

Excellent Development

Annual Report 2014/15



Excellent

Development.



Annual Report 2014/15.

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Front cover

Karampuri, a young Mukogodo Maasai warrior in Lekurruki Conservancy, northern Kenya.

www.excellent.org.uk

Our vision:

Millions of the world's poorest people have transformed their own lives with sand dams.



Excellent Development is a registered charitable company, founded in 2002, that supports some of the world's poorest people to transform their own lives through soil and water conservation in drylands.

We work with local partners to support rural communities to build sand dams, which provide clean water for life and the opportunity to develop their livelihoods. Sand dams free communities, putting their future firmly in their own hands. We believe that they will enable millions of the world's poorest people to transform their own lives.

Lifetime achievements.

830,637

People with access to safe water

£9.31

Cost per person with safe water

838

Sand dams enabled

£9,232

Cost per sand dam enabled



£8,612,831

Total income

8

Countries

75%

Charitable expenditure

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A note from our Chair.

We are an organisation defined by a philosophy that takes the best aspects of a corporate approach to empower some of the world's poorest people.

I can scarcely believe it is now 13 years since I was asked to lead Excellent Development, in supporting a vision for how sand dams would transform lives in Machakos and Makueni Counties. Southeast Kenya. Our vision has grown since then, but our approach has never changed.

The idea was to utilise different life and business experience to create something different, differently. What transpired was an organisation defined by a philosophy of taking the best aspects of a corporate approach to empower some of the world's poorest people. Our resolute belief was that the dignity of the people we support would never be diminished in the stories we had to tell. One of my proudest achievements is helping to embed this sense of dignity into the way we supported people in building a better life for themselves.

We can now look back on a success story, where we have enabled the mainstream use of sand dams in SE Kenya and 120 more dams in eight countries outside of that region. We have evolved a design process and developed a manual and learning

visits to share knowledge worldwide. And, we now have 'observer status' at the UN Conventions for climate change and desertification - a world away from our original seats around Simon's dining table.

However, it is a sign of a good leader to know when to move on. So, with great pride in all that we have so far achieved, I am soon to stand down as Chair. As part of this transition, I am delighted to have facilitated a double recruitment to the Board of two ex-employees of the Environment Agency in England & Wales: David Jordan and Nigel Reader CBE.

David is the recently retired Executive Director (Operations) of the Environment Agency (EA). David has been a donor to Excellent and a business mentor for our Executive Director, Simon Maddrell, for the last five years. He will take over the position of Chair effective from 01 October 2015.

Nigel will take over as Treasurer from 07 November 2015, a role I will be caretaker of, until then. Nigel has 40 years experience as an accountant, most recently as the Finance Director of the EA. Nigel

also served on the board of Water Aid for 12 years until 2011, and chaired their Audit & Risk Committee for most of that time. Nigel was awarded a CBE in 2003 for his services to the environment.

I am tremendously proud to have witnessed the impact our approach has had on people living in some of the world's toughest environments. And, I am honoured that David has asked me to continue as a Trustee, and look forward to a playing a different but, hopefully, valuable role in Excellent's continued success.

As I sign off for the last time, I would like to recognise the incredible contribution and energy delivered by all of our volunteers and staff, as well as the thousands of donors who have collectively contributed £8.6 million over the years. I am impressed by their support and trust.

Thank you.



Stephen Owen
Chair

We have enabled over 800,000 people to have year-round safe water close to home.



Photo: A member of the Kwa Mukonza self-help group collects water from their sand dam, southeast Kenya.

Our vision

Millions of the world's poorest people have transformed their own lives with sand dams.

What we do

Excellent Development is a registered charitable company that supports some of the world's poorest people to transform their own lives through soil and water conservation in drylands. We do this in two ways:

- By working with local partners, we support rural communities to gain access to clean water close to their homes and to invest in sustainable agriculture.
- By pioneering sand dams, we promote and support the application of sand dam technology by key stakeholders in drylands.

Our charitable objects

- To promote the conservation, protection and improvement of the physical and natural environment for the public benefit; and
- To relieve poverty, in particular but not exclusively, by supporting sustainable development* projects; and
- To advance the education of the public in the subjects of sustainable development, conservation and the relief of poverty, in particular but not exclusively by the undertaking and dissemination of research.

* Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Our purpose

- To support rural communities in dryland areas to gain access to clean water and grow enough food to eat and sell.
- To promote sand dam technology as a means of enabling sustainable development.
- To support organisations to apply and implement sand dam technology.

Strategic objectives*

- Support communities in drylands worldwide to achieve water and food security through soil and water conservation and improved farming techniques, as enabled by sand dams.
- Promote community self-help as the critical factor in creating sustainable development.
- Establish sand dams as a key water supply option alongside the more common water solutions.
- Engage with organisations at the local, national and international level to influence and support wider adoption of sand dam technology.
- Promote sand dams and soil & water conservation as a means of combating desertification, mitigating and adapting to the impacts of climate change, conserving biodiversity and enabling green economic growth.
- Promote the use of sand dam technology as an alternative method of road crossings for seasonal rivers - both for public works and in wildlife reserves.
- Enhance development education and awareness worldwide.

* In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Our philosophy & values define who we are, every action we take and how we behave towards others.

Our philosophy & values define who we are, every action we take and how we behave towards others. They are our most profound convictions. Each of us is called to respect, experience, enact and promote them.

People & relationships: We respect all the people with whom we work and build mutually beneficial relationships. We believe that the best results are achieved through working together. We enable self-leadership, personal development and empowerment.

Environment & sustainability: We believe that sustainable poverty reduction can only be achieved through the conservation of the environment. We believe that people and wildlife can live in harmony with their environment.

Service: We exist to provide excellent service to the people we work with in order to deliver our vision. We ensure that the people we support enact their right to identify their own needs and priorities. We anticipate change and respond with speed, agility and flexibility to maintain our excellent service.

Nothing comes for free: We value our supporters, and we respect the dignity of the people we support, by not giving away things for free. The people we support make a significant contribution to every Excellent Development project.

Excellence: We strive to be excellent in all we do. We promote the improvement in the quality and benefit of our work through continuous learning and the sharing of knowledge.

Innovation & passion: We are passionate and inspirational about our work. We demonstrate creativity, ingenuity and energy. We are innovative and entrepreneurial, taking calculated risks in pursuit of our vision. We ensure decision making is made at the most efficient and appropriate level.

Integrity: We do things right and keep our promises. We are professional, honest, fair and transparent in all that we do. We are uncompromising about our ethical principles.

Business efficiency: We run Excellent Development like a business, bringing the best of corporate skills, principles and experience to achieve our charitable objects. We responsibly and efficiently manage our supporters' investments to achieve lasting positive impact for millions of the poorest people.

Journey to our vision.

The importance of drylands

Drylands are at the frontier of some of the world's most critical human and environmental problems: water and food insecurity, climate change, desertification, conflict, displacement and loss of biodiversity. For example, over 32% of dryland species are threatened with extinction.

Yet, they are also places of great opportunity, home to resilient and entrepreneurial people and potentially rich and fertile lands. The realisation of this potential requires significant and sustained investment in soil and water conservation, of which appropriate rainwater harvesting technologies, such as sand dams, are a fundamental element.

Drylands comprise over 40% of the world's land surface and are home to 2.3 billion people, including 74% of the world's poor. The potential for sand dams to contribute to drylands prosperity is enormous, if they can be built at sufficient scale.

Strategic context

In *Crossing the Chasm*, Geoffrey A. Moore explored the phases of market share over time for high-tech products and how some succeed and some fail to reach mass adoption in their marketplace.

Our strategic plan for scaling-up sand dams considers the stages at which new technologies achieve market penetration:

- At very low scale they are only practised by innovators outside of a formal market.
- The first step to scale is to sufficiently grow market share to reach the early stages of wider adoption that generally don't require formally well-established proof, as the products are embraced by enthusiasts who can imagine, understand and appreciate the benefits.
- The next step is the most crucial: a leap into mass adoption that requires adoption by technology experts who require well established proof of the value of a product.

- The third step of mainstream use is when large, well-established organisations deliver at low cost due to economies of scale and an efficient, repeatable process of implementation.

Sand dam market penetration

For an ancient technology like sand dams, the principles of which date back to at least 400BC, it is difficult to imagine a time when there will no longer be a demand. Even if 90-100% of the target populations in drylands gain improved access to water through sand dams, the opportunity would remain to continue building to increase water supplies further. Our challenge is to enable the scaling up of sand dams to support millions of the poorest people living in the world's rural drylands.

There are major geographical differences between how sand dams have so far been adopted. Ukambani (Machakos, Makueni and Kitui Counties) in southeast Kenya, is the only region to have reached mainstream use with around 2,000 sand dams built, of which we have enabled 730. Yet, despite a 100-year history of sand dams in the region, they only proliferated after 2002, when Excellent Development was founded with Joshua Mukusya, a local pioneer of sand dams.

In addition, we estimate that there are 2,000 more sand dams in the world in around 20 countries, of which we have enabled 118 in eight countries. We plan to have directly supported other organisations to have built another 1,200 dams by 2020 and a total of 4,000 by 2025.

However, the potential demand for sand dams worldwide could be for as much as 3 million dams supporting 1 billion people by 2060. Our vision is to influence the implementation of 100,000 dams for 50 million people by 2025 and 1 million sand dams for 0.5 billion people by 2040.

Dryland livelihoods & geographies

People living in rural drylands tend 50% of the world's livestock and produce 44% of the world's food. Up until 2010, the

majority of sand dams have supported agriculturalists in dry sub-humid and semi-arid environments. Our strategy now focuses on expanding sand dams into arid zones and for a wider range of rural dryland livelihoods: agro-pastoral, pastoral and wildlife-dependent communities. Supporting sand dams in community wildlife conservancies and wildlife reserves will reduce human-wildlife conflict, improve tourism and other livelihoods, protect endangered species and preserve biodiversity.

Successful scaling-up requires the application of sand dam technology not just with different livelihoods but in different geographies too. There are notable dryland regions with very few poor people, such as Australia and southwest and central USA, however 75% of the world's poor live in other dryland regions.

Beyond continuing our programmes in East Africa, Southern Africa and India, we are conscious of the needs of poor people in West Africa, Middle East & North Africa, the rest of Asia as well in South America, in particular northeast Brazil, Bolivia and Paraguay.

Paths to mainstream use

In Kenya, the majority of sand dams have been built through donors funding 'community self-build'. Regardless of geographic expansion, our vision will not be achieved purely through the expansion of that model.

We believe that the following key changes are required to enable sand dams to become a mainstream water technology solution in drylands:

- Investment by local and national governments in water infrastructure either through paying communities to self-build or through sub-contracting.
- The potential to adapt sand dams as low-volume rural road crossings, replacing ineffective culvert bridges, represents an opportunity to leverage billions of dollars invested in road infrastructure every year throughout

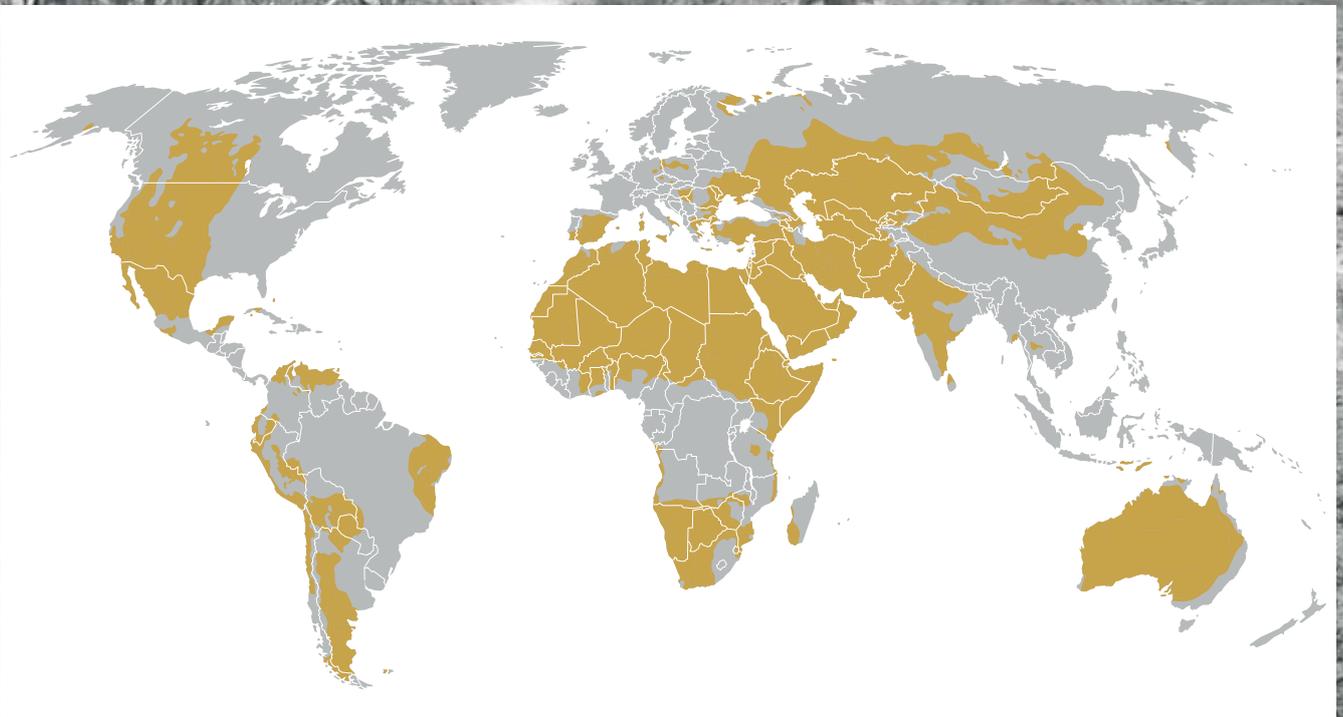
The world's drylands people:

35% of world population.

But, 74% of the world's poor,

and 80% of the world's hungry,

in 60% of the world's conflicts.



What drylands people manage:

44% of the world's food production.

50% of the world's livestock.

43% of the earth's forests.

Photo: Soil & water conservation terracing, Kathekani, Mtito Andei, southeastern Kenya.

road bridge design thereby creating highly accessible hubs integrating water supply, farming and markets in one location.

- The future will likely transition from donor-funding of communities to investments through carbon credits, payment for environmental services, such as green water credits and other rainwater replenishment schemes, run through bilateral funding and even Corporate Social Responsibility programmes.

Examples of progress

- In Kenya, the devolution of powers and resources to county governments creates greater likelihood of investment in sand dams, which has already been demonstrated in Machakos and is planned in Makueni.
- In Swaziland, as part of a Southern Africa region climate change and poverty initiative, UN Development Programme engaged Excellent to carry out a national sand dam feasibility study and pilot programme – the success of which has meant a first, with the national government of Swaziland committed to implementing a sand dam programme in 2016 to help meet their goal of universal water access by 2020.
- The Kenya Rural Roads Authority in Makueni County has built over 60 sand dam drifts. This has leveraged investment towards water and agricultural development and saved significant resources in operations, maintenance and repair costs. We estimate that Kenya could save \$20M per annum and Africa over \$0.5B per year through implementing this approach.

The case for Asia

While Asia will require many of the changes outlined for Africa, strategically it is vital to understand the relative scale of Asia versus Africa in terms of meeting the needs of the rural dryland poor.

- Asia has 3-times the rural drylands population of Africa with 1.4 billion people
- India alone has a 20% higher population than the whole of dryland Africa (0.5 billion people)
- Rajasthan has 3.5 times the dryland rural population than Kenya (52 million people)
- Our current focus districts in Rajasthan of Barmer and Jalor are the same size as Ukambani (38,000 km²) but have a rural population of 4.1 million (85% more than Ukambani).

India alone needs to be viewed as a sub-continent with each state considered as a country. Rajasthan, with its primarily arid climatic zone, will be a key focus but we will need to establish a second regional capacity, probably in Tamil Nadu, southern India, where water scarcity is also a severe problem inland in the mixed arid and semi-arid climate. Tamil Nadu has a rural population of 37 million people and based on our 2012 pre-feasibility study has significant potential for sand dams.

An additional strategic aim for India will be to move towards 100% in-country funding. Working with our partner in Rajasthan, Jal Bhagirathi Foundation, communities fund 30% of the project costs in cash. There are significant opportunities, in particular through Rotary and Corporate Social Responsibility to fully-fund sand dam programmes in-country. The technical support they initially require may be a remaining funding need from Excellent Development.

Proof of benefits

A key part of scaling-up is demonstrating the benefits that sand dams deliver, in particular through independent verification.

The following are our key priorities:

- Water quality.
- Water yield over time.
- Quality of life impacts.
- Socio-economic Cost/Benefit Analysis of community-built sand dams.

- Cost/Benefit Analysis, Environmental Impact Assessments & Economics of Land Degradation Study for low volume rural road crossings improved by utilising sand dam technology.
- Impacts on climate change adaptation and mitigation, preventing desertification and improving biodiversity.

Technical capacity

In order for a technology to become mainstream, large organisations, whether public or private, need to be driving the growth. Therefore, the implementation processes need to be repeatable and scalable utilising knowledge-based, process-driven tools. Additionally, a sufficient capacity of skills and knowledge is also required.

Strategic priorities to remove or reduce the barriers to large scale growth:

Tools:

- A knowledge-based programme management system to apply the technology systematically.
- Remote technical & socio-economic feasibility studies utilising GIS with an algorithm-based overlay.
- River sediment profiling and linkages to soil types to systemise that element of technical feasibility.
- Computer-Aided Design interface to effectively manage design drawings and bill of quantities.

Skills & knowledge:

- Improved sand dam manual and field guides available in a wider range of languages to improve siting and design skills in particular.
- Extension of learning visit capability beyond just Ukambani, Kenya.
- Design standards and manuals for sand dam road crossings in different contexts.

1 million sand dams
for 0.5 billion people
by 2040.

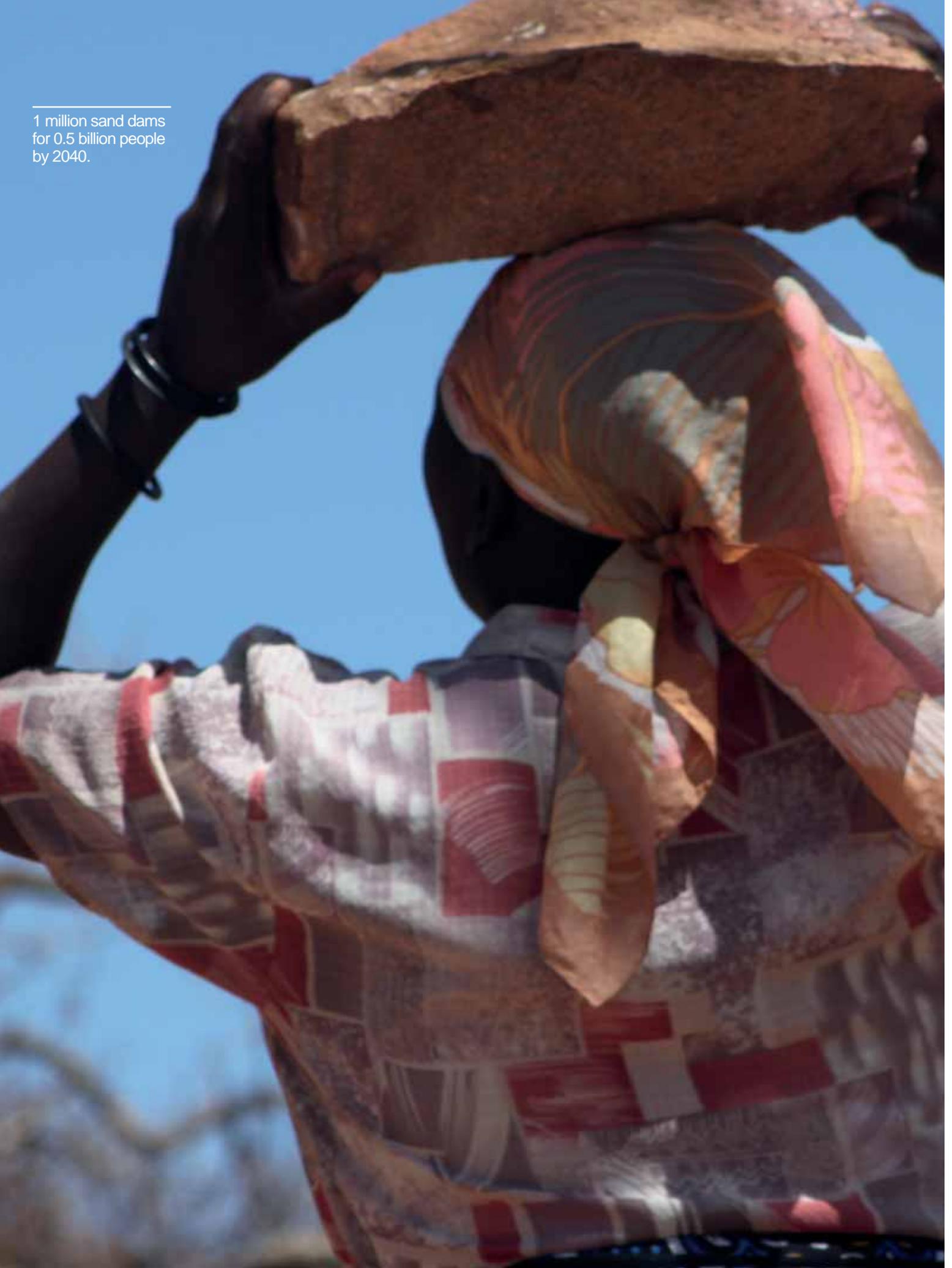


Photo: A woman from the Wendano wa Kithyululu self-help group helps to build her community's sand dam, southeast Kenya.

Measuring impact.

Our traditional focus has been on what our expenditure achieves - outputs such as the number of sand dams built and the number of people supported. While these are relatively easy to measure, they fail to capture the full impact of our work; the difference made 'because we are here'. That is our true impact.

Our strategic intent, then, is to fund a lower proportion of total sand dams ourselves, by leveraging the capacity of other NGOs, institutions and governments. This allows us to achieve more impact with less investment. In addition, we are supporting our partners to increase their own direct funding – in short, investing in our irrelevance – the essence of sustainable development.

Our new direction on measuring impact is:

- How many people now have sustainable access to safe water due to sand dams?
- How much of our expenditure was needed to make that happen?
- How effective and efficient have we been at inspiring and supporting others to build sand dams?

Therefore we now measure the total number of sand dams that have been built as a result of our involvement. In this way, our impact is measured not just by what we have directly funded our partners to achieve, but also, and more importantly, by what we have enabled others to accomplish.

Our expenditure to build a sand dam is between £10,000 and £35,000. But, by leveraging investment from others to build sand dams, we have so far enabled 838 sand dams to be built in eight countries costing £9,232 per dam, providing this critical resource at only £9.31 per person.

For example, our investment in building capacity in our partner, Africa Sand Dam Foundation, has enabled them to raise 40% of their funds from sources other than us. And, in Swaziland, the UN Development Programme funded the Government of Swaziland and Excellent Development to pilot sand dams as part of a national climate change adaptation programme. All in all, enabling more sand dams to be built with your donations.



Photo: Measuring impact with our southeast Kenya partners, Africa Sand Dam Foundation, and the Wumiisyo wa Kiumoni self help group.

Transforming lives.

Beyond access to safe water

The foundations to our work are supporting people to gain access to safe water and grow enough food to eat and sell. However, this is still just a beginning. Our vision is that millions of the world's poorest people have transformed their own lives. This means a positive transformational change in well-being. We know it when we see it: It's the aspiration, hope and self-confidence demonstrated by people we have supported for several years. But, given that it means many things to many people, how to quantify something as elusive as well-being across all of our overseas programmes?

We identified five key indicators: Hope, confidence, empowerment, pride and freedom. In 2015/16, we will introduce quality of life assessments based on these indicators with our partners Africa Sand Dam Foundation and Lekurruki Conservation Trust. By 2016/17, our aim is to integrate baseline and annual surveys into all of our programme impact evaluations in order to demonstrate our impact on well-being over time.

Personal human development is inherently hard to measure but vital for demonstrating impact, improving the effectiveness of our approach. We are working with our overseas partners to capture that which is hard to grasp - to measure an impact that is transformational. We believe that is excellent development.



Photo: Elizabeth Ndungwa, Star ya Thange self-help group, southeast Kenya.

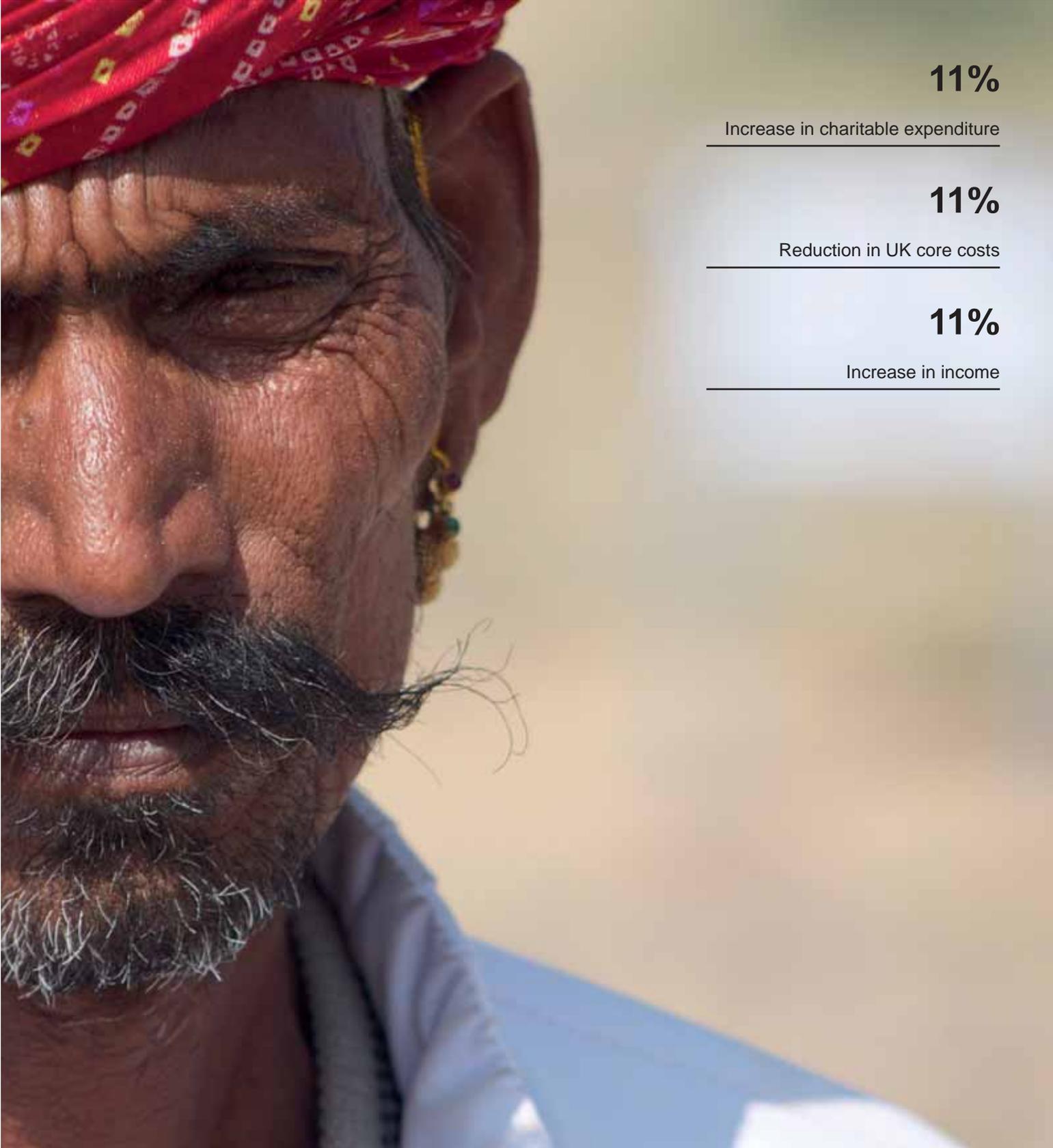
Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists there is no true freedom. – Nelson Mandela.

Sand dams provide a year-round safe water source close to home in water-scarce environments. This saves time - up to 12 hours a day - for women and girls to invest in other activities, such as farming or going to school. And, for families to work their way out of poverty with dignity.



Photo: Women of the Syusyani self help group carrying water, southeast Kenya.

Financial review.



11%

Increase in charitable expenditure

11%

Reduction in UK core costs

11%

Increase in income

Photo: Malam Singh, Bhakasar village, Rajasthan, India.

We achieved a significant improvement in financial strength due to an 11% increase in income, and efficiencies in fundraising and core costs.

Financial strength has improved with total funds increasing from £390k to £479k. Our reserves improved by 103% to £142k, due primarily to a 50% reduction in unrestricted expenditure. In relation to Board policy, this represents a significant improvement with further improvements planned in 2015/16.

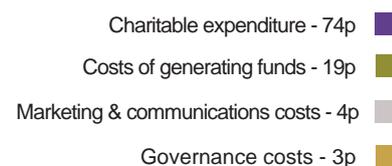
Funds & reserves

	Total funds £	Property & equipment fund £	Restricted funds £	Actual/forecast reserves £	Reserves movement £
2013/14 actuals	389,997	7,324	312,578	70,095	(60,140)
2014/15 actuals	479,032	4,573	332,451	142,008	71,913
2015/16 budget	610,411	773	404,331	205,307	63,299

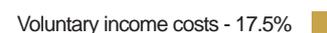
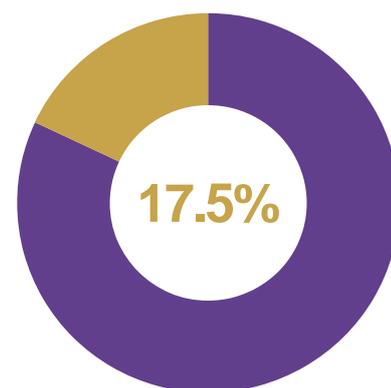
Reserves policy (see page 36)

	2013/14 actuals £	2014/15 actuals £	Better/worse than minimum target £	2015/16 budget £	Better/worse than minimum target £
Available funds vs annual expenditure (policy 4-8 months)	3.8	4.8	0.8	5.0	1.0
Reserves vs annual core costs (policy 3-12 months)	1.3	2.9	(0.1)	4.1	1.1

Where every £1 went in 2014/15



Fundraising cost as a percentage of total voluntary income 2014/15



Income & expenditure

In 2014/15 we achieved a surplus of £89k – a turnaround of £151k from the previous year. The surplus was due to a 2% reduction in expenditure and an 11% income growth to £1.3M.

The mix of expenditure improved with charitable expenditure increasing from 71.8% to 73.9% of total expenditure and core costs reducing from 55.1% to 49.3% with plans for this to reduce further to 41% in 2016. This will be achieved by a planned increase in income of 23% and expenditure of 21% in 2016.

In addition, the costs of raising voluntary funds as a % of income reduced from 21.1% to 17.5%. Achieving our plans for 2015/16 would bring this down to the Board target of 15%.

Charitable expenditure*

* Excluding grants to other organisations of £612 in 2015 and £2,772 in 2016

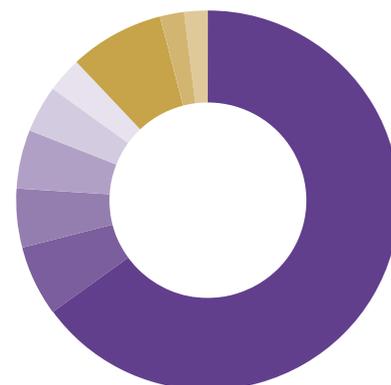
Charitable expenditure for the year increased by 2% due to reducing activities to those funded primarily by restricted funds thereby reducing the unrestricted expenditure from £204k to £20k. However, overseas programmes expenditure increased 11% to £786k with six, instead of three programmes supported in three countries. Corresponding charitable expenditure reduction was driven primarily by a 70% reduction of £48k in our promoting sand dams activities.

In 2015-16 our investment in charitable activities is planned to expand by 24% to £1.1M covering seven programmes in four countries.

Income & expenditure

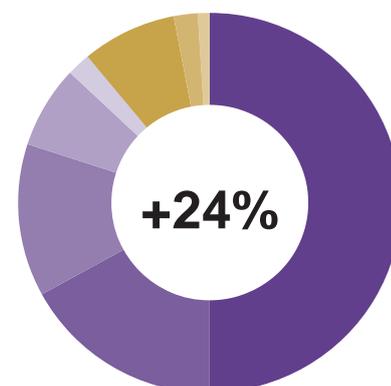
	2013/14 actual £	2014/15 actual £	2013/14 to 2014/15 variance £	%	2015/16 budget £	%
Total income	1,158,259	1,291,076	132,816	11	1,588,569	23
Total expenditure	1,220,512	1,202,041	(18,471)	(2)	1,457,190	21
Surplus/(deficit)	(62,252)	89,035	151,287		131,379	

2014/15 Actual charitable expenditure: £886,205*



- Africa Sand Dam Foundation - 65%
- Lekurruki Conservation Trust - 6%
- United Nations Development Programme - 5%
- Community Centre for Peace & Development - 5%
- Jal Bhagirathi Foundation - 4%
- Light of Maasai - 3%
- Knowledge sharing - 8%
- Promoting sand dams - 2%
- Evidence & research - 1%

2015/16 Planned charitable expenditure: £1,098,944*



- Africa Sand Dam Foundation - 50%
- Lekurruki Conservation Trust - 17%
- Community Centre for Peace & Development - 12%
- Jal Bhagirathi Foundation - 7%
- Christian Council of Mozambique - 2%
- Knowledge sharing - 8%
- Promoting sand dams - 2%
- Evidence & research - 1%

Income stream mix

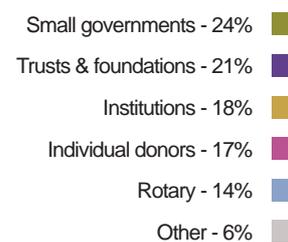
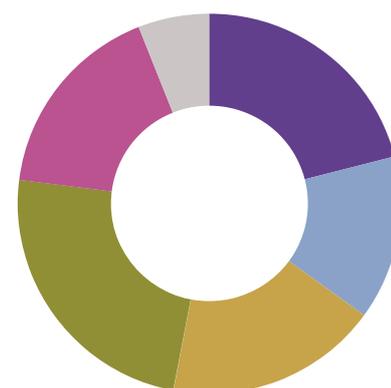
Income growth of 11% was due to significant increases in Rotary, institutions and small government funding – offset by reductions in trusts and foundations and other donors. We have achieved a more balanced mix of income streams over the previous two years with Rotary growing from 7% to 14% this year and planned to reach 22% of total income next year. We will be investing in other income streams during 2015-16, in particular corporate and community fundraising, which will not show significant results until 2016-17 but will further strengthen our financial sustainability.

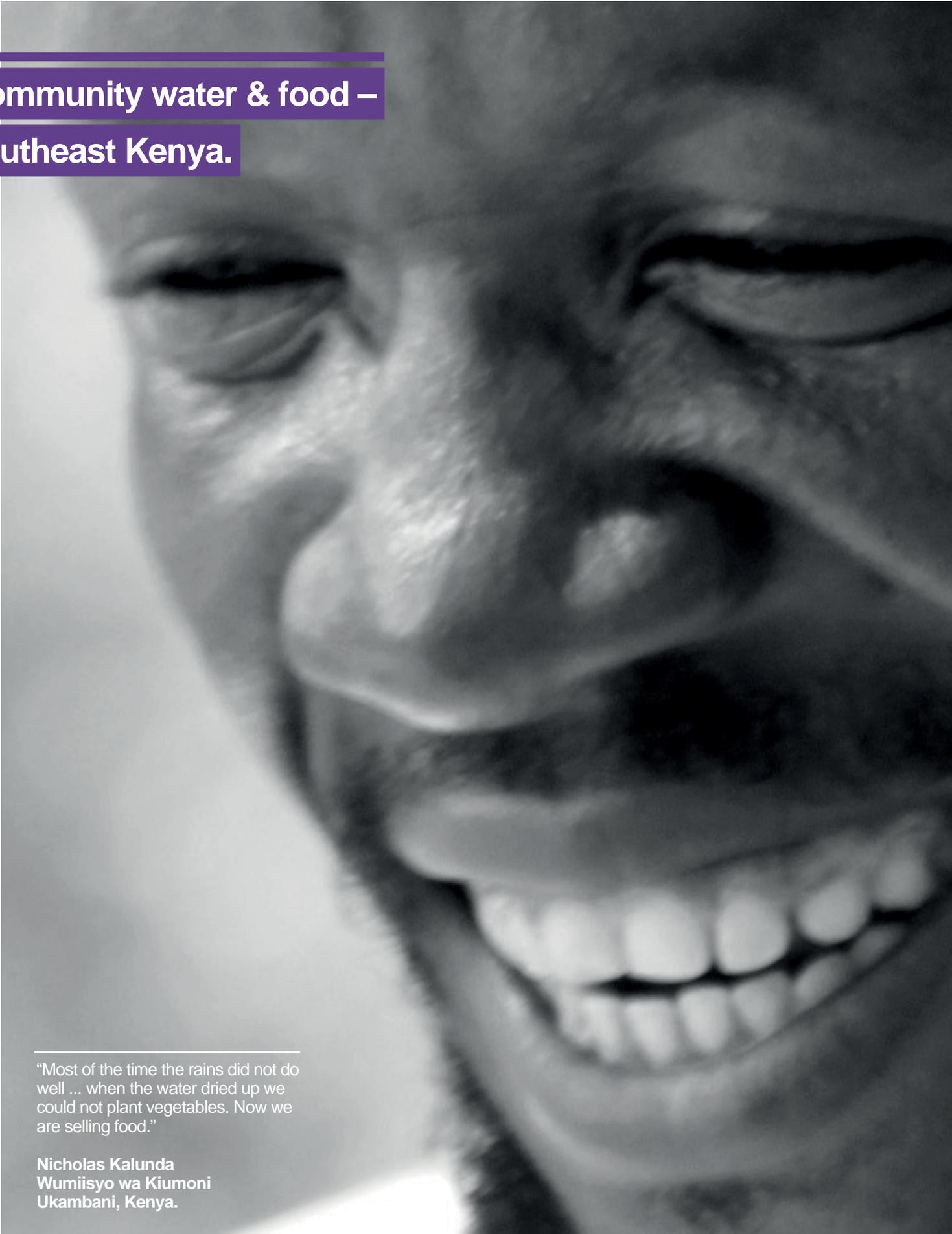
Rotary increased by £108k with a further increase of £156k planned in 2015-16, making our second largest income stream at £343k. Changes in activity with trusts and foundations should see it recover to near 2013-14 levels at £366k. The 65% increase in institutional funding and 33% increase in small government income are likely to lead to relatively flat growth in the coming year.

Income stream mix

	2013/14 actual £	2014/15 actual £	%	2015/16 budget £	%
Rotary	78,532	186,987	138	342,742	83
Institutions	137,369	226,567	65	262,910	16
Small governments	232,959	309,902	33	295,583	(5)
Individual donors	203,059	213,158	5	274,785	29
Other donors	129,188	82,588	(36)	46,420	(44)
Trusts & foundations	377,153	271,874	(28)	366,129	35
Total income	1,158,259	1,291,076	11	1,588,569	23

Income stream mix 2014/15





**Community water & food –
southeast Kenya.**

“Most of the time the rains did not do well ... when the water dried up we could not plant vegetables. Now we are selling food.”

Nicholas Kalunda
Wumiisyo wa Kiumoni
Ukambani, Kenya.

A long walk for water

In Ukambani, southeast Kenya, as much as 83% of households have no access to safe water. During dry seasons, women and girls spend between 6 and 12 hours each day collecting water, which is usually dirty. This leaves little time for farming or going to school and maintains a dependency on food aid.

Creating opportunity and hope

We are supporting rural communities in Ukambani to harvest rainwater and grow food. To date, we have enabled the construction of 730 sand dams, six rainwater harvesting rock catchments and 51 school water tanks, bringing safe water close to home for 690,282 people.

With the opportunity this creates, we support smallholder farmers to invest time in sustainable agriculture, which we support with community training on terracing land, planting trees on farms and managing seed banks. This enables families to grow enough food to eat, store and sell.

About our partner

Africa Sand Dam Foundation (ASDF) is our partner in south east Kenya and our strategic partner for pioneering sand dams worldwide. We are supporting their capacity to provide technical expertise for the siting, design and construction of sand dams by other organisations, as an income-generating activity.

In 2014/15, we spent £29,539 to support the Light of Maasai, a small Community Based Organisation based in the same region as ASDF, to build two sand dams for the benefit of pastoralist communities facing chronic water insecurity. ASDF have been instrumental in enabling the transfer of sand dam technology to Rajasthan, as well as supporting programmes in the Northern Rangelands and Rift Valley in Kenya, and Swaziland in Southern Africa.

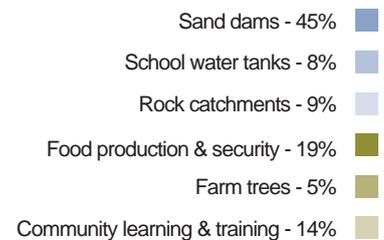
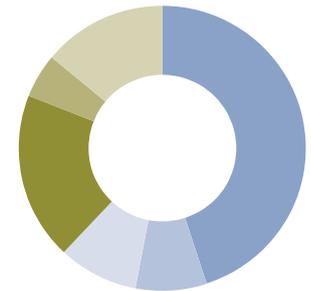
Major donors

UK Government | The Charitable Foundation | Guernsey Overseas Aid Commission | Jersey Overseas Aid Commission | The Dulverton Trust | Medicor Foundation.

What we did in 2014/15

£577,356

Invested



47

Sand dams built

50,448

People with safe water

2015/16 Plans

£554,727

Planned investment

50

Sand dams built

Photo: Jackson Musyoka, Isunguluni self help group, southeast Kenya.

Community wildlife conservancies – Northern Rangelands, Kenya.

Competing for water

The Northern Rangelands is a unique network of 17 community-owned conservancies. People and wildlife live side by side, but dwindling water reserves and degrading pasture is threatening people's livelihoods and the survival of vulnerable species, often forcing them into conflict over scarce water sources. In some areas the population has no access to safe water at all and up to 72% of the population lives below the poverty line.

An ancient idea for a sustainable future

Our work in the Northern Rangelands began in Lekurruki Conservancy, Laikipia, in January 2015. Lekurruki is home to the Mukogodo Maasai, and neighbours two other conservancies, which are home to Samburu communities. Since 2014 we have enabled two sand dams to be built. By 2018, we will enable more sand dams, protect freshwater springs and build rainwater harvesting tanks – providing access to safe water for wildlife and almost 12,000 people in Lekurruki and its neighbouring conservancies all year round.

About our partner

Our first partner conservancy in the Northern Rangelands is the Lekurruki Conservation Trust (LCT). We are working with LCT to provide universal access to safe water in the conservancy by 2018. Our long-term goal is to support the Northern Rangelands Trust, which supports the development of conservancies in our target region and beyond, to implement a holistic water resource management programme. Our programme will reduce water conflict and help create sustainable lives for 200,000 people and vulnerable animal species, such as elephants, in 17 conservancies like Lekurruki.

Major donors

The Beatrice Laing Trust | Isle of Man International Development Committee.

“Excellent Development is coming to fill a very big gap that we have been trying to manage ... In 10 years' time I would like to see this conservancy able to manage itself - be sustainable.”

Peter Matunge
LCT Conservancy Manager,
Northern Rangelands, Kenya.



What we did in 2014/15

£56,566

Invested

1

Sand dam built

1,003

People with safe water

6,591

Livestock with safe water

2015/16 Plans

£181,501

Investment

9

Sand dams built

3,126

People with safe water

38,815

Livestock with safe water

Photo: An elephant in Lekurruki Conservancy, Northern Rangelands, Kenya.

Water for arid lands – Rajasthan, India.

The land of death

The Marwar region, where we work in Rajasthan, is the most densely populated arid land in the world. Its name is derived from the Sanskrit 'Maruwat', which means 'land of death.' Most people do not have a single source of safe water within a radius of 1.6km. The salinity of the groundwater water can be as much as ten times higher than is considered safe for human consumption.

Turning salty water sweet

Our work in Marwar is turning salty water sweet, providing safe drinking water close to people's homes and enabling small-scale farming. So far, we have supported six sand dams to be built, and sited five more for construction in 2015/16. The government's Public Health and Engineering Department reports a 50% increase in the supply of water and a significant decrease in salinity of water provided by the first dam we enabled. By 2018, we plan to have enabled 63 sand dams and be supporting the construction of 20 more each year.

About our partner

Jal Bhagirathi Foundation (JBF) is our regional partner in Rajasthan. Their mission is to enable an environment where communities of the Marwar region can access drinking water for humans and animals by leveraging traditional knowledge and appropriate technology. In 2015, JBF won the prestigious showcase prize at the global World Water Forum for its work in water conservation in Marwar. We are supporting JBF to become a Centre of Excellence – the first in the Indian sub-continent – to enable the scaling up of sand dams, first in the districts of Barmer and Jalor, then throughout Rajasthan.

"Before my chilli plants would dry up because of the high TDS [salinity]. "I am now getting water on a continual basis throughout the day, every day, since October. I am using the water to irrigate crops: castor, mustard, wheat, chilli and aubergine."

Bhawar Singh
Thumba ka Goliya village,
Marwar, Rajasthan.



What we did in 2014/15

£36,455

Invested

10

Sand dams sited & designed

3,256

People with safe water

2015/16 Plans

£79,526

Investment

5

Sand dams built

5,150

People with safe water

Photo: Malam Singh, Bhakasar village, Rajasthan, India.

Pastoralists for peace – northern Kenya.

Separated by drought

In Baringo County, northern Kenya, severe shortages of water and pasture have led to hostility between Iljamus, Pokot and Tugen pastoralist communities, resulting in the loss of lives and livelihoods.

Building trust

Since 2012, these three communities have come together to overcome their differences, and find solutions to their common problems of water, pasture and a lack of alternative livelihoods. One of the solutions they identified was sand dams.

As part of a wider peace process, we have facilitated the joint siting, design and construction of three sand dams that will supply safe water all year round. With the opportunity this provides, we are providing support and training for sustainable agriculture and pasture development. By working together to solve common problems, these communities are now building trust and feeding their hunger for change.

About our partner

In 2014/15, we supported the creation of the Community Centre for Peace and Development (CCPD) – an independent Kenyan registered Community Based Organisation. With training and support we facilitated from the UK NGO Respond to Conflict, CCPD will now lead all future peace and development work with and for the people they represent in Baringo County.

Major donors

Blandford Lake Trust | Charles Hayward Foundation | The Waterloo Foundation.

“Building a sand dam is a way of having food security, mitigating famine and supporting the engine of peace.”

Mary Kuket, Pokot community,
Baringo County.



What we did in 2014/15

£41,808

Invested

5

Sand dams sited & designed

11

People trained on sand dam implementation

1

Independent Community Based Development Organisation enabled

2015/16 Plans

£133,280

Investment

5

Sand dams built

6

Pasture plots established

13

People trained in sustainable agriculture

Photo: Nongewan Leleboo, Iljamus community, Baringo County, northern Kenya.

Building sand dam capacity – Southern Africa.

Unreliable rain

Southern Africa encompasses many diverse geographies and cultures. But, common to all regions is a pattern of variable and unreliable rainfall, which contributes to water scarcity and worsens vulnerability to drought, especially for the rural poor. About 70% of the population lives below the international poverty line of US\$2 per day and 35% of under-five mortality is attributed to under-nutrition.

A cost-effective solution

We're working to develop sand dam building capacity in key regional hubs across Southern Africa: Mozambique, Zimbabwe and South Africa. The widescale adoption of sand dams across the region would make a significant contribution to buffering against drought, enabling small-scale agriculture, and coping with the effects of climate change.

About our partners

In 2014/15 we worked with partners in Zimbabwe, Mozambique and Swaziland to build skills for implementing sand dams with three organisations: Dabane Trust, Zimbabwe, CCM, Mozambique, and the Government of Swaziland's Ministry of Water. A key part of this was our Sand Dams Workshop in Mozambique, which initiated a network of organisations working with sand dams in the region.

Major donors

Mitsubishi Corporation Fund for Europe and Africa | The JJ Charitable Trust.



"The whole of Dabane is totally sold on sand dam technology. I think it's most encouraging and I think we've got a great potential there. In areas which are desperately short of water, a sand dam is the only realisable way of getting clean water."

Stephen Hussey, Director,
Dabane Trust, Zimbabwe.



What we did in 2014/15

£43,968

Invested

11

Sand dams enabled

1,803

People with safe water

2015/16 Plans

£25,887

Investment

6

Sand dams enabled

1,182

People with safe water

Pioneering sand dams.

To enable sand dams to transform the lives of millions of people in drylands, they must become a mainstream water resource technology. This requires providing robust evidence of their socio-economic and environmental benefits as well as better understanding the physical environments in which they work. Engaging with key decision-makers to influence policy-makers and funding priorities are as critical as developing the global capacity to successfully site, design and build sand dams.

There are three elements to our strategy for achieving this: promoting sand dams, developing evidence and research, and sharing knowledge. Together they comprise our pioneering sand dams work.

Evidence & research

Water quality

In 2014 a London School of Hygiene and Tropical Medicine MSc study assessed the quality of water held within sand dams in south-east Kenya. Initial findings indicate negligible health risks associated with drinking sand dam water, according to World Health Organisation standards. Ongoing work is planned to monitor water quality with all our overseas programmes.

Water yield

Yield over time should be a key performance indicator for any type of dam, rather than simply measuring capacity. We know that some sand

dams can provide 50,000 litres of water per day. However, understanding both the yield and year-round availability from a wide range of sand dams throughout the year will better demonstrate the benefits and enable communities to make informed decisions about water use.

We are committed to integrating a yield measurement system, digitally with remote data collection wherever possible, into sand dams from 2016/17.

Promoting sand dams

Our key priorities are:

Dryland governments: We are doing this through our civil society accreditation with UN Convention to Combat Desertification and the UN Framework Convention on Climate Change and relationships we are building with the Africa Development Bank and World Bank.

Overseas aid agencies: In 2014/15 we presented to United States Agency for International Development and the UK Department for International Development.

Networks: We are the sole UK NGO member of the World Water Council, a global platform of water specialists that promotes awareness and action for the better use of water worldwide. We are also members of the UK Water Network, the Rain4Food Network, Rural Water Supply Network. In November 2014 we gave a presentation on sand dam road crossings at the Southern

Africa Roads Federation Conference. In August 2015 we promoted sand dam road crossings as a development vehicle for water investment at World Water Week in Sweden.

Knowledge sharing

Our key priorities are:

Deliver three sand dam learning visits per year alongside ASDF in Kenya and develop similar programmes in Southern Africa and Rajasthan, India.

Rewrite our sand dam manual to improve ease of access for non-engineers. And, increase distribution by developing translations in key drylands languages: French, Hindi and Kiswahili.

Launch www.SandDams.com as a knowledge bank on sand dams and wider water resource management interventions for drylands.



“I like very much, not only the approach of sand dams, but I like the passion behind, I like the people behind. I really wish that we could do more in taking that technology, that approach, that understanding, among others.”

**Luc Gnacadja, Executive Secretary
(2007-2013)
UN Convention to Combat
Desertification**

Photo © Polly Braden

What we've done so far

£1,049,056

Invested

208

People trained

15

Organisations supported

583

Sand Dam Manuals distributed

2014/15 investment

£100,513

Investment

2015/16 investment

£100,782

Investment

Excellent friends.

In 2014/15, we were delighted to have the exceptional support of the following donors, who each donated over £30,000:

Guernsey Overseas Aid Commission.
Isle of Man International Development Committee.
Jersey Overseas Aid Commission.
The Beatrice Laing Trust.
The Charitable Foundation.
UK Government.



We would also like to recognise the investment of the following supporters who have enabled significant change at different times since our foundation:

Advocates for International Development.
 Andrews Charitable Trust.
 Blandford Lake Trust.
 Four Acre Trust.
 François Abellard.
 Joffe Charitable Trust.
 Just a Drop.
 Margaret Hayman Charitable Trust Fund.
 Medicor Foundation.
 Melinda Lewis.
 Mennonite Central Committee.
 Mitsubishi Corporation Fund for Europe & Africa.

Newfield IT
 Noel Buxton Trust.
 Private Public Ltd.
 Rotary Clubs within Rotary International in Great Britain & Ireland.
 S.G., Lancaster.
 SJ Berwin LLP
 Thames River Capital
 The Becht Family Charitable Trust.
 The Charitable Foundation.
 The Daily Telegraph.
 The Dulverton Trust.
 The JJ Charitable Trust.
 The Venture Partnership Foundation.
 The Waterloo Foundation.
 TR Aid.
 URS Millennium Project.

Excellent Development Limited is governed by its Memorandum & Articles of Association as a company limited by guarantee.

Patrons: Lord Joel Joffe CBE
Sir Edward Clay

Senior Management Team:
Executive Director: Simon Maddrell
Head of Finance & Operations: Judith Eaton
Head of Programmes: Christine Whinney
Chief Fundraiser: Georgina Turner

Operational address: Unit 1.17
The Foundry
17 Oval Way
London
SE11 5RR

Contact details:
Telephone: +44 (0)20 3752 5780
Email: team@excellent.org.uk
Website: www.excellent.org.uk

Registered office address: 2 Water Court
Water Street
Birmingham
B3 1HP

Bankers: The Co-operative Bank plc
CAF Bank Limited

Auditors: Michael Kay & Company Limited
2 Water Court
Water Street
Birmingham
B3 1HP

The Trustees & Members since 31 March 2014 were as follows:

Trustees & Members: Stephen Owen
Darren John Worsley
Mark Murphy
Christopher Ian Pockett (resigned as a Trustee 18 February 2015)
Richard Alan Barnes

Trustees: Tim James Wood (resigned 31 March 2015)
Alison Jayne Bell
David Jordan (appointed 28 May 2015)

Additional Members: Simon Richard Maddrell
Jenine Ruth Langrish
Fiona Charlotte Moore
Richard Pearce-Thomas
Sir Edward Clay

Trustees' responsibilities

The Trustees (who are also Directors of Excellent Development for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Company law requires the Trustees to prepare financial statements for the charity each financial year. Charity law requires the Trustees to prepare financial statements for the charity and its subsidiary undertakings.

The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the year. In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- Observe the methods and principles in the Charities SORP;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees are responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and regulations made there under. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustee policy

As defined by the Memorandum and Articles of Association, Trustees retire annually and are elected by secret ballot at each Annual General Meeting. On an annual basis, a skills and team role analysis is performed, in conjunction with individual Trustee appraisal and objective setting. The Chair and the Board review whether each Trustee will stand for re-election prior to each Annual General Meeting.

Trustee recruitment is currently managed by the Governance and Risk Committee which identifies gaps in skills and/or experience on the Board, and the team role mix and diversity of the existing Board, as part of a process to create a profile for suitable candidates. Trustee roles will, where necessary, be advertised widely, to ensure a high quality and diverse set of applicants.

Trustee induction is carried out through a checklist of documents and specific conversations required to understand the charity.

Responsibilities of Trustees are covered by using Charity Commission documentation and other organisations' training courses.

Trustee training is offered through third sector conferences and courses provided by a number of organisations.

Risk assessment

The Trustees have a structured approach to fulfil their responsibilities with regard to Risk Management. This involves a quarterly review of these risks at Board Meetings, which:

- Seek to identify the major risks facing the charity.
- Assess the likelihood and severity of the risks identified.
- Review the existing controls and actions that the charity has in place to mitigate the risks.
- Identify and implement any further actions required to limit risk.

The Trustees confirm that they have policies and systems in place to mitigate the major risks facing the charity which they have identified.

Grant management policy

The majority of Excellent's charitable activity is carried out by making grants to other organisations. Grants may be financial or in kind. Grants are only usually made to legally recognised and constituted charitable organisations, unless approved by the Board. A thorough assessment process is conducted prior to any decision being made and grants will only be given once it has been established that:

- The proposed organisation and opportunity have successfully proceeded through Excellent's engagement process.
- The proposed project fits with Excellent Development's vision, charitable objects and strategic priorities.
- The organisation has the necessary skills, knowledge, experience and capacity (technical, operational, managerial, financial and logistical) to carry out the proposed activities, or demonstrates the willingness and capability to develop these capacities with our support.
- The organisation has developed clear plans and budgets for the project and is able to demonstrate sufficient operational and financial processes to manage the plans and budgets efficiently and effectively.
- The organisation complies with our policies, especially regarding anti-bribery.
- The organisation is willing and able to provide sufficient information and evidence to enable fundraising applications and reporting to meet Excellent Development's and donor's needs.
- The organisation is willing and able to provide regular reporting in accordance with Excellent Development's monitoring and evaluation process.

All grants are subject to Excellent Development having sufficient funds and capacity. All grants follow an approval process involving the Senior Management Team, the Executive Director, and/or the Board, depending on the grant value.

Excellent Development does not accept applications for funding but does respond to those organisations who wish to engage with Excellent with a view to future funding.

Reserves policy

The Trustees consider reserves* of six months of previous year core costs (employment, accommodation and administration costs) as the preferred minimum level and twelve months as the preferred maximum level. The Trustees also monitor the total available funds† in relation to previous year total expenditure and consider four months as the minimum level and eight months as the preferred maximum level of available funds. The Trustees consider the target for reserves and available funds to be six months.

* Reserves are defined as the sum of unrestricted funds and designated funds.

† Available funds are defined as total funds minus the value of the property and equipment fund (i.e. funds tied up in fixed assets).

Investment policy

The Trustees consider that, at this stage of the charity's development, all funds should be held in short-term bank deposits. Currently they are on deposit with CAF Bank and Co-operative Bank in the UK.

Appointment of auditors

The auditors, Michael Kay & Company Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board on 07 September 2015.



Stephen Owen
Chair



Photo: A man in Potaliya village takes measurements for the construction of his community's sand dam, Rajasthan, India.

Financial statements.



Photo © Polly Braden

Independent Auditor's Report to the members of Excellent Development Limited

We have audited the financial statements of Excellent Development Limited for the period ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, 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 charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 35 and 36, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2015, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;

- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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
- 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; or
- Certain disclosures of trustees remuneration specified by law are not made.



Michael Kay
Senior Statutory Auditor

For and on behalf of: Michael Kay & Company Limited
2 Water Court
Water Street
Birmingham
B3 1HP

Date: 22 September 2015

Excellent Development Limited (Company Reg. No. 4432166)
Statement of Financial Activities for the period ended 31 March 2015

	Note	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
INCOMING RESOURCES					
Voluntary income	2	266,221	972,668	1,238,889	1,091,084
Activities for generating funds	3	-	10,291	10,291	46,113
Income from charitable activities	4	-	41,140	41,140	20,225
Investment management & interest	5	156	600	756	837
Total incoming resources		<u>266,377</u>	<u>1,024,699</u>	<u>1,291,076</u>	<u>1,158,259</u>
RESOURCES EXPENDED					
Cost of generating funds					
Marketing & communications costs	6	8,243	41,969	50,212	50,669
Voluntary income costs	7	148,090	69,094	217,184	230,074
Activities for generating funds costs	8	-	6,672	6,672	19,499
Income from charitable activities costs	9	-	1,597	1,597	1,828
Total cost of generating funds		<u>156,333</u>	<u>119,332</u>	<u>275,665</u>	<u>302,070</u>
Charitable activities					
Overseas programmes	10	13,167	772,525	785,692	708,062
Pioneering sand dams	11	7,258	93,255	100,513	162,960
Grants to other organisations	12	612	-	612	4,332
Total charitable expenditure		<u>21,037</u>	<u>865,780</u>	<u>886,817</u>	<u>875,354</u>
Governance costs	13	19,665	19,714	39,379	42,495
TOTAL RESOURCES EXPENDED		<u>197,035</u>	<u>1,004,826</u>	<u>1,201,861</u>	<u>1,219,919</u>
Exchange rate gain/loss		(180)	-	(180)	(593)
NET INCOMING/(OUTGOING) RESOURCES		<u>69,162</u>	<u>19,873</u>	<u>89,035</u>	<u>(62,253)</u>

The movement in funds are detailed in Note 19 on page 50. The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All of the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

Excellent Development Limited (Company Reg. No. 4432166)
Balance sheet as at 31 March 2015

	Note	2015 Total £	2014 Total £
Fixed assets			
Tangible fixed assets	14	4,573	7,324
Investment in subsidiaries	15	1	1
Total fixed assets		4,574	7,325
Current assets			
Debtors	16	23,407	90,543
Cash at bank & in hand	17	485,398	342,188
Total current assets		508,805	432,731
Current liabilities			
Creditors falling due within one year	18	(34,347)	(50,059)
Net current assets		474,458	382,672
Net assets less current liabilities		479,032	389,997
Financed by:			
Unrestricted funds		142,008	70,095
Restricted funds		332,451	312,578
Property & equipment fund		4,573	7,324
Total funds	19	479,032	389,997

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the Board on 07 September 2015.



Stephen Owen
Chair

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention.

Excellent Development Limited (“the Charity”) has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, “Accounting and Reporting by Charities” (March 2005) and the Companies Act 2006.

1.2 Group entities

The Charity has a wholly-owned subsidiary company, Excellent Development Trading Limited (EDTL) - Company Reg. No. 5105411. EDTL has been dormant since 31 March 2010 and all trading activities of the company were transferred to the Charity. The results of EDTL have not been consolidated within the financial statements as they are considered to be immaterial.

1.3 Incoming resources

Any materials (tools, equipment, etc.) received are included in the Financial Statements at market value. Properties, investments, and other fixed assets donated to the charity are included as donation income at market value at the time of receipt. Items donated for resale are included in trading income when sold and no value is placed on stock at the year end.

Grants from governments and other agencies have been included as income from activities in furtherance of the Charity’s objects where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use.

Income is recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty. No incoming resources are shown net of expenditure in the accounts.

Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

1.4 Expenditure

Fundraising costs include the salaries, direct expenditure and overhead costs associated with the time staff carried out fundraising, including events. Expenditure is included when incurred.

Grants payable to other organisations for relief and development projects are included in the Statement of Financial Activities (SOFA) when approved by the Trustees and agreed with the other organisation. The value of such grants unpaid at the year end is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

Expenditure on operational programmes is recognised in the period in which it is incurred. A designated fund is established for expenditure which has been committed to projects, but remains unspent at the year end.

In kind grants are donations of materials, equipment or staff time that are not recognised in the grant recipient accounts but represent expenditure on direct charitable activity by Excellent Development.

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

Governance

Governance costs are costs incurred on the governance arrangements of the Charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the Charity’s activities.

Support costs

Support costs represent the costs incurred that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes staff time (and direct costs such as flights and accommodation) providing support for charitable activities including management, monitoring, evaluation, policy work and technical support for programmes. This also includes the costs incurred by finance, human resources and information technology attributable to the management of the Charity assets and organisational administration. Total support costs (per Note 1.4c) includes core costs and travel and accommodation.

1.4a Breakdown of total core costs

	2015 %	2015 £	2014 %	2014 £
Employment costs (see note 21)	90.3	537,198	92.4	621,499
Accommodation costs	5.9	35,165	4.0	26,433
Administration costs	3.8	22,752	3.6	24,458
Total	100.0	595,115	100.0	672,390

1.4b Core costs allocation

Core costs have been allocated on the basis of staff time attributable to each activity, as follows:

	2015 %	2015 £	2014 %	2014 £
Cost of generating funds				
Marketing & communication costs	7.5	44,631	6.3	42,204
Voluntary income costs	32.8	195,457	30.3	203,537
Activities to generate funds costs	0.7	4,351	1.5	10,322
Income from charitable activities costs	0.3	1,597	0.3	1,828
Total	41.3	246,036	38.4	257,891
Governance	4.5	26,615	3.7	24,822
Direct charitable expenditure				
Overseas programmes	16.3	97,096	13.4	90,285
Pioneering sand dams	8.1	48,123	14.4	97,109
Sub-total	24.4	145,219	27.8	187,394
Support costs				
Overseas programmes	13.7	81,370	14.3	95,942
Pioneering sand dams	16.1	95,875	15.8	106,341
Sub-total	29.8	177,245	30.1	202,283
Total charitable expenditure	54.2	322,464	57.9	389,677
Total core costs allocation	100.0	595,115	100.0	672,390

1.4c Support costs summary

	2015 £	2014 £
Core costs	177,245	202,283
Travel and accommodation	36,786	42,720
Total support costs	<u>214,031</u>	<u>245,003</u>

1.4d Support costs allocation

Support costs have been allocated to the charitable activities on the basis of staff time attributable to each activity, as follows:

	2015 %	2015 £	2014 %	2014 £
Overseas programmes	85.5	182,890	42.7	104,572
Pioneering sand dams	14.5	31,141	57.3	140,431
Total support costs	<u>100.0</u>	<u>214,031</u>	<u>100.0</u>	<u>245,003</u>

1.5 Tangible fixed assets and depreciation

Fixed assets costing more than £500 are capitalised. Depreciation is as follows

	%	Basis
Fixtures, fittings and equipment	20.0	Straight line
IT equipment	33.3	Straight line

1.6 Investment in subsidiaries

Investment in subsidiaries is stated at book value at the balance sheet date.

1.7 Foreign currency translation

Transactions denominated in foreign currencies are recorded in Sterling at the interbank rate ruling at the date of the transaction. Transactions in foreign currency cash are recorded in sterling at the rate ruling at conversion or the previous year end balance sheet value, whichever is the later.

Assets and liabilities denominated in foreign currencies are translated into sterling at the interbank rate ruling at the balance sheet date. All differences are included in net outgoing resources.

1.8 Accumulated funds

The Property and equipment fund represents funds invested in the net book value of tangible fixed assets, which are therefore not available for other uses. Restricted funds represent grants and donations received which are prescribed by the donor for specific purposes. Expenditure made in line with these purposes is charged to the accumulated restricted funds.

1.9 Irrecoverable VAT

The Charity is not registered for VAT and therefore expenditure included within the accounts includes VAT where incurred.

2. Voluntary income

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Small governments	-	309,902	309,902	232,959
Trusts & foundations	67,745	204,129	271,874	377,153
Institutions [†]	-	226,567	226,567	137,369
Individual donors	166,557	32,408	198,965	203,057
Rotary [‡]	1,602	185,385	186,987	78,533
Corporate	6,115	9,447	15,562	20,040
Community fundraising	10,009	4,830	14,839	14,568
Media appeals	14,193	-	14,193	-
Awards	-	-	-	27,405
Total	266,221	972,668	1,238,889	1,091,084

[†] Institutions: Income in 2015 includes £156,562, which is part of a 36 month grant from the UK Government.

[‡] Rotary: Income in 2015 includes a Global Grant of £50,994 received from The Rotary Foundation and £135,993 received directly from Rotary Clubs within Rotary International in Great Britain & Ireland for project management and the implementation of programmes in Kenya.

3. Activities for generating funds

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Expeditions	-	10,291	10,291	46,113
Total	-	10,291	10,291	46,113

4. Income from charitable activities

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Consultancy	-	41,140	41,140	13,842
Learning visits	-	-	-	6,383
Total	-	41,140	41,140	20,225

5. Investment management & interest

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Bank interest	156	600	756	837
Total	156	600	756	837

6. Marketing & communications costs

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Website & social media	484	2,464	2,948	1,019
Printing	368	1,874	2,242	5,585
Other marketing & communications	64	327	391	1,861
Core costs allocation (see note 1.4b)	7,327	37,304	44,631	42,204
Total	<u>8,243</u>	<u>41,969</u>	<u>50,212</u>	<u>50,669</u>

7. Voluntary income costs

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Small government costs	7,076	5,139	12,215	11,558
Trusts & foundation costs	64,275	26,404	90,679	73,108
Institution costs	5,789	15,351	21,140	28,361
Individual donor costs	60,326	3,988	64,314	77,718
Rotary costs	4,351	15,015	19,366	25,238
Corporate costs	2,746	1,000	3,746	5,274
Community fundraising costs	2,006	2,197	4,203	6,664
Awards costs	1,521	-	1,521	2,153
Total	<u>148,090</u>	<u>69,094</u>	<u>217,184</u>	<u>230,074</u>

* Core costs of £195,457 in 2015 have been allocated across the income stream activities (see Note 1.4b).

8. Activities to generate funds costs

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Expeditions costs, UK	-	5,103	5,103	10,322
Expeditions costs, Kenya	-	1,569	1,569	9,177
Total	<u>-</u>	<u>6,672</u>	<u>6,672</u>	<u>19,499</u>

* Core costs of £4,351 in 2015 have been allocated to the UK activities to generate funds (see Note 1.4b).

9. Income from charitable activities costs

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Consultancy income costs	-	1,597	1,597	1,463
Learning visits income costs	-	-	-	365
Total	-	1,597	1,597	1,828

* Core costs of £1,597 in 2015 have been allocated to the cost of income from charitable activities (see Note 1.4b).

10. Overseas programmes

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Africa Sand Dam Foundation, Kenya	-	577,356	577,356	537,237
Lekurruki Conservation Trust, Kenya	-	56,566	56,566	-
UN Development Programme, Swaziland	11,061	32,907	43,968	56,226
Community Centre for Peace & Development, Kenya	-	41,808	41,808	-
Jal Bhagirathi Foundation, India	2,106	34,349	36,455	114,599
Light of Maasai, Kenya	-	29,539	29,539	-
Total	13,167	772,525	785,692	708,062

* Core costs of £97,096 in 2015 have been allocated to the charitable activities (see Note 1.4b).

10a. Analysis of overseas programmes expenditure

	2015 Support costs* £	2015 In kind grants £	2015 Direct grants £	2015 Total £	2014 Total £
Africa Sand Dam Foundation, Kenya [†]	86,974	39,887	450,495	577,356	537,237
Lekurruki Conservancy Trust, Kenya	23,221	22,854	10,491	56,566	-
UN Development Programme, Swaziland	10,097	33,871	-	43,968	56,226
Community Centre for Peace & Development, Kenya	27,260	14,548	-	41,808	-
Jal Bhagirathi Foundation, India	25,241	11,214	-	36,455	114,599
Light of Maasai, Kenya	10,097	6,871	12,571	29,539	-
Total	182,890	129,245	473,557	785,692	708,062

* Support costs of £182,890 have been allocated across the overseas programmes (see Note 1.4d).

[†] Total Africa Sand Dam Foundation (ASDF) expenditure in 2015 includes a grant of £156,562 from the UK Government, of which £120,411 was spent on a direct grant to ASDF and £36,151 on support costs.

11. Pioneering sand dams

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Knowledge sharing	-	71,138	71,138	83,946
Promoting sand dams	-	20,541	20,541	68,682
Evidence & research	7,258	1,576	8,834	10,332
Total	<u>7,258</u>	<u>93,255</u>	<u>100,513</u>	<u>162,960</u>

* Core costs of £48,123 in 2015 have been allocated to the charitable activities (see Note 1.4b).

11a. Analysis of pioneering sand dams expenditure

	2015 Support costs* £	2015 In kind grants £	2015 Direct grants £	2015 Total £	2014 Total £
Knowledge sharing	19,010	52,128	-	71,138	83,946
Promoting sand dams	8,413	12,128	-	20,541	68,682
Evidence & research	3,718	5,116	-	8,834	10,332
Total	<u>31,141</u>	<u>69,372</u>	<u>-</u>	<u>100,513</u>	<u>162,960</u>

* Support costs of £31,141 have been allocated across the charitable activities (see Note 1.4d).

12. Grants to other organisations

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Total £
Excellent Development IOM Ltd.	612	-	612	4,332
Total	<u>612</u>	<u>-</u>	<u>612</u>	<u>4,332</u>

13. Governance

	2015 Total £	2014 Total £
Insurance	4,178	1,954
Audit fees	3,713	6,804
Trustee expenses	2,588	4,276
Professional fees & registrations	1,625	2,353
Other governance expenses	660	2,286
Core cost allocation (see note 1.4b).	26,615	24,822
Total	<u>39,379</u>	<u>42,495</u>

13a. Trustee expenses[†]

	2015 Total £	2014 Total £
Overseas travel	928	1,653
Communications	872	749
UK travel	496	529
Trustees indemnity insurance	292	721
Workshops & conferences	-	624
Total	<u>2,588</u>	<u>4,276</u>

[†] None of the seven trustees who held office during the period (or any persons connected with them) received any remuneration during the period. The seven trustees incurred expenses as detailed above.

14. Tangible fixed assets

	2015 Total £	2014 Total £
Cost or valuation		
Opening balance	37,978	37,496
Additions	-	5,062
Disposals	<u>(1,522)</u>	<u>(4,580)</u>
Balance as at year end	<u>36,456</u>	<u>37,978</u>
Depreciation		
Opening balance	30,654	32,196
Charge for year	2,751	3,038
Disposals	<u>(1,522)</u>	<u>(4,580)</u>
Balance as at year end	<u>31,883</u>	<u>30,654</u>
Net book value as at year end	<u>4,573</u>	<u>7,324</u>

15. Investment in subsidiaries

	2015 Total £	2014 Total £
Excellent Development Trading Limited	1	1
Total	<u>1</u>	<u>1</u>

16. Debtors		
	2015 Total £	2014 Total £
Accrued income	15,505	75,419
Deposits	4,047	2,214
Prepayments	3,855	10,106
Other debtors	-	2,804
Total	23,407	90,543

17. Cash at bank & in hand		
	2015 Total £	2014 Total £
Bank balances	485,140	341,600
Cash	258	588
Total	485,398	342,188

18. Creditors: amounts falling due within one year		
	2015 Total £	2014 Total £
Creditors	17,111	31,823
PAYE	10,505	8,031
Accruals	6,731	7,020
Deferred income	-	3,185
Total	34,347	50,059

19. Movement in funds						
	As at 31 March 2014	Incoming resources	Outgoing resources	Transfers	Total Move- ments	As at 31 March 2015
	£	£	£	£	£	£
Fund types						
Restricted	312,578	1,024,699	(1,004,826)	-	19,873	332,451
Unrestricted	70,095	266,377	(197,215)	2,751	71,913	142,008
Property & equipment [†]	7,324	-	-	(2,751)	(2,751)	4,573
Total funds	389,997	1,291,076	(1,202,041)	-	89,035	479,032

[†] As per accounting policy 1.8, the property and equipment fund represents funds invested in the net book value of tangible fixed assets, which are therefore not available for other uses.

20. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Property & equipment fund	Total funds
	£	£	£	£
Fixed assets	1	-	4,573	4,574
Current assets	158,131	350,674	-	508,805
Current liabilities	(16,124)	(18,223)	-	(34,347)
Total assets less current liabilities	<u>142,008</u>	<u>332,451</u>	<u>4,573</u>	<u>479,032</u>

21. Subsidiary undertakings

The Charity has a wholly-owned subsidiary company, Excellent Development Trading Limited (EDTL) - Company Reg. No. 5105411. EDTL has been dormant since 31st March 2010 and all balances and trading activities of the company were transferred to the Charity (see Note 1.2).

22. Employees

	2015 £	2014 £
Salaries & wages	461,259	534,977
Employer NIC	39,881	55,234
Redundancy	22,766	-
Recruitment	7,573	26,816
Health insurance	3,183	3,442
Training	2,536	1,030
Total	<u>537,198</u>	<u>621,499</u>
Average number of employees	<u>11.2</u>	<u>14.1</u>

One employee earned £74,900 for the period.

23. Financial commitments

As at 31 March 2015 the Charity is committed to £16,797 lease cost for its office until 31 August 2015 (2014: £7,067).

24. Related parties

There have been no related parties transactions in the current period.

Excellent

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Charity registration number (England & Wales)

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