appointment of auditors	12
Trustees' responsibilities for the financial statements	13
Independent auditor's report	14
Financial statements	17
Statement of financial activities and income and expenditure	18
Balance sheet	19
Notes to the financial statements	20-36

Annual report of the trustees

(Incorporating the Directors' Report)

Objectives and activities

Vision and mission

Our **vision** is to enable quality of life by:

- The poorest rural dryland communities in India having secure access to safe water all year round for domestic and agricultural use, without detrimental environmental impacts;
- Basic sanitation becoming available to all rural communities;
- Security and livelihood being achieved through skills training, health and education.

Our **mission** states:

Working with the people of India, we expand the sustainable and efficient provision of safe and secure water to improve the lives and the environment of the poorest rural communities.

Objectives

- Through the work of partners, we will support rural dryland communities: to make decisions about the sustainable provision of an adequate amount and quality of water and appropriate sanitation; and to plan for their future needs.
- We will promote social development and livelihood development programmes based on the benefits of water provision and improved sanitation and hygiene.
- We will establish new relationships with partners. We will also work with organisations with complementary capabilities.
- We will continue to strengthen WaterHarvest's organisational capacity to meet future challenges by improving our operational effectiveness.
- We will work co-operatively with the Water Wisdom Foundation in India which can raise funds principally inside India itself to enhance the work currently undertaken by Wells for India.

Background

WaterHarvest is a registered charity and a company limited by guarantee working with some of the poorest people on the planet. Our work can be traced back to 1987 when founder Dr Nicholas Grey visited the state of Rajasthan in north-west India and saw for himself the hardship faced by people in remote rural villages affected by drought. Since its inception, WaterHarvest has supported work in Rajasthan, in more than 1,500 villages, bringing about positive changes in the lives of more than a million and a half people.

We see water availability as the precondition for development in rural communities. We work in partnership with local voluntary organisations who, in turn, work in a participatory way with village communities, supporting them to develop practical, sustainable ways to gain access to water all year round. We are committed to supporting the poorest people, without favour based on gender, religion, race or caste.

Rajasthan is the most water-scarce state in India. Its main geographical features are the Thar desert and the Aravalli Range. The Aravalli Range, running through the state from southwest to northeast, lies parallel to the direction of the oncoming monsoon winds, leaving the north-western part of the state in a rain shadow. Around three-quarters of Rajasthan's population of almost 69 million (*2011 census*) live in rural villages, relying for their livelihoods on agriculture, livestock and forestry. These communities are at the mercy of the monsoon, which often fails or is scanty. In the areas where we work, large-scale schemes such as pipelines or water towers, far from meeting rural communities' water supply needs, are at best delivering infrequent, unreliable supplies (e.g. once per month), and at worst carry the precious resource of water away from rural areas to serve growing urban populations.

The effects of water scarcity

Water scarcity leads to insecurity, persistent poor health, and relentless drudgery, trapping people in poverty. Rural women walk an average of 3 to 5 miles every day to fetch water. With no prospect of farming providing a secure livelihood close to home, men leave their families and go to the cities in search of work, which is often harsh, dangerous and low-paid. Children's education is threatened by (among other factors) their involvement in helping to carry water over long distances, and in child labour, often far from home, to supplement meagre family incomes.

Sustainable water through rainwater harvesting

Although our first initiatives focused on well deepening and development, over the years our work has evolved. With unregulated extraction of groundwater taking place throughout the developing world, simply digging more, or deeper, wells to extract groundwater is no longer a sustainable solution. Rainwater harvesting, and soil and water conservation measures, offer a range of low-cost, sustainable solutions adapted to different local contexts. Combining technical innovation with local traditional wisdom, we focus on capturing, storing and managing rainwater in a variety of ways. Water can be captured where it is needed, and groundwater levels can be recharged. Simple, small-scale technologies, such as check dams, contour trenches, roof rainwater harvesting and underground storage tanks are highly effective.

Once reliable water supplies are in place, villagers' lives are transformed. They can start to improve their farming, develop better health practices, send their children to school, and generate income. Water is the key, but for communities to achieve sustainable benefits there must also be additional support, training and capacity-building. Our projects therefore incorporate the development and strengthening of community-based organisations, such as village committees and self-help groups; and training in areas such as farming, natural resource management, hygiene and sanitation, and microfinance.

Sanitation and hygiene

Sanitation and hygiene form another important focus of our work. India has the highest rate of open defecation in the world, accounting for more than 90% of the practice in South Asia (WHO-UNICEF, 2012). The Indian Government has introduced an aggressive programme to attack this problem, but changing culture on this scale is a major challenge. Open defecation leads to a range of health and environmental problems. The poorest people, who own little or no land, often walk for miles each day to access relatively safe and private open space - a huge waste of time and effort. For vulnerable members of communities (pregnant women, children, and sick, elderly, or disabled people) fulfilling this basic human need can be a dangerous and degrading ordeal. Lack of sanitation facilities is a major factor in girls not attending school. The Udaipur Government has commissioned WaterHarvest's Liaison Office and its NGO partners to play an important role in ensuring that not only are thousands of toilets being built, but also the necessary culture changes to ensure their proper use are put into effect. We continue to support a number of projects providing sanitation facilities and hygiene education in schools. More recently, we have also been

supporting work to encourage whole communities in the Thar desert to build toilets in every household and improve their hygiene practices.

Women's empowerment

Development work in a village provides opportunities to improve women's position in a traditionally male-dominated society. Safe, accessible water relieves anxiety among women, who usually bear responsibility for ensuring their families have water. Women can spend the time they would have spent walking to fetch water on other activities, including taking part in self-help groups and income-generating activities, and, importantly, taking rest. Women are encouraged to take an active role in village management committees. Villagers are encouraged to send girls, as well as boys, to school.

Our approach to projects and grant-making

We work through local partner organisations, providing project-based grant funding, technical expertise and capacity-building. Our partners are local non-governmental organisations that are close to rural communities. Being able to gain and sustain engagement from communities is crucial to the success of our projects, which inevitably require people to make significant changes in their attitudes and practices.

Projects typically last between two and five years, with objectives and activities defined from the outset. Our project funding structure seeks to empower and engage local communities, to discourage a culture of dependency, and to leverage funds from other sources. The 'funding mix' of the projects we support is typically a contribution from WaterHarvest, plus contributions (both in-kind and cash) from the rural communities themselves, and, as far possible, from Indian governmental sources.

We 'add value' to our partners' work by providing, or facilitating access to, technical expertise; by learning from our projects through structured monitoring and evaluation processes, and then sharing learning and best practice among our partners; and by encouraging a spirit of cooperation among our partners.

Achievements and performance

Geographical focus

This year we continued to focus our work in three agro-ecological zones (Thar desert; Aravalli hills; Sambhar salt lakes) in the drylands of Rajasthan, and added a fourth zone, Rann of Kutch, in Gujarat.

Projects

This year we supported ten development projects, of which seven were continuing projects, having initiated 3 new projects. For a list of these, please see the section below. A total of 220 villages and over 165,000 people benefited from these projects

In recent years, our projects have fallen into three broad thematic areas: water and livelihood; water, sanitation and hygiene; and water and environment. We have also supported in the past emergency responses to events such as droughts and floods, chiefly in those communities where we have already invested in development projects.

Our ability to 'add value' by sharing best practice with partners, villagers and policy decision-makers depends on maintaining a diverse portfolio of projects and partner organisations. Despite increased funding available from our UK sources, we judged that our ability to maintain that diversity continued to be at risk (the weakness of the pound against the rupee since the 'Brexit' referendum has been an aggravating factor for much of the past year). This year, in response to this risk, our India office is continuously assisting our Indian partner NGOs to win additional funding from Indian Government sources. This is described in more detail below, under *Relationships with other organisations*.

Having been frustrated by the delays experienced in the process of establishing an Indian Trust with local fundraising capabilities, the decision to switch from a Trust to a Section 8 company has borne fruit and the Water Wisdom Foundation was launched in March. The board of governance is graced by Capt Maharaj Raghav Raj Singh as Chair, joined by Dr Kapil Dev Sharma, with Dr Deepti Sharma appointed as CEO. More can be read about the Foundation at <https://www.waterwisdomfoundation.org>.

A major feature of the past year has been the completion of our two sanitation projects, facilitated by substantial Indian Government funding for the materials need for domestic toilet construction. As a result of this collaboration, the number of toilets constructed has continued to increase, with corresponding benefits to the villages where we and our partners are working, especially with our focus on people with disabilities, which has influenced local government policy in toilet design to accommodate different needs. In addition, we have continued to identify opportunities for work which results in rapid return on investment to provide funds for additional similar work on drip irrigation and monsoon-fed pond construction. This approach is known as 'rotating funding' and it provides a multiplicative effect on funding provided to our NGO partners.

Leveraging local funding

As outlined above, WaterHarvest's project funding structure requires contributions from local communities themselves, and, as far as possible, from other sources such as local Indian governmental funds. Our projects include work to build the capacity of community-based organisations at village and area level to engage with local authorities and influence how public funds are spent, for the benefit of their communities.

This year, WaterHarvest's funding of projects leveraged additional funding from local sources of, on average, an additional 91% of the amount contributed by us. We believe that this represents an excellent return on our investment, even before the sustainable benefits brought about by the work are taken into account.

Achievements

Communications

A major feature of the past year is that we increased our visibility in social media as a form of promotion, by improving our participation on Facebook, Twitter and Instagram, in order to further improve our communications capacity. We were able to direct our messages to selected recipients using the state of the art facilities provided by social media. The layout of our regular magazines continues the significant improvement noted last year, achieving much greater impact as a result.

In addition, working with Dr Mark Everard of UWE and his team, we have been instrumental in creating a remarkable document detailing a comprehensive round-up of water harvesting techniques, essentially a practical solutions guide for local communities called '30 Wise Water Solutions in Rajasthan'. This is being published in English and Hindi.

Projects

Achievements across our projects included:

- increased water availability;
- increases in the amount of land available for farming and in the amount of irrigated land;
- increased yields from crops and livestock thanks to better seeds and breeds and better farming knowledge, leading to better nutrition and increased household incomes;
- reduced stress and drudgery for women;
- reduced levels of distress migration;
- increased numbers of children, especially girls, able to attend school;
- better hygiene and sanitation, and increased safety of drinking water, leading to better health;
- increased participation by women in decision-making in both public and private settings;
- reduced household debt and reduced dependency on money-lenders thanks to micro-credit work with self-help groups;
- increased capacity of community-based organisations to advocate for their rights and to influence the use of public resources for sustainable benefits.

Learning, research and development

Learning from independent evaluation

Three of our projects reached their planned completion. As always a very detailed evaluation was carried out on each by an independent expert. The evaluations highlighted the lessons learned in the projects and listed the best practice developed in carrying them out. They also focussed on the level of sustainability resulting from the projects. These findings will be taken into account in current and future projects.

Water quality Research and Development

During the year we have continued to develop our relationship with UWE (Bristol), especially with Dr Mark Everard, Associate Professor of Ecosystem Services. We have also maintained contact with the University of Oxford and continue to develop other academic links. Specifically we have made progress on the implementation of a project to test the effectiveness of bio-sand filters when used in the rural communities. These filters have been under evaluation for some eight months during the past year, and the results are sufficiently promising that the team is considering dropping the use of placebos for some of the participants.

Relationships with other organisations

Local partners

This year we worked in partnership with the following organisations:

Aravalli hills:

- Mahan Seva Sansthan (MSS)
- Hanuman Van Vikas Samiti (HVVS)
- Taran Bharat Sangh (TBS)
- Rajasthan Forest Produce Collectors and Processers Groups Support Society - Samarthak Samiti

Thar desert:

- Gramin Vikas Vigyan Samiti (GRAVIS)

Gujarat:-

- Samerth Charitable Trust

Sambhar salt lakes:

- Gram Vikas Navyuvak Mandal Laporiya (GVNML)
- Prayas Kendra Sanstha

Co-funding

As mentioned above, we have assisted our NGO partners to win additional funding from Indian Government sources, especially for greatly expanding sanitation projects. This year our 2 NGO partners in Aravali Hills, HVVS and MSS completed their support of 138 villages in the Udaipur district under the government of India's sanitation programme, the Swachh Bharat Abhiyan (SBM).

Under this joint project, WaterHarvest's partner NGOs provided training and behaviour change support while the government funded the construction of toilets. We developed local and innovative educational materials and provided extra funding for the design and construction of toilets for physically challenged people.

We are also seeking to establish similar agreements with other local funders in India. We see the sharing of costs and expertise as a good way to leverage local funds to achieve sustainable impacts, and thus a good strategic use of the funding that we provide from the UK.

Looking to the future, we expect that, over time, the balance of funding for projects will shift away from the UK towards India.

Memberships

We continue to be a member of Bond, the UK membership body for non-governmental organisations working in international development; and of the Impact coalition, a movement seeking to improve accountability, clarity and transparency in the UK voluntary sector.

Governance and management

Our India office is registered as a Liaison Office under Indian regulations and does not have the legal right to raise funds in India. In view of the increased potential for accessing funding for development programmes in India, trustees were pleased to observe the successful inauguration of the water Wisdom Trust in India, to operate within both Indian law and regulations and WaterHarvest's ethos, and to work in close partnership with WaterHarvest and our partners.

Our Trustees have continued unchanged until the very end of the year, when we were sorry to receive the resignation of Sam Sharpe, a trustee for the past 3 years. Our thanks go to Sam for his valuable contribution, and we hope that he will continue to provide financial guidance in a non-trustee role for some time to come.

Fundraising and support

We raised a total income of £290,480, as detailed in the financial review section below. This total came very close to our achievement in the previous year, while falling somewhat short of our target of £320,000. This is the third successive year in which we have recorded a significant improvement over earlier years.

Income from Corporate donors increased more than threefold compared to the previous year. Income from trusts continued at a high level as in the previous year. Restricted funding as a proportion of overall income was 16% compared to 8% in the previous year. Local funds leveraged in India as a result of our funding achieved a local contribution of 91%.

The current reluctance in the UK towards funding work such as ours presents an ongoing challenge to our fundraising efforts. We continue to seek innovative ways of ensuring that our partners' vital work continues to be supported, for example through co-funding of mutually-agreed projects with other agencies, as outlined in the section on co-funding above, and continuing to encourage our partners and local people to contribute as much local funding as possible. We were able to use our rebranding as WaterHarvest, in conjunction with the milestone of our 30th anniversary, in order to raise the profile of the charity and were successful in attracting significant new sources of funding at two promotional events in October.

Financial review

- The annual accounts show a total income of £290,480 (2017: £298,793).
- The total expenditure on charitable activities was £238,447 (2017: £242,867) including support costs and governance costs. As in previous years, the majority of our project expenditure was on Water and Livelihood programmes.
- The cost of raising funds was £53,884 (2017: £52,726); this includes the cost of employing our fundraising staff; payment-by-results commission paid to a fundraising consultant; and production and distribution of our magazine.
- Governance costs were £8,670 (2017: £7,110).

Principal sources of income

- | | |
|--|-----------------|
| • Grant-making trusts: | 59% (2017: 58%) |
| • Appeals and donations: | 15% (2017: 23%) |
| • Regular giving by individuals (including tax recovered): | 14% (2017: 12%) |
| • Corporate donations: | 8% (2017: 2%) |
| • Events, sponsorship & sale of goods: | 2% (2017: 3%) |
| • Legacies and memorials: | <1% (2017:<1%) |
| • Investment income: | 2% (2017: 2%) |

The financial performance of the charity is monitored against agreed budgets. Each of the trustees receives a copy of the management accounts on a monthly basis. The performance of the charity's partners is kept under close supervision on the basis of quarterly narrative and financial reporting, frequent monitoring visits to projects by members of the India office team, and independent audits and evaluations on WaterHarvest's behalf.

Restricted funds

The restricted funds referred to in Note (20) of the Financial Statements are held for the purposes agreed with the donors and are expended as the relevant programmes progress.

Reserves policy

The level of reserves is kept under regular review. The current agreed level for free reserves is the equivalent of six months of operating costs. Our aim is to increase the funds we hold gradually, so that we can be sure of meeting our commitments to partners and projects three to five years ahead, without heavy reliance on year-by-year fundraising success. These additional funds will not be free reserves, but will relate to our level of provisions for constructive liabilities.

Recognition of provisions for constructive liabilities

During the current year, the trustees consider that sufficient evidence does exist to demonstrate the requirement of Charities SORP (FRS 102) (effective 1 January 2015) that the discretion retained by the trustees to not provide future funding under annual reviews does have substance. On this basis in the current year the forward grant commitments on projects have not been recognised as a provision.

Future plans

1. To continue work in four different agro-ecological zones in the drylands of Rajasthan and Gujarat (Thar desert; Aravalli hills; Sambhar salt lakes; Rann of Kutch), developing and strengthening models and systems for sustainable water and livelihoods.
2. To consider opportunities to support work close to Rajasthan in neighbouring states.
3. To continue to develop innovative partnerships that add value to our work and that of our local partners, and which will maintain and enhance the quality and diversity of our project portfolio.
4. To support the early years of the new Foundation in India, to operate under Indian regulations, within WaterHarvest's ethos, to work in close partnership with WaterHarvest and our partners.
5. To continue to develop work on water safety planning.
6. To implement all these plans in line with the agreed five year strategy (see below).

Legal and administrative information

Company information

The organisation was established in 1987 as a charity registered in England and Wales, (no. 802135) under the name The Third World Link Trust. In 1989 it was re-named Wells for India. In 2009, to provide a greater measure of legal protection, the trustees formed a company limited by guarantee (registered in England and Wales, no. 6484901) and a new charity (registered in England and Wales, no. 1127564), both named Wells for India. The assets and activities of the original charity were transferred to the new company and charity with effect from 1st April 2009. In 2017 it was renamed WaterHarvest, to better describe the core activities of the charity. Since 2009, the operations of WaterHarvest have been conducted by the company, the directors of which are the trustees of the charity.

Company Number 06484901

Registered Office Basepoint
1 Winnall Valley Road
Winchester
SO23 0LD
UK

India Liaison Office
1139, Hiran Magri, Sector No 4
Udaipur 313002
Rajasthan
India

Bankers HSBC Bank plc
58 High Street
Winchester
SO23 9BZ

Auditors Langdowns DFK Limited
Fleming Court, Leigh Road
Eastleigh
Southampton
SO50 9PD

Directors and trustees The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

The following trustees held office from 1st April 2017:

- Neil Mehta (Chairman)
- Dr Kevin L Cook
- Nicola Floyd
- Dr Maureen Gupta
- Peter McManus
- Sam Sharpe (resigned March 2018)
- Dr Max M Wilson

Structure, governance and management

Trustees

The trustees keep the organisation of the charity under review and seek to ensure that it is adequately structured and resourced to meet the needs of its operations. They hold quarterly meetings to review the work of the charity. In addition, they take an active role in fundraising and oversight of programme work.

Trustees' appointment and induction

Trustees serve for three-year terms, after which they may be re-appointed. New trustees are appointed by the existing trustees, taking account of the skills, knowledge and experience required for the company and charity to function well. New trustees are inducted into their roles under the guidance of the existing trustees and with the help of relevant publications of the Charity Commission. Trustees are encouraged to visit India (usually at their own expense), to see first-hand the work supported by the charity.

Patrons

- Sir Mark Tully
- Lord Bhikhu Parekh

Five Year Strategy

The strategy document created last year is now in place, with clear committed actions and measurable goals, which acts as a guide to the way we conduct our affairs over the strategic period. A significant number of the challenges set in this document have been successfully implemented, notably the re-branding, which has resulted in measurable improvements in our ability to attract funding. A further strategy review is planned for later in the coming year.

UK office

WaterHarvest's headquarters are in rented office accommodation in Winchester, UK. This year there were three paid staff (2.42 full-time equivalent). In addition, a consultant continued to provide fundraising services on a commission-only basis. Trustees, interns and other volunteers make a range of valuable contributions to the organisation's work, such as giving talks and organising events to raise funds.

India office

Our office in Udaipur, Rajasthan, is officially registered with the Reserve Bank of India as a Liaison Office.

This year there were 3 paid posts in our India office and a part-time finance controller and a microbiologist working on a consultancy basis.

Our team in India works closely with local partner organisations to develop projects that meet village communities' needs and fit with WaterHarvest's objectives. The team provides support and guidance to partners at each stage of the project cycle, from design and initiation, through implementation and monitoring, to final evaluation. They maintain contact not only with partner organisations, but also directly with project beneficiaries, through regular visits to the villages. By facilitating the sharing of best practice, organising joint events such as training sessions with all partners, and encouraging greater cooperation between partners, the India office adds significant value to projects, and to the voluntary sector in Rajasthan. The India office also maintains WaterHarvest's profile, and links with the voluntary, public and educational sectors, in the region. This profile is leading to increasing interest from State Government departments in the holistic approach to rural development based on small-scale rainwater harvesting that we support.

Public benefit statement

In exercising their powers and duties, the trustees have due regard for the guidance on public benefit published by the Charity Commission. WaterHarvest's activities give rise to identifiable public benefits, primarily in India, but also in the UK.

For the villagers who take part in the projects that we support, the benefits of WaterHarvest's work are clear, and we endeavour to make those benefits as sustainable as possible. Providing reliable access to safe water is the starting point for wider development. Once communities have water, it becomes possible for them to address other issues such as education, health, sustainable livelihoods and alternative income generation.

It is important that the benefits brought by our projects can be sustained beyond the end of the project period. To achieve this, we work with local partner organisations who are committed to 'participatory' or 'demand-led' development. This ensures that villagers are actively involved in each stage of the project, from design through to completion and beyond. Capacity-building is an integral part of each project. We build the capacity of communities to manage natural resources for themselves, in ways that are socially equitable and environmentally sustainable. We do this by setting up, and providing ongoing training and support for, such structures as village development committees. We train farmers in sustainable agriculture, and support women's micro-finance groups to develop income-generation activities.

We believe that the high standards that we require of our local partner NGOs, in terms of the quality of project design and delivery, and of accountability and transparency, contribute to building and maintaining an effective voluntary sector in the areas where we work.

In the UK, people of all ages benefit from opportunities to learn about rural communities in India, through the talks we give to schools and other groups. This year, we continued a Volunteer Intern Scheme, which saw interns with a wide range of skills bring their energy and expertise into the organisation, while they developed valuable skills in a team environment. Through the course of the year, the intern scheme assisted with the development of our social media profile on FaceBook, Twitter and Instagram, developed a visual brand, supported fundraising, and contributed towards events.

Risk management

We review risks on a quarterly basis, and maintain a register of risks ranked according to probability and impact.

Our commitment to working with the poorest rural communities in remote areas brings geographical, climatic and social challenges. There is an inherent risk that even the best-laid plans may be subject to

delays or failure through circumstances beyond WaterHarvest's or our partners' control. We seek to mitigate such risks through: careful selection of competent local partners, who have close links with beneficiary communities and a good understanding of the local context; selecting well-designed projects; and thorough, regular monitoring and support to partners by our India team.

Project proposals are prepared by partners, using a well-established approach, with support where necessary from our India office. Proposals are then scrutinised by UK staff and a sub-committee of trustees, before final approval.

The risks associated with each project are assessed. In particular, the following aspects are considered:

- the capability of the partner organisation to carry out the project; the effectiveness of its operations;
- the commitment of the beneficiary community to the project;
- the technical soundness of the proposed works and their sustainability after completion;
- risks to the local ecological environment;
- the validity of the budgeted costs and the timescale proposed for the project.

As a grant-making charity, one of the main areas of risk we face is financial. We seek at all times to ensure that future commitments to project funding are realistic. We require high standards of accountability from our local partners. For each project, a memorandum of understanding is drawn up with the partner, detailing their project delivery and reporting obligations. We then require narrative and financial reports on a quarterly basis, independently audited accounts on an annual basis, and an independent evaluation upon project completion. Funds are disbursed to partners quarterly, subject to satisfactory progress reports and to confirmation of actual expenditure in the previous quarter.

WaterHarvest takes a 'zero-tolerance' stand against bribery and corruption, backed up by suitable procedures. We refuse to work with partners whose actions fall below the standards required by UK law.

Safeguarding: A newly-revised policy document has been prepared and is in the course of being adopted by the Trustees. This is to reflect the perceived increased risk in this area following highly publicised failings in a number of UK-Based charities operating overseas.

As projects are implemented, our India office maintains close contact with partners and village communities, including frequent field visits. We reserve the right with all our partners to make unannounced visits to projects, and to have full access to all financial records relating to the projects.

Appointment of auditors

The board re-appointed Langdowns DFK as auditors.

Trustees' responsibilities for the financial statements

The trustees (who are also directors of WaterHarvest Limited for the purposes of company law) are responsible for preparing the Annual 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

I declare, in my capacity as a trustee, that the trustees have approved this report and have authorised me to sign it on their behalf.



Full name: Neil Mehta

Position: Trustee - Chairman

Date: 20th August 2018

Independent auditor's report to the members of WaterHarvest Limited

We have audited the financial statements of WaterHarvest Limited (the 'charitable company') for the year ended 31st March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31st March 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report of the Trustees (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report of the Trustees (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees (incorporating the directors' report).

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


.....

Graham Taylor (Senior Statutory Auditor)
for and on behalf of Langdowns DFK Limited
Statutory Auditor
Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD

Date: 22nd August 2018

Financial statements

Statement of Financial Activities including income and expenditure account for the year ended 31st March 2018

	Notes	Unrestricted funds £	Restricted Funds £	2018 Total £	2017 Total £
Income					
Donations and legacies	3	233,744	45,290	279,034	287,066
Other trading activities	4	7,000	-	7,000	7,347
Investment income	5	4,446	-	4,446	4,380
Total income		245,190	45,290	290,480	298,793
Expenditure					
Raising funds:					
Donations & legacies	6	49,284	-	49,284	45,642
Sales	6	1,890	-	1,890	2,076
Communications	6	2,710	-	2,710	5,008
Charitable activities:	7/8				
Sustainable water projects		201,383	37,064	238,447	242,867
Total expenditure		255,267	37,064	292,331	295,593
Net gains/(losses) on investments		1,133	-	1,133	15,765
Net income/(expenditure)		(8,944)	8,226	(718)	18,965
Transfers					
Transfers between funds		-	-	-	-
Net movement in funds		(8,944)	8,226	(718)	18,965
Reconciliation of funds					
Total funds brought forward		234,270	1,547	235,817	216,852
Total funds carried forward		225,326	9,773	235,099	235,817

The Company's incoming resources and resources expended all relate to continuing operations.
The Company does not have any endowment funds.
The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 20 to 36 form part of these financial statements.

Balance sheet as at 31st March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	14	3,127	2,869
Investments	15	120,168	119,035
		123,295	121,904
Current assets			
Debtors	16	24,985	7,188
Cash at bank and in hand	17	99,694	113,808
		124,679	120,996
Creditors: amounts due in one year	18	12,875	7,083
Net current assets		111,804	113,913
Total assets less current liabilities		235,099	235,817
Net assets		235,099	235,817
The funds of the charity:			
Unrestricted funds:	19		
General fund		205,158	215,235
Investment valuation reserve		20,168	19,035
		225,326	234,270
Restricted funds	20	9,773	1,547
Total funds		235,099	235,817

The notes at pages 20 to 36 form part of these accounts.

The Financial Statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board for issue on 20th August 2018.



Neil Mehta
Trustee - Chairman

Notes to the Financial Statements for the year ended 31st March 2018

1 Statutory information

WaterHarvest is a company limited by guarantee, registered in England and Wales, without share capital. There were 6 trustees at the balance sheet date (2017: 7 trustees). The company's registered number and registered office address can be found in the Annual Report of the Trustees.

2 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in Sterling, which is also the functional currency of the company.

(b) Statement of Cash Flows - reduced disclosure exemptions

The company has taken advantage of the disclosure exemption, not to prepare a Statement of Cash Flows, as permitted by section 7 of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (as amended by Update Bulletin 1 published on 2 February 2016)'.

(c) Preparation of consolidated financial statements

The company does not consolidate the accounts of the India Liaison office into the financial statements of WaterHarvest as the control of the India Liaison office resides in India. Information on the India Liaison office is given in note 25.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

(d) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(e) Periods covered

The financial statements cover the year to 31st March 2018, with comparatives for the year to 31st March 2017.

(f) Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in the furtherance of the objectives of the charity. Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes.

Restricted funds are those donated for use in a particular area for specific purposes, the use of which is restricted to that area or purpose.

(g) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from general donations is recognised in the financial statements when it is received or when the charity has been notified of the amounts and the settlement date in writing.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed if material.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes. Investment income is accrued and included in the period for which it is receivable.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

(h) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity. Where sufficient evidence exists to demonstrate the requirement of Charities SORP (FRS 102) (effective 1 January 2015) that the discretion retained by the trustees to not provide future funding under annual reviews does have substance then the forward grant commitments on projects are not recognised as a provision.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include central functions and governance costs and have been allocated to activity cost centres on the basis of the value of grants granted. It is felt that the small size of the charity and the low level of expenditure do not warrant incurring costs in collecting and analysing the information necessary for any other basis of allocation. This policy is kept under review.

Staff costs are allocated between costs of raising funds and support costs, based on the primary roles undertaken by each staff member.

(i) Donated goods and volunteer and other donated services

Donated goods are recognised in different ways dependent on how they are used by the charity. The charity has not received any goods for use by the charity.

The value of services provided by volunteers is not incorporated into these financial statements. Where services are provided to the charity either as a donation or at less than commercial cost they are included in the financial statements at actual cost incurred.

(j) 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.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

(k) Taxation

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred.

Tax recovered from voluntary income received under Gift Aid is recognised when the related income is receivable and is allocated to the income category to which the income relates.

The company's income from charitable activities is exempt from taxation.

(l) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the term of the lease.

(m) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost and are depreciated on a straight line basis at an annual rate of 10% over their estimated useful lives.

(n) Investments

Investments held as fixed assets are stated at market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

(o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and highly liquid bank accounts. Cash held as part of an investment portfolio is included with the investment to which it relates.

(p) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(q) Pension costs and other post-retirement benefits

WaterHarvest makes contributions to a money purchase scheme. The cost is charged to the Statement of Financial Activities as incurred.

(r) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and the underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

3 Donations and Legacies

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Donations and legacies				
Committed giving	39,869	-	39,869	36,799
Legacies and memorials	963	-	963	784
Appeals and donations	44,789	-	44,789	68,874
Corporate	19,355	3,414	22,769	6,018
Trusts and foundations	128,768	41,876	170,644	174,591
	233,744	45,290	279,034	287,066

Comparatives for donations and legacies

	Unrestricted funds	Restricted funds	2017
	£	£	£
Donations and legacies			
Committed giving	36,799	-	36,799
Legacies and memorials	784	-	784
Appeals and donations	68,874	-	68,874
Corporate	6,018	-	6,018
Trusts and foundations	150,703	23,888	174,591
	263,178	23,888	287,066

4 Other trading activities

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Sales and events	7,000	-	7,000	7,347
	7,000	-	7,000	7,347

Comparatives for other trading activities

	Unrestricted funds	Restricted funds	2017
	£	£	£
Sales and events	7,347	-	7,347
	7,347	-	7,347

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

5 Investment income

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Bank deposit interest	140	-	140	157
Income from investment assets	4,306	-	4,306	4,223
	4,446	-	4,446	4,380

Comparatives for investment income

	Unrestricted funds	Restricted funds	2017
	£	£	£
Bank deposit interest	157	-	157
Income from investment assets	4,223	-	4,223
	4,380	-	4,380

6 Costs of raising funds

	Unrestricted funds	Restricted funds	2018	2017
	£	£	£	£
Fundraising costs	49,284	-	49,284	45,642
Costs of purchased goods	1,890	-	1,890	2,076
Communications	2,710	-	2,710	5,008
	53,884	-	53,884	52,726

Comparatives for costs of raising funds

	Unrestricted funds	Restricted funds	2017
	£	£	£
Fundraising costs	45,642	-	45,642
Costs of purchased goods	2,076	-	2,076
Communications	5,008	-	5,008
	52,726	-	52,726

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

7 Details of charitable activities

The total expenditure on grants to partners and support costs was as follows:

Grant funding	Support costs	Governance costs	Total 2018	Total 2017
£	£	£	£	£
112,266	117,511	8,670	238,447	242,867

The total expenditure on grants to partners, support costs and governance costs can be broken down by project type, or by geographical area, as follows:

	Grant funding	Support costs	Governance Costs	Total 2018	Total 2017
	£	£	£	£	£
Project type					
Water & Livelihood	89,549	93,734	6,916	190,199	149,495
Water & Sanitation	4,239	4,437	327	9,003	86,254
Water & Environment	15,064	15,767	1,163	31,994	7,118
Publications	3,414	3,573	264	7,251	-
	112,266	117,511	8,670	238,447	242,867
Geographical area					
Aravalli Hills	12,190	12,759	941	25,890	179,707
Thar Desert	47,597	49,821	3,676	101,094	55,509
Sambhar Lakes	49,065	51,358	3,789	104,212	7,651
Publications – all areas	3,414	3,573	264	7,251	-
	112,266	117,511	8,670	238,447	242,867

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

7 Details of charitable activities (continued)

Comparatives for details of charitable activities

For the year ended 31st March 2017 the total expenditure on grants to partners, support costs and governance costs can be broken down by project type, or by geographical area, as follows:

	Grant funding	Support costs	Governance Costs	Total 2017
	£	£	£	£
Project type				
Water & Livelihood	78,792	66,326	4,377	149,495
Water & Sanitation	45,460	38,269	2,525	86,254
Water & Environment	3,752	3,158	208	7,118
Enterprise	-	-	-	-
	128,004	107,753	7,110	242,867
Geographical area				
Aravalli Hills	94,708	79,737	5,262	179,707
Thar Desert	29,091	24,783	1,635	55,509
Sambhar Lakes	4,205	3,233	213	7,651
	128,004	107,753	7,110	242,867

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

8 Grants payable

Grant funding is paid to local Indian voluntary partner organisations. The grants provided to these organisations were as follows:

		2018	2017
Area	Partner organisation	£	£
Aravalli Hills	Mahan Seva Sansthan	7,895	39,308
	Taran Bharat Singh	2,024	38,216
	Hanuman Van Vikas Samiti	2,271	17,184
		12,190	94,708
Desert Regions	Gramin Vikas Vigyan Samiti	24,308	4,592
	Jal Bhagirathi Foundation	-	24,499
	Samerth Charitable Trust	23,289	-
		47,597	29,091
Sambhar Lakes	Gram Vikas Navyuvak Mandal	15,064	3,752
	Prayas Kendra Sanstha Harsoli	34,001	453
		49,065	4,205
Publications -all areas	Wise Water Solutions	3,414	-
Total grants payable		112,266	128,004

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

9 Support and governance costs

These costs have been apportioned across the work of the charity on the basis disclosed in note 1(h) and allocated to each of the charity's activities as set out in the table below:

Monitoring and support costs

	India Office	UK Office	Total 2018	Total 2017
	£	£	£	£
Water & Livelihood	42,595	51,139	93,734	66,326
Water & Sanitation	2,016	2,421	4,437	38,269
Water & Environment	7,165	8,602	15,767	3,158
Publications	1,624	1,949	3,573	-
Total costs allocated	53,400	64,111	117,511	107,753

Governance costs

	Total 2018	Total 2017
	£	£
Water & Livelihood	6,916	4,377
Water & Sanitation	327	2,525
Water & Environment	1,163	208
Publications	264	-
Total costs allocated	8,670	7,110

Governance costs are associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with generating funds or charitable activity. This includes costs associated with constitutional and statutory requirements of the charity, such as cost of preparing period end statutory accounts and external audit costs.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

10 Net income/(expenditure)

Net income/(expenditure) for the year is stated after charging:

	2018	2017
	£	£
Depreciation charge for year	348	487
Auditor's remuneration - audit work	5,106	4,878
Auditor's remuneration – other services	585	2,232
India Office governance	2,979	-

11 Staff Costs

UK Staff Costs	2018	2017
	£	£
Salaries, wages and benefits in kind	60,906	56,822
National Insurance costs	2,066	2,193
Pensions	-	427
Total	62,972	59,442

The average monthly number of employees during the year was 3 (2017: 2). The average number of employees in the UK, full time equivalent, was 2.42 (2017: 1.75). There were in addition 3 employees in the India office.

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the trustees. See note 12 for details on trustees' remuneration.

12 Trustees' Remuneration

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017. £2,630 was reimbursed to 3 trustees (2017: £1,657 was reimbursed to 3 trustees) for directly incurred expenses.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

13 Comparatives for the Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	2017 Total £
Income			
Donations and legacies	263,178	23,888	287,066
Other trading activities	7,347	-	7,347
Investment income	4,380	-	4,380
Total income	274,905	23,888	298,793
Expenditure			
Raising funds:			
Donations & legacies	45,642	-	45,642
Sales	2,076	-	2,076
Communications	5,008	-	5,008
Charitable activities:			
Sustainable water projects	218,526	24,341	242,867
Total expenditure	271,252	24,341	295,593
Net gains/(losses) on investments	15,765	-	15,765
Net income/(expenditure)	19,418	(453)	18,965
Transfers			
Transfers between funds	-	-	-
Net movement in funds	19,418	(453)	18,965
Total funds brought forward	214,852	2,000	216,852
Total funds carried forward	234,270	1,547	235,817

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

14 Tangible Fixed Assets

	Fixtures & fittings £
Cost	
Cost at 1 st April 2017	4,867
Additions	606
As at 31 st March 2018	5,473
Depreciation	
As at 1 st April 2017	1,998
Charge for year	348
As at 31 st March 2018	2,346
Net Book Value	
At 31 st March 2018	3,127
At 31 st March 2017	2,869

15 Fixed Asset Investment

	Unlisted investments £
Cost	
As at 1 st April 2017	119,035
Revaluation	1,133
As at 31 st March 2018	120,168
Net Book Value	
At 31 st March 2018	120,168
At 31 st March 2017	119,035

There were no investment assets outside the UK. Investments comprise of COIF Charities Ethical Investment Fund.

16 Debtors

	2018	2017
	£	£
Income tax recoverable	6,246	4,486
Prepayments and accrued income	16,117	1,032
Other debtors	2,622	1,670
	<u>24,985</u>	<u>7,188</u>

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

17 Cash at bank and in hand

	2018	2017
	£	£
BMM & Current bank account	13,659	52,186
COIF Account	86,035	61,600
Petty Cash	-	22
	99,694	113,808

18 Creditors

	2018	2017
	£	£
Accruals and deferred income	12,875	7,083
	12,875	7,083

19 Movement on unrestricted funds

	Unrestricted Investment Valuation Reserve	Unrestricted General Funds	Unrestricted Total funds
		£	£
Balance at 1 st April 2017	19,035	215,235	234,270
Net movement in funds	1,133	(10,077)	(8,944)
	20,168	205,158	225,326

Comparatives for movement on unrestricted funds

	Unrestricted Investment Valuation Reserve	Unrestricted General Funds	Unrestricted Total funds
		£	£
Balance at 1 st April 2016	3,270	211,582	214,852
Net movement in funds	15,765	3,653	19,418
	19,035	215,235	234,270

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

20 Movement on restricted funds

	B/fwd 1/4/2017 £	Income £	Charitable expense £	C/fwd 31/3/2018 £
Charasada 2	1,547	20,079	21,626	-
Sarsa	-	11,797	2,024	9,773
Jaisalmer 2	-	10,000	10,000	-
Water Wise Solutions	-	3,414	3,414	-
Total	1,547	45,290	37,064	9,773

Comparatives for movement on restricted funds

	B/fwd 1/4/2016 £	Income £	Charitable expense £	C/fwd 31/3/2017 £
Charasada 2	2,000	-	453	1,547
Sarsa	-	23,888	23,888	-
Total	2,000	23,888	24,341	1,547

The projects on which restricted funding was spent are as follows:-

Project code	Project partner	Project title
Sarsa	Tarun Bharat Sangh	Improving Water Use Efficiency in Sarsa /Arvari River Catchment
Charasada 2	Prayas Kendra Sanstha	Sustainable water management and support to reduce the vulnerability of women by enabling safer drinking water along with improved sanitation and hygiene practice to deprived section of communities
Jaisalmer 2	Gramin Vikas Vigyan Samiti	Access to Safe Drinking Water for the water stressed communities of Thar
Water Wise Solutions		A guide to their selection, use and maintenance

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

21 Analysis of assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fixed assets	123,295	-	123,295
Current assets	111,492	13,187	124,679
Current liabilities	(9,461)	(3,414)	(12,875)
Total	225,326	9,773	235,099

Comparatives for analysis of assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fixed assets	121,904	-	121,904
Current assets	119,449	1,547	120,996
Current liabilities	(7,083)	-	(7,083)
Total	234,270	1,547	235,817

22 Ultimate controlling party

The company is controlled by its trustees.

23 Related party transactions

During the year, the charity received an unrestricted donation of £40,000 from The Edenbeg Charitable Trust. Nicola Floyd is a trustee of the charity and also a trustee of The Edenbeg Charitable Trust (2017: the charity received an unrestricted donation of £38,299 from the Edenbeg Charitable Trust)

During the year, the charity received donations from trustees and related parties of the trustees to the sum of £8,016. These donations were received without conditions attached.

24 Contingencies and commitments

The charity has made commitments to fund projects subsequent to the Balance Sheet date to the sum of £443,718 (2017: £327,679). In accordance with the accounting policy note, these are subject to annual reviews that have substance, therefore as a result these are not included as a provision in the accounts.

Notes to the Financial Statements for the year ended 31st March 2018 (continued)

25 India Liaison Office audited accounts

The India Liaison office was established 1st April 2007. The following abbreviated accounts have been audited by Kumar Mittal & Co., Chartered Accountants of Delhi. The accounts are not consolidated into WaterHarvest financial statements as the control of the India Liaison office resides in India.

Income & Expenditure

12 Months to 31 st March 2018	Rs.	Rs.	£	£
Current assets B/fwd	199,058		2,457	
Received from Wells for India	4,301,632		53,400	
Less Expenditure				
Operating expenses	(4,205,611)		(46,084)	
Exchange adjustment			(6,540)	
		295,079		3,233
Fixed Asset Fund Contra		118,637		1,300
Surplus		<u>413,716</u>		<u>4,533</u>

Balance Sheet as at 31st March 2018

Fixed Assets

Cost	877,277		9,613	
Depreciation	(758,640)		(8,313)	
		118,637		1,300

Current Assets

Cash	3,211		35	
Bank	400,034		4,383	
Deposit/Prepayment	28,586		313	
Less – Other creditors	(136,752)		(1,498)	
Current Assets c/fwd		295,079		3,233
		<u>413,716</u>		<u>4,533</u>

Notes:

1 **Exchange Rates:**

The transfers from the UK have been translated at the actual rate obtained. All other balances have been translated at the year-end rate of 91.26 rupees = £1

2 **Transfers:**

The funds transferred to India have all been treated as expenditure in the following periods in the WaterHarvest Accounts.