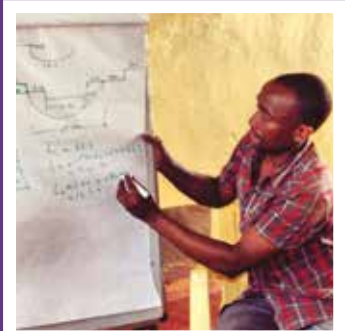
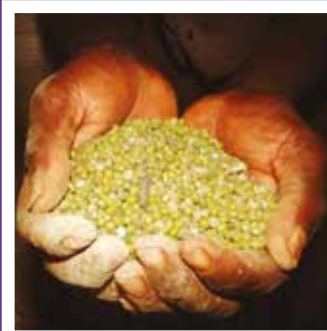


Excellent Development

Annual Report & Accounts 2012/13



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Millions of the world's poorest people's lives are transformed through sand dams.

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A note from our Chair

More than 74% of the world’s poor live in drylands – most of them rural smallholder farmers who depend on rain-fed agriculture. Despite the predictable droughts and famine these regions face, international investment in building resilience and sustainable dryland agricultural systems remains disappointingly poor.

Dryland degradation costs developing countries an estimated 4–8% of their national gross domestic product (GDP) each year. A sustained investment in the conservation of soil and water would go a long way to empowering women, improving education, increasing food production and stimulating economic growth for families and nations.

We have now been supporting rural dryland farmers for ten years. They are some of the world’s most vulnerable communities, as well as playing critical roles in creating food security and combating critical global challenges: desertification, climate change, and loss of biodiversity.

Our focus is twofold: supporting rural communities with water and food programmes, and pioneering sand dams as the most cost-effective intervention for enabling water and food security in drylands.

Our commitment has never been stronger. In 2012/13, we achieved an income rise of 20% from the previous year, and invested £96K more in community water and food programmes. We also launched the Excellent Sand Dam Manual and initiated research into the applicability of sand dams in the Thar desert, Rajasthan, India - the most densely populated arid land in the world.

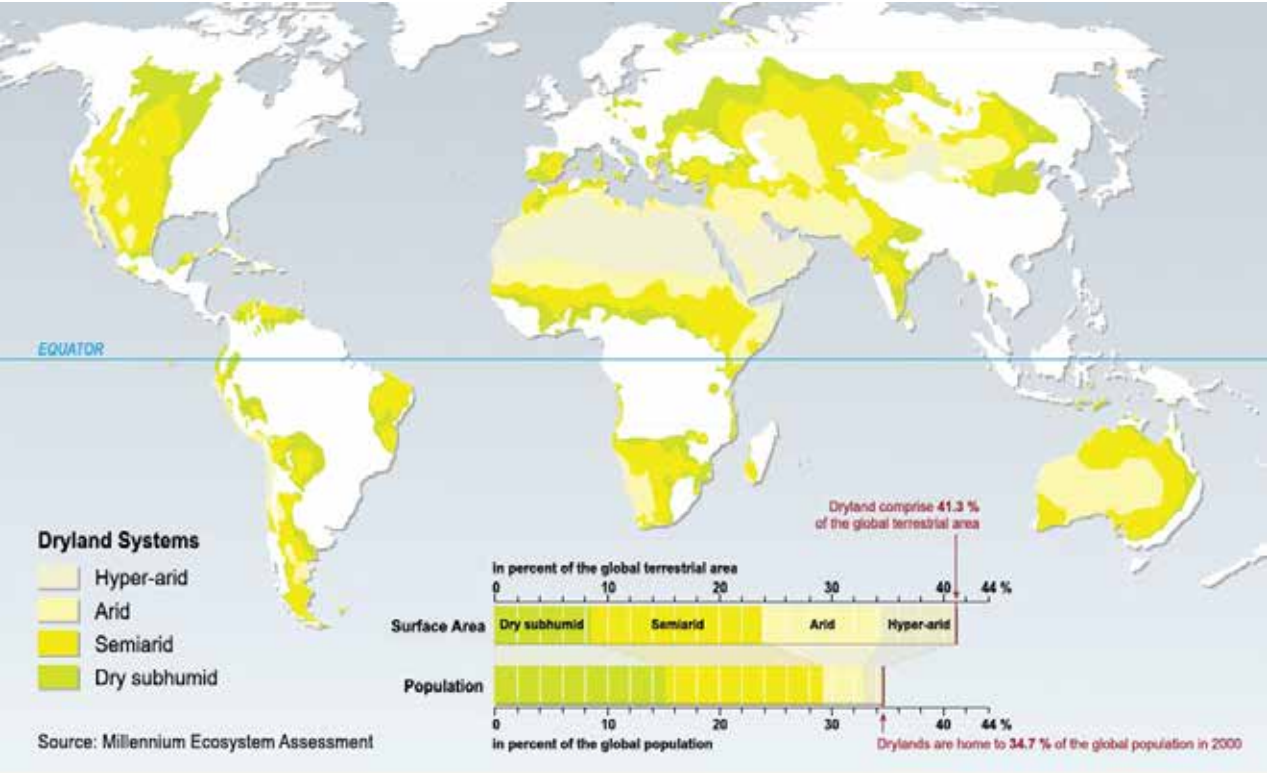
Promoting the value of sand dams and enabling their adoption by policy and implementing agencies is fundamental to achieving our vision. And, following a strategic review, our activity in this area will have a greater focus and priority in the future. By sharing our knowledge and expertise we are enabling the stakeholders in drylands around the world to apply sand dams for the benefit of the world’s poorest people.

It is important to recognise that none of this would happen without the extraordinary support of our generous donors; voluntary public speakers, rotarians and trustees; our dedicated executive team, and our operational partners. Your work is transforming lives.

The potential of sand dams is huge. I hope this Annual Report reflects the impact of your investment and that we will inspire you to continue your invaluable support.

Thank you

Stephen Owen
Chair



The global potential of sand dams: the world’s drylands.

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What we do

Excellent Development supports rural dryland communities to work their way out of poverty with dignity. We do this in two ways:

- (i) By working with local partners, we support rural communities to gain access to clean water close to their homes and to invest in climate-smart agriculture.
- (ii) By pioneering sand dams, we promote and support the application of sand dams by key stakeholders in the world's drylands for the benefit of the world's poor.

Our objects

- To promote the conservation, protection and improvement of the physical and natural environment for the public benefit.
- To relieve poverty, in particular, but not exclusively, by supporting sustainable development* projects.
- 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 defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Our vision

Millions of the world's poorest people's lives are transformed through sand dams.

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 and 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.

Our vision is that millions of the world's poorest people's lives are transformed through sand dams. We have a focus on drylands because that's where sand dams are applicable and that's where 74% of the world's poor live. We believe that the widespread application of sand dam technology, as part of sustainable land management initiatives, will make a significant contribution to the alleviation of global poverty.

Drylands are regions with arid, semi-arid or dry sub-humid climates. They cover 41% of the world's land surface. Drylands support 50% of the world's livestock, account for nearly half of all farmland, and are major wildlife habitats. There are significant dryland regions in 110 countries across six continents.

Across all dryland regions, water scarcity is the fundamental limiting factor for food production and poverty alleviation. Low annual rainfall is a defining characteristic of drylands and droughts are typical. Yet there is still little sustained investment in building resilience, especially with vulnerable rural communities. All dryland countries are suffering from severe groundwater depletion as well as natural resource degradation and desertification.

Drought is the most predictable of disasters but unfortunately the one causing the most death & greatest socio-economic impacts. This is major policy failure.

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

The UN predicts that, by 2025, 1.8 billion people will be living in countries or regions with absolute water scarcity, and two-thirds of the world population could be under stress conditions. Because they typically carry the prime responsibility for water collection, it is women and children who suffer, and are limited, the most.

In addition to water scarcity, unsustainable land use, exacerbated by climate change, is driving the degradation and desertification of large dryland areas. Desertification causes the loss of 12 million hectares of land (greater than the size of Portugal) each year. This threatens local biodiversity, depletes the natural resources upon which people depend, and limits or prevents rural communities from growing food. Land is often the only asset available to poor, rural people and every year it is being stolen from them by preventable or reversible land degradation.

Desertification is also a significant contributor to climate change. Soil is the second largest carbon sink in the world, second only to our oceans, and many times more than that held by the world's trees and plants. Degradation of our soils, and the rich ecosystems it supports, is not a drylands problem. It is a problem for us all.

Combating desertification is one of the greatest challenges of our time. And, as the world's population swells over 7 billion, so does the pressure on dryland resources. It is thought that land degradation and desertification over the next 25 years could reduce global food production by up to 12%, resulting in a 30% increase in world food prices. We have already experienced political tensions, migrations and conflicts over limited natural resources, such as water and land, and this will only intensify as our natural capital diminishes.

Climate change is exacerbating these problems by causing more frequent and intense periods of drought as well as more frequent floods - making it increasingly difficult for farmers to plan when to plant and harvest. Temperatures are more extreme and climatic zones are shifting, resulting in shorter growing seasons for farmers and a prevalence of pests and diseases in areas where there was previously no threat.

Because there are dryland regions on six continents, and because it is a strong driver of migration and conflict, desertification is truly a global problem, in the same way as climate change or biodiversity loss. Indeed all three are very closely linked, and with the right interventions can be addressed simultaneously.

Our work with rural dryland communities does just that. With cheap, sustainable rainwater harvesting initiatives, like sand dams, we are improving access to water in these water-scarce environments. With the opportunity this creates, people are investing in sustainable land management and 'climate-smart' agriculture - addressing local biodiversity loss, desertification, and climate change all at the same time - as well as creating food security and economic growth.

If managed well, drylands can be fertile lands - capable of supporting the habitats, crops and livestock that sustain nearly one-third of humanity. Investment in drylands agriculture must be a global priority if we are to protect the natural capital upon which sustainable livelihoods will be built for the world's growing population. Smallholder farmers are, and will be, on the front line of these efforts.

Drylands facts:

- 41% of the world's land surface is drylands.
- 2.1 billion people live in drylands.
- Drylands are home to 74% of the world's poor.
- 44% of the world's food is produced in drylands.
- Drylands are home to 64% of birds, 55% of mammals and 25% of amphibians. At least 32% of these species are threatened with extinction.



Working with people, not for people

In ten years, we have supported 120 self-help groups - and a total of 137,740 people - to improve access to water and invest in climate-smart agriculture. Each and every one of these communities have initiated their projects themselves. We do not approach communities with pre-conceived ideas about what their needs are. The Excellent approach is to listen to people and work with them to create a development plan that addresses their own priorities and visions.

We decided to form the Athiani self-help group to tackle the common problems and challenges we were facing as a community. We were certain the only way to overcome our problems was by joining hands together and working to improve our livelihoods.

Ruth Masai
Athiani farmers self-help group.
November 2012

The people who seek our support want nothing for free. In fact, their investment in their own development amounts to approximately 40% of the cost of every project we support. This is true, community-owned, community-led development that respects the people we work with as farmers and entrepreneurs. With a little bit of our support they are working their own way out of poverty with dignity.

Conserving land, transforming lives

By 2050 the world will need to feed an additional 2 billion people. At the same time, we are current losing 12 million hectares of land (greater than the size of Portugal) to desert every year. This is land that could produce 20 million tonnes of grain and enable subsistence farmers to grow enough food to feed their families.

Unpredictable, more frequent and more intense droughts and floods brought on by climate change will make this challenge even harder to meet. Not only are smallholder farmers those most affected by climate change and desertification, they are those most able to address these challenges. These are the people we work with.

Agriculture can be part of the solution. But, only an agricultural system that empowers smallholder farmers, does not deplete the natural resource base, and increases productivity and resilience. This is climate-smart agriculture.

Climate-smart agriculture conserves land and transforms lives - sustainably increasing productivity and incomes, adapting and building resilience to climate change, and reducing and/or removing greenhouse gases emissions.

By supporting small-scale dryland farmers to invest in climate-smart agriculture we are addressing environmental degradation, desertification, hunger, poverty, and climate change, all at the same time.

Working in partnerships

We work in partnership with local organisations who in turn work closely with their own communities. This enables us to better understand different local contexts so that sand dams can be successfully applied in regional, political, environmental, social, technical, legal and economic conditions.

Through our local partners, we ensure there is a consistent presence in our countries of operation where rural communities can access support and information, and build trust with our implementing partners.

Sharing knowledge

Our vision is that millions of the world's poorest people's lives are transformed through sand dams. To achieve this, a priority part of our strategy is to enable many more organisations, governments and institutions to adopt sand dams as one of the techniques available for the alleviation of poverty in dryland regions.

Drylands represent 41% of the Earth's land and are home to 74% of the world's poor. Sand dams are applicable to many dryland regions. But, the successful implementation of sand dam technology requires expert understanding of how to apply, rather than replicate, it to specific contexts.

We have ten years experience of successfully supporting the application of sand dams in different countries and social contexts. A key part of our strategy is the sharing of this experience and knowledge. We do this by providing consultancy services to governments, institutions and NGOs, facilitating learning visits, hosting workshops, and participating in international conferences and events. In addition, we have launched the Excellent Sand Dam Manual which, with our learning visits, supports the practical siting, design and construction of sand dams.

Our learning visits are hosted with our strategic partners, Africa Sand Dam Foundation. Our courses include theory and practical sessions and are enabling people to understand and apply sand dams with the communities they work with in their own regions - all of which are experiencing similar problems with environmental degradation and water and food insecurity.

These are the organisations that we worked with during 2012/13 in pursuit of our charitable objectives, excluding those organisations that acted solely as donors.

As well as developing pilot programmes in two African countries (Kenya and Zimbabwe), we also initiated plans to begin working in a new continent - India. This presents new challenges in the application of sand dam technology, as well as enormous potential in the number of people who would benefit from its adoption in this context.

We work with communities for five years. Every community develops a plan of what they want to achieve. [After then] They will have water security and knowledge of the best farming techniques and ways of getting income. That's when we can say this group stands on its own.

Andrew Musila Silu
Development Director
ASDF

Operational partners

- Africa Sand Dam Foundation (ASDF)
- Dabane Trust
- Jal Bhagirathi Foundation (JBF)
- Jeevika Trust
- Social Change and Development (SCAD)
- Ukamba Christian Community Services (UCCS)
- Initiatives of Change (IofC)

Activity

- Strategic partner
- Feasibility study
- Feasibility study
- Feasibility study
- Feasibility study
- Pilot programme
- Promoting sand dams

Country

- Kenya
- Zimbabwe
- India
- UK
- India
- Kenya
- International

Other relationships

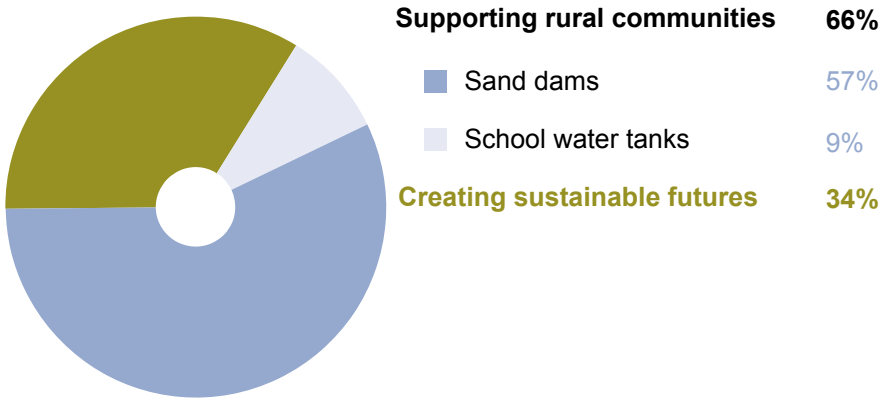
- Quest Overseas
- Inspire Worldwide
- Venture Partnership Foundation (VPF)
- Oliver Wyman
- Rotary International in Great Britain & Ireland (RIBI)
- Mitsubishi Corporation Fund for Europe and Africa
- Medicor Foundation

- Expedition provider
- Expedition provider
- Strategic supporter
- Pro bono support
- Strategic supporter
- Corporate donor
- Strategic donor

- UK and Kenya
- UK and Kenya
- UK
- UK
- British Isles
- UK
- UK



Community water & food programmes
expenditure: £496,379



“Since we built the sand dams, the water has sustained us from one [rainy] season to the other. In the past I used to get water from very far away. But, now it takes me only 10 minutes - and 30 minutes when carrying water.

The sand dams have transformed my life. I am not the way I was before building the sand dams.

Josephine Musyoka
Kumina Wauni self-help group.
September, 2012.

Every project we support begins with a rural community.

In south-east Kenya, these communities are organised as self-help groups – government registered community-based organisations that come together to improve their lives. In other rural dryland regions social structures may differ, but the fundamental problem faced is the same: a lack of access to water.

Water scarcity and drought affect over one billion people in drylands. We support rural communities to gain access to clean water close to their homes. This is the foundation of drylands development. Access to clean water is essential to the realisation of all human rights.

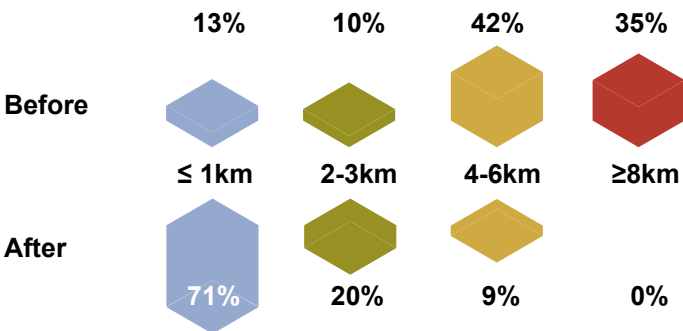
Drylands are characterised by low, infrequent, irregular and unpredictable rainfall, and prolonged periods of drought. When rain does fall, it is often in short, intense periods and up to 40% can be lost as run-off. Capturing and storing this rain when and where it falls is critical for improving access to water for domestic and agricultural use.

There are three ways in which we support rural communities to do this: sand dams, rock catchments and school water tanks. Each solution depends on the particular requirements of the community we are working with.

Sand dams
Sand dams are the most cost-effective method of rainwater harvesting in drylands. Each dam stores up to 20 million litres of water – protected from evaporation, contamination and disease vectors, such as mosquitoes. Sand dams recharge groundwater and create water security in otherwise water scarce environments.

In 2012/13 we supported rural communities to build 28 sand dams - bringing water close to home for 9,940 people. 91% of the people we supported this year now have access to a sustainable year-round supply of water within 3km of their homes. Nobody we have worked with has to walk further than 6km to collect water - even during periods of drought.

Distance to collect water before and after a sand dam



Rock catchments
Rock catchments capture rainwater run-off from flat rocky outcrops on hill tops. Water is guided into a pipeline that supplies one or more water tanks. Rock catchments collect up to 150,000 litres per tank for domestic use.

School water tanks
Children in rural drylands are often expected to bring water to school for drinking and cooking. Collecting this water can take hours out of the school day and leave children tired and less able to learn. The water collected may also be dirty and this increases the risk of contracting water-borne diseases that cause diarrhoea. Dehydration and disease limit the growth of children and cause serious illness and death.

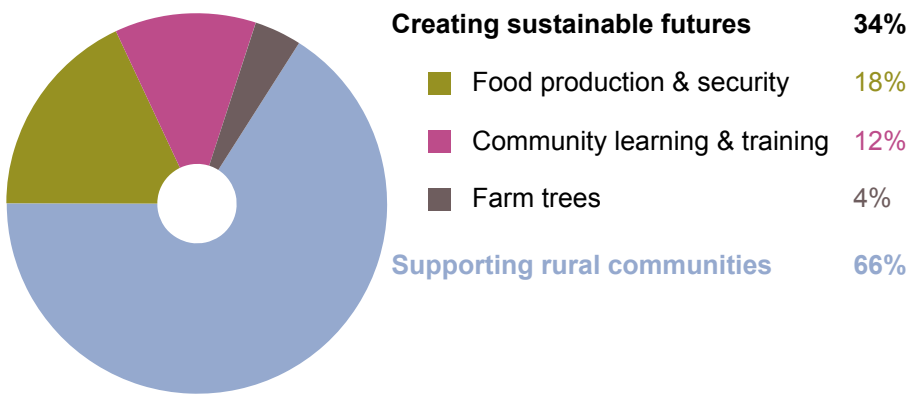
A clean supply of water at schools is essential for the health and education of children. In 2012/13 we supported the construction of seven school water tanks – providing a reliable supply of clean water on tap for seven rural schools.

In total, as at 30 March 2013, we have supported 120 rural communities to build 388 sand dams, five rock catchments and 64 water tanks. These simple, cheap and sustainable rainwater harvesting solutions are transforming lives for rural communities. With the time saved from collecting water, people are creating sustainable futures.

This jerrycan contains 20kg of water. In rural drylands, women and children spend up to 12 hours a day collecting and carrying water like this.

Sand dams bring clean water within 30 minutes of people’s homes - saving time and improving health - especially for women and girls.

Community water & food programmes
expenditure: £496,379



The opportunity created by our work supporting rural communities is enabling families to invest in improved farming. We support this with three activities: improved food production, community learning, and promoting tree planting.

Food production and security
Through the adoption of 'climate-smart' farming practices, we are supporting families to achieve food security in the face of changing climates. Climate-smart agriculture is that which sustainably increases productivity and resilience, reduces or removes greenhouse gases, and enhances achievement of national food security and development goals. Techniques include: terracing land, intercropping, diversifying crops, and managing seed banks.

(i) Terraces
Terracing near farms reduces the loss of top-soil by as much as 97%, enables greater absorption of water into the land and increases crop yields by as much as 40%.

(ii) Intercropping
Intercropping maximises the use of limited land and water by balancing soil nutrients, and reducing weeds, evapo-transpiration, and the risk of crop failures from drought.

(iii) Crop diversification
We support communities to grow a wider variety of crops, especially drought-resistant varieties. This boosts food production and nutrition, and builds resilience to increasingly unreliable rainfall patterns.

(iv) Seed banks
In the unpredictable climates of drylands, seed banks provide security in the event of a failed harvest. We make an initial investment of quality, diverse, climate-suited seeds. Communities utilise these on the basis that they will return at least twice as many into their 'account' as they withdrew. This enables seed security - the prerequisite to food security.

Farm trees
Planting trees with crops on farms enhances water retention and soil fertility, reduces soil erosion, and increases and diversifies food production for home consumption or sale.

“Since we no longer travel long distances to collect water, we are using the time saved to work on our farms. For instance, we have changed to new farming techniques... We have been trained on how to intercrop to prevent certain pests and increase farm yields.”

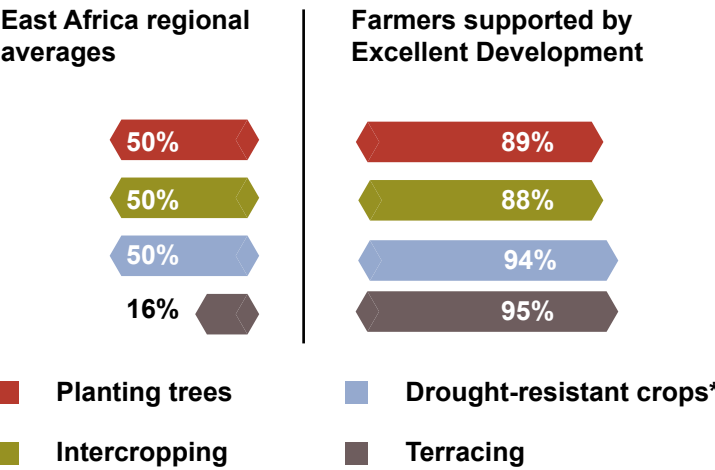
My future and my children’s future is secure and will be pleasant and great because of these projects.
Sammy Ngondo Kitonyo
Kyeni kya Mukononi self-help group.
January, 2013.

2012/13	16,525	Trees planted.
	44,080	Metres of terraces dug.
	41	Tree nurseries established.
	26	Seed banks created.
	21	Demo plots set up.

Community learning & training
Farmers in drylands are necessarily risk averse. But, as climates change, farmers must also change what they grow and how they farm in order to feed their families and nations. As well as providing training workshops through our local partners, we also support farmers to set up demonstration plots. These are risk-free environments where people can try new techniques and learn from each other, without gambling their family’s futures.

Through our local partners, farmer-to-farmer networks and workshops, the communities we support are readily adopting these simple, but highly effective methods. The results are extraordinary.

Adoption rate of climate-smart farming techniques



*94% of farmers supported by Excellent are planting seven varieties of drought resistant crops, compared to 50% of other farmers who are planting just one variety.



Dryland smallholder farmers are some of the people most vulnerable to climate change.

We support the adoption of ‘climate-smart’ farming techniques that increase productivity, incomes and resilience, and contribute to climate change adaptation and mitigation.

Pioneering sand dams expenditure: £277,594



I like very much, not only the approach of sand dams, but I like the passion behind, I like 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

Pioneering sand dams is the work we do to enable widespread adoption of the technology by key policy and implementing agencies working in drylands.

Our activities are divided into four broad categories: evidence and research, promoting sand dams, knowledge sharing, and pilot programmes.

Evidence & research

Developing a strong evidence base for the impacts of sand dams is critical for establishing them as a viable intervention for sustainable land management in drylands. This is especially true for the large institutions and governments who are most able to precipitate large-scale adoption.

In 2012/13, the African Community Access Programme (a DfID funded research programme) awarded us a grant to research the potential of sand dams as road crossings. A paper was accepted for publication in March 2013 and is due for publication by the Institution of Civil Engineer’s Journal of Dams and Reservoirs in June 2013.

With our strategic partners, ASDF, we have studied sediments in the seasonal rivers of Makueni County, Kenya, to develop tests for which river beds will be suitable for sand dams. We have also trained ASDF staff in water quality testing so that they can better advise rural communities on water quality and treatment options.

Promoting sand dams

This is our work communicating the benefits and impacts of sand dams, in various applications, to those people and organisations that can enable their scaling up. In 2012, we promoted sand dams at World Water Week - which this year had a focus on water and food. We also participated in the Caux Forum for Human Security, which brought together a diverse range of people to address the root causes of conflict. Outputs from these events included significant funding from The Charitable Foundation (Australia’s largest private ancillary fund) and the opportunity to gain UNCCD accreditation.

Knowledge sharing

During World Water Week 2012, we launched the first edition of the Excellent Sand Dam Manual: a practical guide for the siting, design and construction of sand dams. This is a manual to demystify sand dam technology. By avoiding specialist language, we make the technology accessible to a wide range of people and organisations living and working in drylands around the world. Already plans are well advanced for a second edition and the translation into French, Portuguese and Hindi.

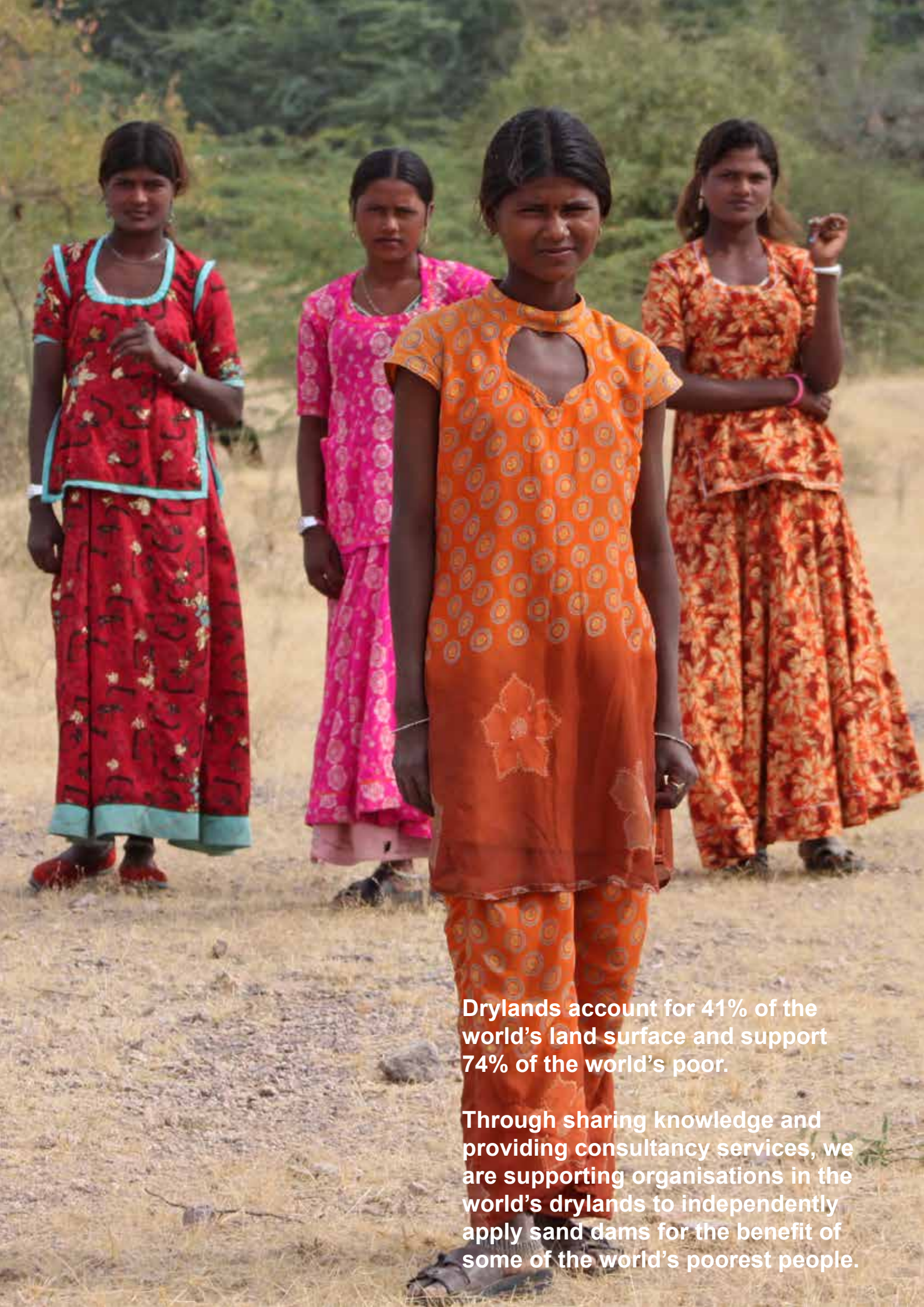
The Excellent Sand Dam manual is also a critical resource to support our learning visits. These are structured, participative courses hosted at ASDF’s base in Kenya. Participants learn about the impacts of sand dams as well as how to site, design and construct a sand dam and design pilot programmes.

In 2012/2013, we held a learning visit with Islamic Relief Worldwide (with representatives from Chad, Cameroon, Niger, Somalia, Sudan and South Sudan), Samaritan’s Purse, Kenya, and Conservation for Environment and Development – a Kenyan NGO. Following this visit, three sand dams have been built in Chad by Islamic Relief.

Pilot programmes

This is our work testing and supporting the application of sand dams in new regions and contexts. In 2012/13 we completed two sand dams in a pilot programme with the Dabane Trust in Zimbabwe, and five sand dams with Ukamba Christian Community Services in Kenya.

We have also completed a feasibility study with Jal Bhagirathi Foundation in Rajasthan, India. This study showed strong potential for sand dams and we look forward to exploring this opportunity, with a view to conducting a pilot programme in 2013/14.



Drylands account for 41% of the world’s land surface and support 74% of the world’s poor.

Through sharing knowledge and providing consultancy services, we are supporting organisations in the world’s drylands to independently apply sand dams for the benefit of some of the world’s poorest people.

As part of our work sharing knowledge of sand dams, we run expeditions to Kenya where people experience first-hand the impacts of sand dams - as well as working closely with a rural community to help build one. Through our expeditions we are advancing the education of the public in the subjects of sustainable grassroots development and the importance of dryland environments.

Our expeditions are about energy, working together, learning and fun. In 2012/13 we organised two expeditions to rural Kenya. In total 17 expeditioners took part - raising a fantastic £17,968 and supporting the construction of two sand dams with two self-help groups.

In addition to our annual summer expedition, we also create bespoke expeditions for schools, Rotary clubs and private businesses.

Experience first-hand how sand dams are transforming lives.

To find out how you could join an Excellent expedition

Visit: www.excellent.org.uk/getinvolved/expeditions
Email: expeditions@excellent.org.uk
Call: +44 (0)20 8232 9050

As a social group our expedition ranges from mid-twenties to retirement age. It's great to meet a huge diversity [of people]... We've all brought different skills and neither one is more valuable than the other.

When you come together and you unite over one thing - it's quite an experience. If you can find anything that touches me the way that Excellent has, I don't think you will ever forget that.

Tom Oliver
Excellent summer expedition
September, 2012

The support they [Excellent expeditioners] gave us was great. We are happy because they helped us finish the sand dam within a very short time. If they had not helped us we would still be building the sand dam.

Say a big hello to Tom and tell him to come back and celebrate with us.

Joyce Wayua
Wendano wa Kithyululu self-help group
September, 2012



Highlights

- Total income has increased by 22% from £964K to £1.18M.
- Increased support for community water & food programmes by 22%.
- Unrestricted funds decreased by 32% from £190K to £130K.
- Total funds have increased by 22% from £371K to £452K.

Summary

Despite facing a challenging fundraising environment, income in 2012-13 rose by 22% to £1.18M and expenditure increased by £96K to £1.1M. The decrease in unrestricted funds of £60K to £130K is caused by unrestricted income increasing by only £3K to £329K. However, total funds at the end of the period were £452K – an increase of £81K.

1. Income

Highlights

- Total income has increased by 22% from £964K to £1.18M.
- Income from Rotary International in Great Britain & Ireland (RIBI) increased by 232% from £30K to £99K.
- Small governments income increased by 90% from £140K to £265K .
- Income from individuals increased by 29% from £177K to £228K.
- £42K Awards income in the period is part of the total £63K for the Nestlé Prize.

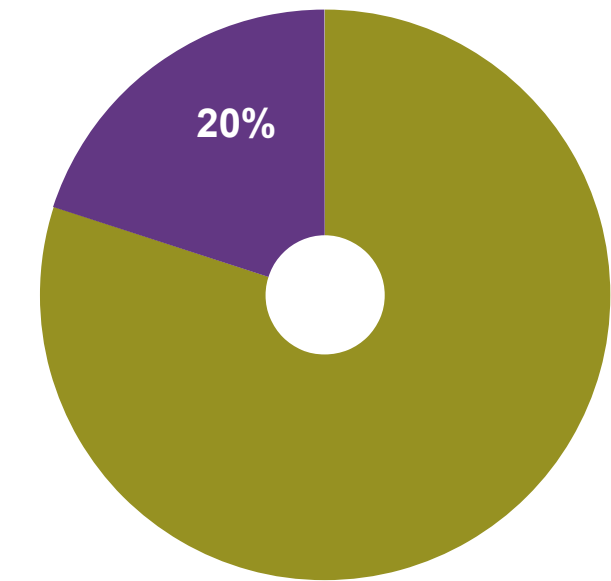
Increases in income from small governments were driven by our first ever grant from Jersey Overseas Aid Commission for £176K and renewed support from the Isle of Man International Development Committee. The £69K increase in Rotary income is attributed to direct fundraising for specific projects by various Rotary Clubs and Districts and our first Rotary International Global Grant for £40K. Excellent Development was awarded one of the two £63K runner-up awards from the international Nestlé Prize in Creating Shared Value.

Trust fundraising is a challenging market. Pressures on charitable trusts' return on investments meant we grew income by only 1% but achieved our first French charitable trust donor: Fondation Ensemble. We also received a grant from Artists Project Earth. We gratefully acknowledge the generosity of all charitable trusts and foundations that have so very kindly supported Excellent Development's work in 2012-13. At £492K, Trusts & foundations income is our single largest income stream, at 42% of total income.

Expedition income is 64% less than the previous year as we unable to run as many expeditions. There were two expeditions in the year in comparison to five in the previous year. £13K of the 2011/12 expeditions income was generated from a team of volunteers climbing Kilimanjaro and £14K from a corporate expedition which were not repeated in 2012-13.

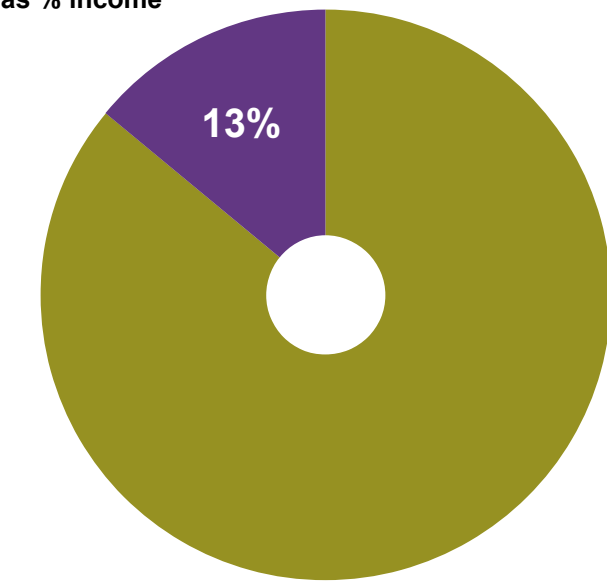
	2012-13	2011-12	Increase £	Increase %
Total Income	£1,177,316	£963,597	£213,719	22%
Individual donors	£227,885	£176,871	£51,014	29%
Media appeals	-	£62,275	£(62,275)	-
Trusts & foundations	£492,044	£485,142	£6,902	1%
Small governments	£265,378	£139,958	£125,420	90%
Awards	£41,768	-	£41,768	-
Corporate	£23,238	£11,666	£11,572	99%
Rotary	£99,023	£29,824	£69,199	232%
Expeditions	£17,968	£49,362	£(31,394)	(64)%
Consultancy income	£9,221	£7,212	£2,009	28%
Bank interest	£791	£1,287	£(496)	(39)%

Voluntary income fundraising costs as % income



■ Fundraising marketing & communications costs as % income.

Trusts & small governments - fundraising costs as % income



■ Trusts & small governments - fundraising costs as % income.

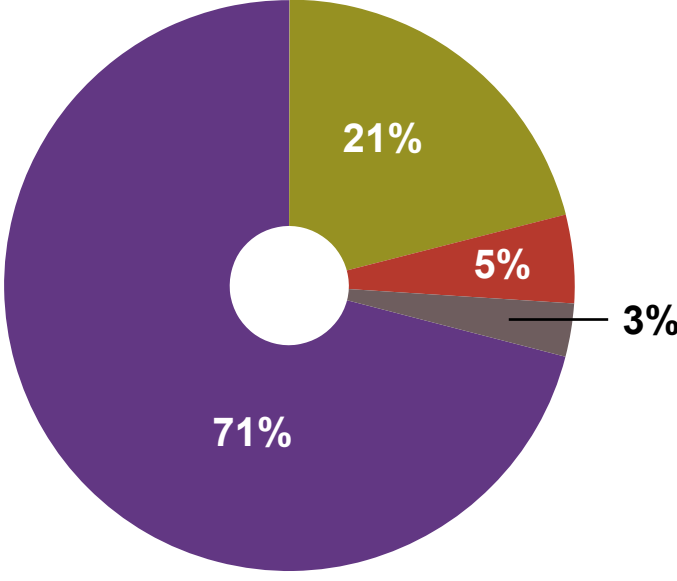
Voluntary income costs stands at 20% due to lower income than planned. While our goal is to reduce fundraising cost to 15% of voluntary income, this remains within our target of 20%. However, it is important to note that fundraising costs for our mature income streams of charitable trusts and small governments is much lower at 13%.

2. Expenditure

Expenditure for the year increased by 10% with charitable expenditure increasing by 5% and standing at 71% of the total. The cost of generating funds increased by £61K due partly to an allocation change. In previous years a proportion of fundraising cost was charged to the cost of promoting sand dams. This method of apportionment has now changed with all fundraising cost charged to fundraising activities in the year - increasing costs by £21K. The other £40K increase in fundraising costs was driven by core costs allocation to Trust Fundraising. Marketing and communications costs decreased by 1% to 5% of total expenditure due to the majority of costs for our new website being in 2011-12. Governance costs decreased by 7% to 3% of the total.

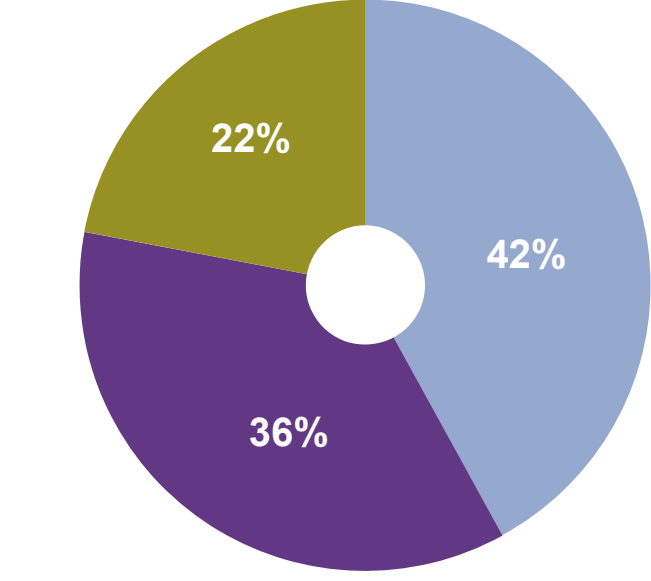
	2012-13	2011-12	Change	Change
	£	£	£	%
Total Expenditure	1,095,923	999,625	96,298	10%
Charitable expenditure	773,973	735,915	38,058	5%
Cost of generating funds	229,389	168,022	61,367	37%
Marketing & communications	58,700	59,188	(488)	(1)%
Governance	33,861	36,500	(2,639)	(7)%

Costs as % expenditure



■ Charitable expenditure	71%
■ Costs of generating funds	21%
■ Marketing & communications costs	5%
■ Governance costs	3%

Charitable expenditure: £773,973



Community water & food programmes	64%
■ Supporting rural communities	42%
■ Creating sustainable futures	22%
Pioneering sand dams	36%

Charitable expenditure

Community water & food programmes
Pioneering sand dams

2012-13	2011-12	Change	Change
£	£	£	%
773,973	735,915	38,058	5%
496,379	405,338	91,041	22%
277,594	330,577	(52,983)	(16)%

Charitable expenditure stands at 71% of total expenditure. However, overall charitable expenditure has risen by 5% - driven by increased support to strategic partner ASDF who have significantly increased the scale of their operations in Kenya. ASDF increased the number of dams built by 25% from 30 to 40 sand dams; 15% increase in the number of communities supported from 34 to 39, and constructed 12 school water tanks and a rock catchment. Correspondingly ASDF increased their team from 33 to 39 to support the overall growth.

Pioneering sand dams expenditure

Promoting sand dams
Knowledge sharing
Pilot programmes
Evidence & research

2012-13	2011-12	Change
£	£	%
277,594	330,577	(16)%
131,848	181,615	(27)%
63,154	53,362	18%
66,158	81,607	(19)%
16,434	13,993	17%

The £50K reduction in promoting sand dams was caused by £21K moved to fundraising costs due to the allocation change outlined earlier. In 2011-12 the cost of promoting sand dams included £2K of fundraising staff cost. Pilot programme expenditure decreased by 19% because the UCCS, Kenya and Water Aid Uganda programmes finished at the end of 2011/12 and other programmes started later in the year. The 18% increase in knowledge sharing expenditure was due to investment in developing the Sand Dam Manual. Evidence & research costs increased by 17% to support research in harvesting water from road crossings and water quality and river sediment analysis.

Having completed our tenth year of operation and having gone through tremendous change during that time, we undertook a wholesale strategic review between September 2012 and January 2013. We were supported with this by the Venture Partnership Foundation (VPF) and provided with excellent pro bono facilitation support by management consultancy Oliver Wyman.

The first step was to clarify our existing vision that ‘Sand dams will transform millions of lives’ to focus more on the public benefit of our work i.e. ‘Millions of the world’s poorest people’s lives are transformed through sand dams’. This puts at the forefront why as an organisation we exist, while also retaining the important role that we believe sand dams have to contribute to that purpose.

We redefined how our work is divided into two connected sets of activities:

(i) Community water & food programmes
(ii) Pioneering sand dams

Community water & food programmes

These remain our core propositions and the strategic intent is to develop more programmes (as one of the outcomes of pioneering sand dams) in different dryland areas. The intent is to develop programmes that will progress to the strategic level of our work with Africa Sand Dam Foundation (ASDF) in Kenya, whereby the partnership also includes supporting the pioneering of sand dams through the provision of learning visits and technical support, as well as participation in research.

The priorities are to support water and food programmes, rather than just water security, and to develop strategic partnerships leading to the creation of additional ‘centres of excellence’ to ASDF, with the following geographical priorities:

- Indian sub-continent.
- Southern Africa.
- Sahel/West Africa.
- South America.

In terms of the nature of the water & food programmes, while the focus will remain on sand dams we will continue to support other rainwater harvesting techniques such as rooftop harvesting for schools and rock catchments. In terms of food programmes, focus will remain on community level interventions in climate-smart agriculture and seed security. We will also continue to consider supporting community food and income initiatives such as fish farming, vegetable irrigation, and improved livestock programmes.

Pioneering sand dams

Pioneering sand dams is the method to increase the number of water & food programmes we support (and then develop broader strategic partnerships like ASDF). However, the wider intent is to position sand dams as a critical intervention

in drylands, widely adopted by dryland governments and local and international organisations. It is only through this wider adoption that the lives of millions of the world’s poorest people will be transformed by sand dams.

In this light, we have segregated the activities in pioneering sand dams into four areas of activity, each with their own complimentary priorities:

- Promoting sand dams.
- Sharing knowledge.
- Pilot programmes.
- Evidence & research.

Promoting sand dams

The purpose of this area of activity is to promote the wider understanding and adoption of sand dams to help achieve our vision through influencing key decision makers.

A key decision was to shift our approach from a focus on local and international NGOs as a means of promoting sand dams, to re-prioritise our activities and audience on the key decision makers to achieve our vision. This means that there should be greater priority on policy makers and those investing funds rather than practitioners. In particular: donor governments (especially DfID and USAID), dryland governments, and international agencies.

Another area of clarity from the review is an understanding of the need to promote the holistic impacts of sand dams and their relative connection to global challenges:

(i) Climate change adaptation.
(i) Combating desertification.
(iii) Reducing conflict.
(iv) Disaster resilience.
(v) Protecting bio-diversity.
(vi) Climate change mitigation.
(vii) Green economic growth.

The planned www.sanddams.com website is seen a key tool for promoting sand dam technology and its linkages, alongside social media (esp. Twitter and LinkedIn).

Knowledge sharing

The two priority areas remain the Sand Dam Manual and learning visits. The key next steps for the Sand Dam Manual is a second edition and translations into French, Hindi and Portuguese. In terms of learning visits, the key priorities are to develop them into an income source, part of which is to offer a split programme for decision makers and project managers and practitioners.

Pilot programmes

Pilot programmes are where we support other organisations to pilot sand dam technology by supporting them through a step by step process of pre-feasibility, feasibility, pilot planning, pilot implementation, pilot evaluation and programme planning.

We reviewed pilot programme opportunities in relation to geography, applications and/or livelihoods of beneficiaries, as this is key to demonstrate the scale of opportunity for sand dams to alleviate poverty for millions of the world’s poorest people. The current priorities identified were:

- India sub-continent.
- East Africa pastoralist.
- Rural road crossings.
- Southern Africa.
- Sahel/West Africa.

Where opportunities exist to forward our vision, or achieve income for reinvestment, these priorities will be reviewed. In all cases, the ability to fund the activity from specific income raised is critical to the sustainability of Excellent Development.

Evidence & research

A critical enabler of promoting sand dams and attracting funding for all programmes is to be able to evidence the impacts of sand dams and related soil and water conservation and food production activities.

While some of this is achieved through the standard evaluation processes used in water and food programmes, there is a need to identify and prioritise the other evidence and research required. This can be achieved either by research on existing programmes or integrating research activities into a new pilot programme.

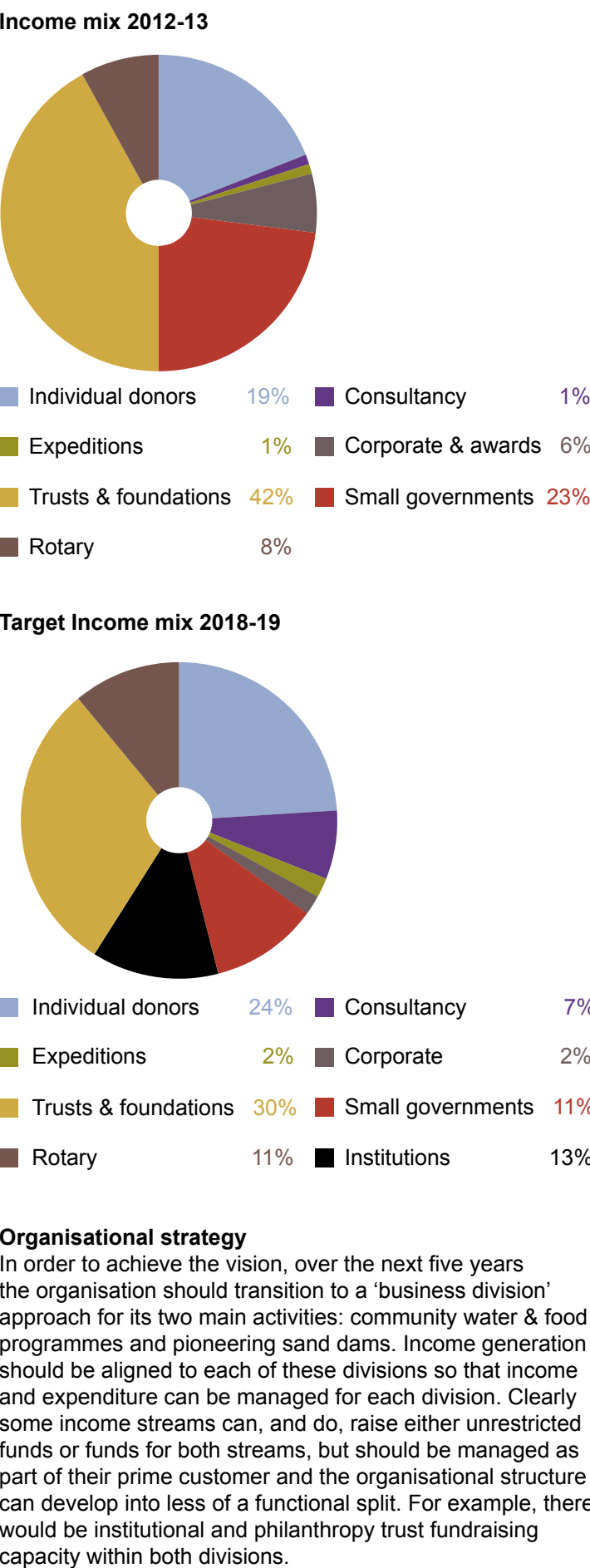
The key priorities identified were: water quality, rural road crossings, Normalised Distribution Vegetation Index (measuring the impact of sand dam programmes on vegetation coverage all year round), and sedimentation (identifying the optimum range of river sedimentation types from coarse sand to silt).

Income generation

In order to achieve Excellent’s vision, we will need to treble income over the next six years. To achieve this there needs to be a diversification of income streams and significant growth in some current income streams. The current income streams most likely to achieve this level of growth are: Rotary, individual giving, and philanthropic trusts.

The new income streams critical for us to implement are institutional funding for all our programmes, and consultancy income for pilot programmes (from pre-feasibility studies to scaled programme design), and payment for learning visits.

While promoting sand dams is able to significantly raise income from institutional sources, the focus also needs to be on being paid to carry out consultancy services. Non-core consultancy services would need to be highly profitable to be considered.





Community water & food programmes

- Funding our strategic partner, Africa Sand Dam Foundation (ASDF), to build 30 of their planned 45 sand dams.
- Continue investment in ASDF's communications and fundraising capacity, including the development of a website.
- Strengthening the finance and monitoring/evaluation functions of ASDF.

Pioneering sand dams

- Launch the second edition of the Excellent Sand Dam Manual.
- Conduct a pilot programme in Rajasthan, India, with Jal Bhagirathi Foundation.
- Co-sponsor and participate in the Caux Dialogue on Land and Security, with the Initiatives of Change and UN Convention to Combat Desertification (UNCCD).
- Launch SandDams.com to promote the potential and applications of sand dams.
- Host learning visits in Kenya with at least three organisations.
- Gain UNCCD accreditation.

Evidence & research

- Continue research into water quality from sand dams, school water tanks and rock catchments.
- Develop a three year research strategy.
- Develop research into the application of sand dams as rural road crossings.

Marketing & communications

- Integrate our new brand through a suite of marketing materials that promote our work with community food & water programmes and pioneering sand dams.
- Invest in developing our digital communications networks.

Fundraising

- Continue growth in individual & community giving.
- Further develop our relationship and income with Rotary.
- Focus on achieving DfID funding.
- Register as a charitable organisation in the Isle of Man.
- Diversify trust fundraising propositions.



Excellent Development Limited is governed by its Memorandum and Articles of Association as a company limited by guarantee. The Trustees and Members during the year were as follows:

Trustees & Members: Stephen Owen
Darren John Worsley
Mark Murphy
Christopher Ian Pockett
Richard Alan Barnes (Appointed 30 May 2012)

Trustees: Tim James Wood
Alison Jayne Bell (Appointed 30 May 2012)

Additional Members: Simon Richard Maddrell
Jenine Ruth Langrish
Fiona Charlotte Moore
Richard Pearce-Thmoas
Sir Edward Clay (Appointed 30 May 2012)

Patrons: Lord Joel Joffe CBE
Sir Edward Clay

Executive Director: Simon Richard Maddrell

Head of Operations: Louise Frances Storey

Operational address: Studio 59
The Market Building
195 High Street
Brentford
TW8 8LB
Telephone: +44 (0)20 8232 9050
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 Kings Valley Yew Street Stockport SK4 2JU	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Mailing, Kent ME19 4JQ
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Auditors: Michael Kay & Company Ltd.
2 Water Court
Water Street
Birmingham
B3 1HP

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 Chairman 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 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.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission’s general guidance on public benefit, ‘Charities and Public Benefit’.

Excellent Development’s charitable purpose is enshrined in its objects:

- To promote the conservation, protection, and improvement of the physical and natural environment for the public benefit.
- To relieve poverty, in particular but not exclusively, by supporting sustainable development projects.
- 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.

The Trustees ensure that this purpose is carried out for the public benefit by ensuring our operational activity, both in the UK and overseas, directly supports the charity’s objects. This is reviewed both through direct management control, our evaluation and monitoring reporting, and by our financial control regime.

Excellent Development’s philosophy is community driven, in that the work we facilitate is based on the needs of the communities we work with, as identified by the members of those communities.

The structure of the Trustees’ Annual Report allows us to report on our strategic objectives, activities and achievements as well as future plans. We have included extracts from the evaluations carried out with communities on pages 06-12.

Communities have described the benefits and impacts of the work they do, supported by Excellent, clearly demonstrating the linkage to our charitable objects.

Risk assessment

The Trustees have a structured approach to fulfil their responsibilities as regards 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 systems in place to mitigate the major risks facing the charity which they have identified.

Grant management policy

The majority of Excellent’s charitable work 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 will be 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 the Engagement Process.
- The proposed project fits with Excellent’s charitable objects.
- The proposed project fits with the current strategic direction and priorities set out in Excellent’s strategy.
- The organisation has the necessary skills, knowledge, experience and capacity to carry out the proposed activities (technical, operational, managerial, financial and logistical) 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.
- Excellent Development believes that the organisation and the project will efficiently and effectively support the mission and vision of Excellent.
- The organisation is willing and able to provide sufficient information and evidence to enable fundraising applications and fundraising reporting to meet the needs of donors.

- 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 management capacity. All grants follow an approval process involving the Head of Operations, 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 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.

	£	Minimum Months	Maximum Months	Actual Months	Minimum Variance
Annual core costs 2012/13	601,459				
Reserves* as at 30th March 2013	130,235	3.0	12.0	2.6	(0.4)
Annual total expenditure 2012/13	1,095,923				
Available funds‡ as at 30th March 2013	446,950	4.0	8.0	4.9	0.9

* 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).

The current level of reserves is below the minimum level due to significant increases in expenditure combined with no growth in unrestricted income. Total available funds have increased by £81,570 bringing them to 22% above the minimum policy level. The Trustees will focus on increasing reserves and total funds to the target policy level of six months during the next year.

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.

As a result of the adverse publicity relating to Co-operative Bank, the Finance sub-committee discussed its suitability for holding funds, and it was decided to remain with the Bank but continue to monitor the situation.

Appointment of auditors

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

By order of the board on 21 January 2014

Stephen Owen
Chair

Independent Auditor’s Report to the members of
Excellent Development Ltd

We have audited the financial statements of Excellent Development Limited for the period ended 30 March 2013 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 22, 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 30 March 2013, 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 matter 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 Ltd
2 Water Court
Water Street
Birmingham
B3 1HP

Date: 21 January 2014

Excellent Development Limited (Company Reg. No. 4432166)
Statement of Financial Activities
Including income and expenditure account
For the period ended 30 March 2013

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	Note	2013 Unrestricted £	2013 Restricted £	2013 Total £	2012 Total £
INCOMING RESOURCES					
Voluntary income	2	320,149	829,187	1,149,336	905,736
Income from generating funds	3	-	17,968	17,968	49,362
Income from charitable activities	4	8,397	824	9,221	7,212
Investment management & interest	5	230	561	791	1,287
Total incoming resources		328,776	848,540	1,177,316	963,597
RESOURCES EXPENDED					
Cost of generating funds					
Marketing & communications costs	6	27,119	31,581	58,700	59,188
Voluntary income costs	7	141,204	82,468	223,672	147,765
Activities for generating funds costs	8	2,635	2,156	4,791	19,196
Income from charitable activities costs	9	926	-	926	1,061
Total cost of generating funds		171,884	116,205	288,089	227,210
Charitable activities					
Community water & food programmes	10	27,593	468,786	496,379	405,338
Pioneering sand dams	11	187,652	89,942	277,594	330,577
Total charitable expenditure	12	215,245	558,728	773,973	735,915
Governance costs					
	13	1,883	31,978	33,861	36,500
TOTAL RESOURCES EXPENDED		389,012	706,911	1,095,923	999,625
Exchange rate gain/(losses)		4	-	4	(3)
NET INCOMING/(OUTGOING) RESOURCES		(60,232)	141,629	81,397	(36,031)

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 30 March 2013

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	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	14	5,300	5,473
Investment in subsidiaries	15	1	1
Total fixed assets		5,301	5,474
Current assets			
Debtors	16	50,318	93,606
Cash at bank and in hand	17	462,205	340,949
Total current assets		512,523	434,555
Current liabilities			
Creditors falling due within one year	18	(65,574)	(69,176)
Net current assets		446,949	365,379
Net assets less current liabilities		452,250	370,853
Financed by:			
Unrestricted funds	19	130,235	190,294
Restricted funds		316,715	175,086
Property and equipment fund		5,300	5,473
Total funds		452,250	370,853

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 21 January 2014.



Tim Wood
Treasurer

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), registered company no. 5105411. EDTL became dormant on 31 March 2010 and all trading activities of the company were transferred to the Charity from that date. 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.

Income is deferred only when the Charity has to fulfill 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.

Core costs summary

	2013		2012	
	%	£	%	£
Breakdown of Total Core Costs				
Employment costs	91.2	548,708	87.8	477,436
Accommodation costs	4.1	24,554	5.7	31,184
Administration costs	4.7	28,197	6.5	35,307
	100.0	601,459	100.0	543,927

Core costs allocation

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

	2013		2012	
	%	£	%	£
Cost of generating funds				
Marketing & communications costs	7.4	44,510	7.6	41,398
Voluntary income costs	32.0	192,761	20.6	112,246
Activities to generate funds costs	0.8	4,791	1.8	9,588
Income from charitable activities costs	0.2	926	0.2	1,061
	40.4	242,988	30.2	164,293

Direct charitable expenditure

Community water & food programmes	4.9	29,520	5.2	28,495
Pioneering sand dams	24.9	149,569	29.2	158,569
	29.8	179,089	34.4	187,064

Governance	3.4	20,558	5.2	28,386
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Support costs

Community water & food programmes	13.8	82,734	15.2	82,539
Pioneering sand dams	12.6	76,090	15.0	81,645

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 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 of £187,344 (per Note 12) are represented by core costs (£158,824) and travel and accommodation (£28,520).

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

Support cost allocation:	%
Community water & food programmes	44.4%
Pioneering sand dams	55.6%

1.5 Tangible fixed assets and depreciation

Fixed assets costing more than £500 are capitalised.

Depreciation:	%	Basis
Fixtures, fittings & 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

	2013 Unrestricted £	2013 Restricted £	2013 Total £	2012 Total £
Individual donors	173,020	54,865	227,885	176,871
Media appeals	-	-	-	62,275
Trusts & foundations	141,110	350,934	492,044	485,142
Small governments	-	265,378	265,378	139,958
Awards	-	41,768	41,768	-
Corporate	2,809	20,429	23,238	11,666
Rotary & schools	3,210	95,813	99,023	29,824
Total	320,149	829,187	1,149,336	905,736

3. Activities for generating funds

	2013 Unrestricted £	2013 Restricted £	2013 Total £	2012 Total £
Expeditions	-	17,968	17,968	49,362
Total	-	17,968	17,968	49,362

4. Income from charitable activities

	2013 Unrestricted £	2013 Restricted £	2013 Total £	2012 Total £
Consultancy income	8,397	824	9,221	7,212
Total	8,397	824	9,221	7,212

5. Investment management and interest

	2013 Unrestricted £	2013 Restricted £	2013 Total £	2012 Total £
Bank interest	230	561	791	1,287
Total	230	561	791	1,287

6. Marketing & communications costs

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£	£	£	£
Design & print costs	1,915	2,232	4,147	13,392
Marketing services costs	483	562	1,045	2,778
Website & social media costs	3,579	4,167	7,746	-
Other marketing & communications costs	578	674	1,252	1,620
Core cost allocation (see note 1.4)	20,564	23,946	44,510	41,398
Total	27,119	31,581	58,700	59,188

7. Voluntary income costs

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£	£	£	£
Individual donors costs	82,928	6,679	89,607	76,707
Media appeals costs	-	-	-	576
Trusts & foundations costs	45,912	41,299	87,211	37,286
Small governments costs	2,852	11,314	14,166	10,252
Awards costs	2,652	-	2,652	1,466
Corporate costs	810	6,147	6,957	4,981
Rotary & schools costs	6,050	17,029	23,079	16,497
Total	141,204	82,468	223,672	147,765

* Core costs of £192,761 in 2013 have been allocated across the income stream activities (see Note 1.4).

8. Activities to generate funds costs

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£	£	£	£
Expeditions costs	2,635	2,156	4,791	19,196
Trading costs	-	-	-	-
Total	2,635	2,156	4,791	19,196

* Core costs of £4,791 in 2013 have been allocated across the activities to generate funds (see Note 1.4).

9. Income from charitable activities costs

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£	£	£	£
Consultancy income costs	926	-	926	1,061
Total	926	-	926	1,061

* Core costs of £926 in 2013 have been allocated to consultancy income costs (see Note 1.4).

10. Community water & food programmes

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£	£	£	£
ASDF, Kenya	27,593	468,786	496,379	405,338
Total	27,593	468,786	496,379	405,338

* Core costs of £29,520 in 2013 have been allocated to the charitable activity (see Note 1.4).

11. Pioneering sand dams

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£	£	£	£
Evidence & research	13,222	3,212	16,434	13,993
Promoting sand dams*	85,427	46,421	131,848	181,615
Knowledge sharing	43,989	19,165	63,154	53,362
Pilot programmes:				
UCCS, Kenya	840	885	1,725	29,947
Water Aid, Uganda	-	-	-	25,615
Dabane Trust, Zimbabwe	11,761	4,052	15,813	17,441
JBF, India	32,413	16,207	48,620	-
ASDF, Kenya	-	-	-	8,604
Total	187,652	89,942	277,594	330,577

* Core costs of £149,569 in 2013 have been allocated to the charitable activity (see Note 1.4).

* £6,050 invested in development education in 2011-12 has been included in promoting sand dams, making the total comparative £330,577, not £324,527.

12. Analysis of charitable expenditure

	2013 Support costs	2013 In kind grants	2013 Direct grants	2013 Total	2012 Total
	£	£	£	£	£
Community water & food programmes	83,250	29,520	383,609	496,379	405,338
Pioneering sand dams	104,094	149,569	23,931	277,594	330,577
Total	187,344	179,089	407,540	773,973	735,915

* Core costs of £158,824 in 2013 have been allocated across support costs and in-kind grants (see Note 1.4).

13. Governance

	2013	2012
	Total	Total
	£	£
Audit fees	3,474	4,228
Insurance	1,753	-
Professional fees & registrations	2,110	-
Trustee expenses	4,616	2,742
Other governance expenses	1,350	1,144
Allocation of core costs (see Note 1.4)	20,558	28,386
	33,861	36,500

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 follows:

	2013	2012
	£	£
Trustee expenses		
Memberships	147	144
Trustee indemnity insurance	601	721
UK travel	2,513	868
Overseas travel	562	-
Communications	426	542
Meetings & conferences	367	467
Total	4,616	2,742

14. Tangible fixed assets

	2013	2012
	£	£
Cost or valuation:		
Opening balance	33,439	29,011
Additions	4,057	4,428
Disposal	-	-
Balance as at period end	37,496	33,439
Depreciation:		
Opening balance	27,966	24,417
Charge for year	4,230	3,549
Disposal	-	-
Balance as at period end	32,196	27,966

15. Investment in subsidiaries

	2013	2012
	£	£
Investment in Excellent Development Trading Limited	1	1
Total	1	1

16. Debtors

	2013	2012
	£	£
Debtors	6,918	48,081
Prepayments	6,557	27,726
Accrued income	34,629	14,707
Other debtors	2,214	3,092
Total	50,318	93,606

17. Cash at bank & in hand

	2013	2012
	£	£
Bank account	461,506	340,441
Petty cash	699	508
Total	462,205	340,949

18. Creditors: amounts falling due within one year

	2013	2012
	£	£
Creditors	35,854	43,467
Accruals	12,818	4,200
PAYE	16,902	14,617
Deferred income	-	6,892
Total	65,574	69,176

19. Movement in funds

	As at 1 st April 2012	Incoming resources	Outgoing resources	Transfers	Total Movements	As at 30 th March 2013
Fund types	£	£	£	£	£	£
Unrestricted	190,294	328,776	(389,008)	173	(60,059)	130,235
Restricted	175,086	848,540	(706,911)	-	141,629	316,715
Property & equipment	5,473	-	-	(173)	(173)	5,300
Total funds	370,853	1,177,316	(1,095,919)	-	81,397	452,250

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 funds	Total funds
	£	£	£	£
Fixed assets	1	-	5,300	5,301
Current assets	174,248	338,275	-	512,523
Current liabilities	(44,014)	(21,560)	-	(65,574)
Total assets less current liabilities	130,235	316,715	5,300	452,250

21. Financial commitments

As at 30th March 2013 the Charity is committed to a lease for its office until 19th September 2014 (£22,151).

22. Subsidiary undertakings

The Charity has a wholly-owned subsidiary company, Excellent Development Trading Limited (EDTL), registered company no. 5105411. EDTL became dormant on 31st March 2010 and all balances and trading activities of the company were transferred to the Charity from that date (see note 1.2).

23. Employees

	2013	2012
	£	£
Salaries and wages	471,016	405,793
Employer NIC	47,362	42,348
Total	518,378	448,141

Average number of employees (includes maternity leave cover)	12.8	10.7
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One employee earned £71,617 during the year.

24. Related parties

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

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