

Excellent Development

Annual Report 2015/16



1 million sand dams for

0.5 billion people by 2040

Excellent Development supports some of the world's poorest people by helping them 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.

Excellent Development Limited is a charitable company limited by guarantee.

This report is available online at www.excellent.org.uk/resources/publications

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Photo: Front cover

Children at a mature sand dam in southeast Kenya. Photo © Polly Braden.

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"The sand dams have made me, my family and my farm, much healthier and happier."



Photo: Faith Kiio, farmer and mother from the Nthangyu East B self-help group, southeast Kenya.

Lifetime achievements.

871,029

People with access to safe water

£10.76

Cost per person with safe water

896

Sand dams enabled

£10,462

Cost per sand dam enabled



£10,146,468

Total income

8

Countries

75%

Charitable expenditure

A note from our Chairman.

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.



My first words as the new Chairman of Excellent Development must be to acknowledge the role played by my predecessor, Stephen Owen. Stephen was a founder member of Excellent and fulfilled the role of Chairman for its first 13 years, standing down in September 2015.

Stephen provided guidance and wisdom as Chairman, and led our vision for millions of the world's poorest people to have transformed their own lives with sand dams. He passionately believed that the dignity of the people we work with should not be diminished in the stories we had to tell and ensured that this philosophy was embedded in all aspects of our work. I was delighted when Stephen agreed to remain a Trustee and I am grateful for the advice and support he has given me in my first few months as the new Chairman.

My journey with Excellent started when I became a donor, in 2010. I later took the opportunity to visit rural communities in Kenya, where Excellent had enabled the construction of sand dams, and other water and soil conservation projects, and was profoundly impressed with the truly transformational impact on people's lives.

I am now honoured to be much more closely involved, working with such a dedicated and professional team who are committed to pioneering the application of sand dam technology wherever it can make a positive difference to people's lives.

The potential for sand dams, and the other work we support, is almost limitless. In order for us to achieve our potential we must continue to pioneer sand dams, to gather the evidence which clearly demonstrates their economic, social and environmental impact providing safe water for people, livestock and wildlife; promoting biodiversity and reducing conflict. And we will work in partnership with policy makers, national governments, international NGOs, funding agencies, multilateral organisations, corporate entities and civil engineering firms, influencing and educating them to include sand dams as a sustainable approach to water security.

2015/16 was a year of steady growth for Excellent, a year in which we broadened our focus to include sand dams as road crossings, and we will continue to focus on demonstrating their potential to provide water with improved infrastructure.

I am hugely motivated, as the new Chairman, to work with the Board, members and staff, to help Excellent achieve its goal to enable 1 million sand dams for 0.5 billion people by 2040.

I hope this Annual Report succeeds in illustrating the impact of your investment in Excellent's projects and we are tremendously grateful to all of our supporters – past, present and future – that make this work possible.

**David Jordan OBE
Chairman**

We have enabled over 870,000 people to have year-round safe water close to home.



Photo: A member of the Wasya Wa Athi B self-help group, southeast Kenya, pumps clean water from a shallow well.

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

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 three 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.
- By influencing and educating those who can help achieve our vision including – but not limited to – policy makers, international NGOs, government departments and civil engineering firms.

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 pioneer the application of sand dam technology as part of an integrated approach to water security, sustainable development and infrastructure development.
- To influence and educate via research, development of manuals and proofs, lobbying and partnerships such that Excellent becomes the acknowledged source of expertise in this area.

Strategic objectives and public benefit statement

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

- 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.

Journey to our vision.

The importance of drylands

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 people.

They 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.

Sand dam market penetration

The potential for sand dams to contribute to drylands prosperity is enormous, if they are built at sufficient scale.

The Ukambani region is the only region so far to construct sand dams on a large scale – with around 2,000 sand dams built, of which Excellent has enabled 774.

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.

We estimate that there are 2,000 more sand dams in the world, in around 20 countries – of which Excellent has enabled 122, in eight countries.

However, the potential demand for sand dams worldwide could be for as many as 3 million dams, supporting 1 billion people – which could be achievable by 2060.

Extending our impact

Successful scaling-up requires the flexible application of sand dam technology in different contexts; considering cultures, livelihoods and a wide variety of environmental factors.

The majority of sand dams constructed up until 2010 support agriculturalists in dry sub-humid and semi-arid environments.

But people living in rural drylands also tend 50% of the world's livestock. So our strategy focuses on expanding sand dams into arid zones and for a wider range of rural dryland livelihoods: agropastoral, pastoral and wildlife-dependent communities. Constructing sand dams in community wildlife conservancies and reserves brings a wide range of benefits, including reducing human-wildlife conflict, improving tourism and other livelihoods, protecting endangered species and preserving biodiversity.

Asia is of particular strategic importance as it has three-times the rural drylands population of Africa – of 1.4 billion people.

India alone has a 20% higher population than the whole of dryland Africa (0.5 billion people), and Rajasthan has 3.5 times the dryland rural population than Kenya (52 million people).

Our current focus in Rajasthan, is in Barmer and Jalor, which are the same size as Ukambani (38,000 km²) but have a rural population of 4.1 million (85% more than Ukambani). Here, working with our partner in Rajasthan, Jal Bhagirathi Foundation, communities fund 30% of the project costs and one strategic aim for India is to move towards 100% in-country funding.

We aim to establish a second regional capacity, probably in Tamil Nadu, (rural population of 37 million) southern India, where water scarcity is also a severe problem inland. We have established significant potential for sand dams here.

Paths to mainstream use

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

We have therefore identified the following key changes required to enable sand dams to become a mainstream water technology solution in drylands:

1. Investment by local and national governments in water infrastructure either through paying communities to self-build or through subcontracting.
2. The adoption of sand dams as low-volume rural road crossings, represents an opportunity to leverage billions of dollars invested in road bridge design to create highly accessible hubs integrating water supply, farming and markets in one location.
3. 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.

Beyond continuing our programmes in East Africa, Southern Africa and Rajasthan, we are conscious that there is a need to support people in drylands in West Africa, Middle East and North Africa, the rest of India and Asia as well as in South America.

Dryland's people in the world are:

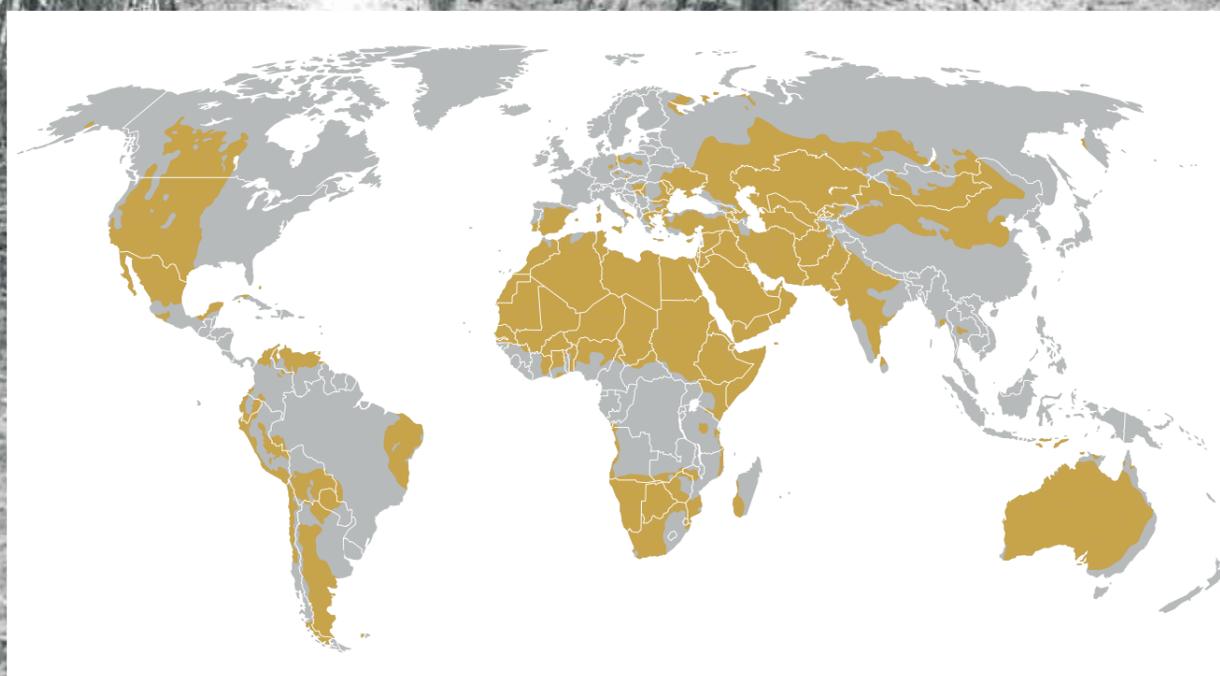
35% of the population.

74% of the poor.

80% of the hungry,

and affected by 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 and water conservation terracing, Kathekani, Mtito Andei, southeastern Kenya.

Examples of progress and opportunities

- In Kenya, the devolution of powers and resources to county governments creates greater likelihood of investment in sand dams. This has 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. This achieved 'a first' – the national government's commitment 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.

Strategic priorities

- Support communities in drylands with sand dam technology through partnerships and expertise.
- Establish and integrate sand dams as a key water supply option together with other water solutions and their providers.
- Specifically to create a sand dam 'manual' that provides a 'how to' for communities and partners.
- Partner with organisations at the local, national and international level to influence and support wider adoption of sand dam technology through the use of research, development of manuals, and deep understanding of how and where sand dams are applicable.
- 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 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.

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. To achieve this, we need to develop:

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.

Tools:

- A knowledge-based programme management system to apply the technology systematically.
- Remote technical and socio-economic feasibility studies utilising Geographic Information System (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.



Photo: A farming family from the Mutethya self-help group, southeast Kenya.

Transforming lives.

Beyond access to safe water

Our work focuses on supporting people to gain access to safe water and grow enough food to eat and sell. However, this is just the beginning. Our vision is for millions of the world's poorest people to transform their own lives and achieve real personal human development. This includes a positive transformational change in well-being, a concept that can be difficult to measure but which is vital for demonstrating impact and enabling us to effectively improve our approach. For us, this wellbeing is 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, we searched for a more all-encompassing way to quantify the elusive idea across all of our overseas programmes.

This resulted in us identifying five key indicators for well-being: hope, confidence, empowerment, pride and freedom. In collaboration with the Africa Sand Dam Foundation we developed a questionnaire around these sub-categories and, in 2015/16, conducted pilot assessments with self-help groups (SHGs). In 2016/17 this will be developed into a standard questionnaire integrated into SHG surveys in order to observe our impact on well-being over time for all programme beneficiaries. From 2017/18 this will be a standard part of our impact assessments.



"We have really benefited from our sand dams. We now have easy access to water, unlike in the past when we would spend almost half a day collecting water... instead we spend that time farming. Water is no longer a problem... We are not the way we used to be."

Photo: Peter Mwanza, Munyuni self-help group, southeast Kenya.

Financial review.

Compared with last year:

12%

Increase in charitable expenditure

19%

Increase in income

9%

Increase in direct grants to partners

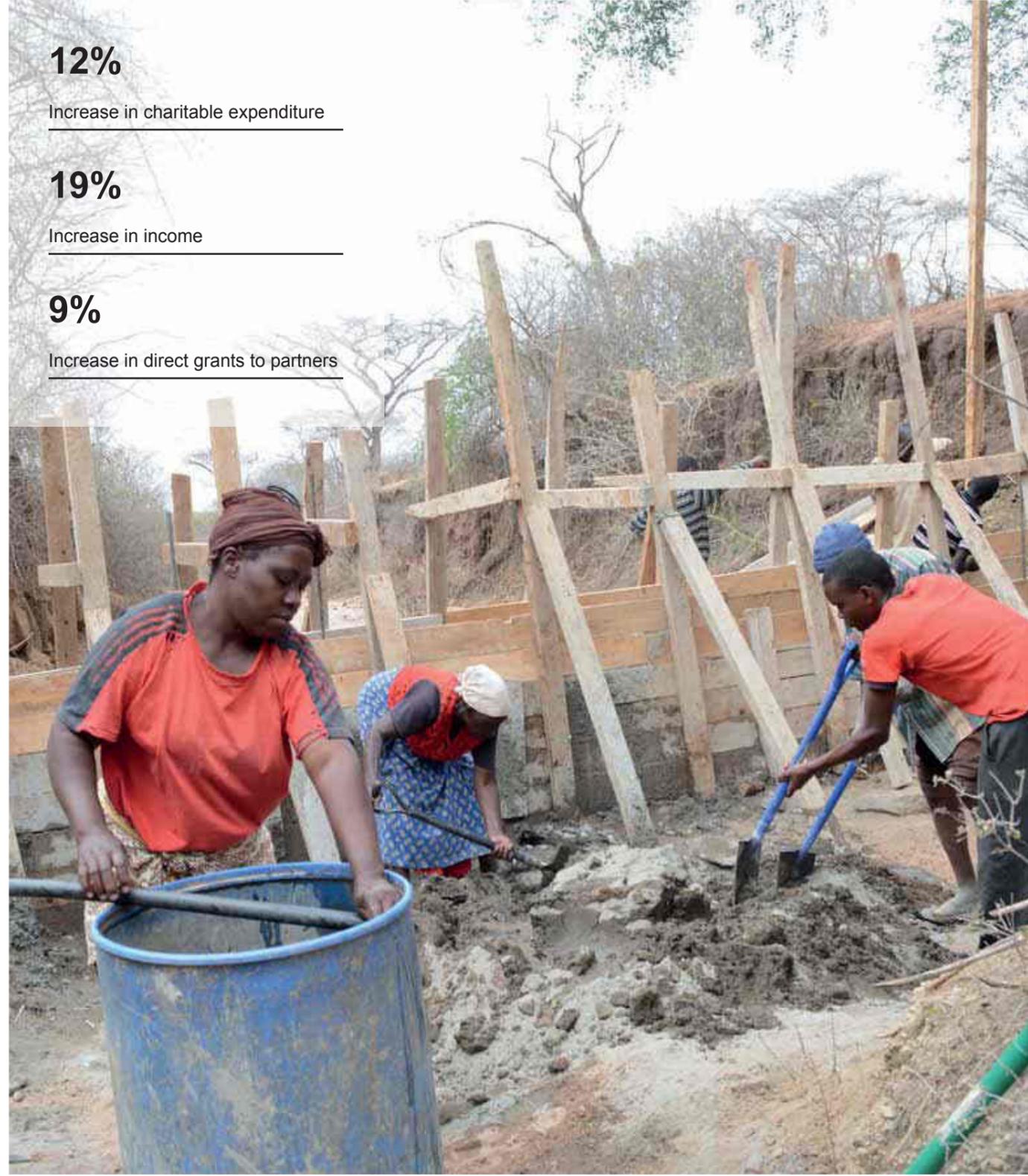


Photo: Members of the Kyeni Kya Syatu self-help group, southeast Kenya, in the process of building a sand dam.

We achieved an increase in both income and charitable expenditure in 2015/16.

The results of the year's operations are set out in the attached financial statements. The total retained reserves at 31 March 2016 amounted to £176k.

In 2015/16 we achieved a surplus of £220k, an increase of £131k from the previous year. The surplus was due to a 19% growth in income to £1.5m, with only a 9% increase in expenditure.

	2014/15 actual £000	2015/16 actual £000	2014/15 to 2015/16 Movement	%
Total income	1,291	1,534	243	19
Total expenditure	1,202	1,314	(112)	(9)
Surplus/(deficit)	89	220	131	

Expenditure

Overall expenditure for the year ended 31 March 2016 was £1,314k, an increase from £1,202k in 2015.

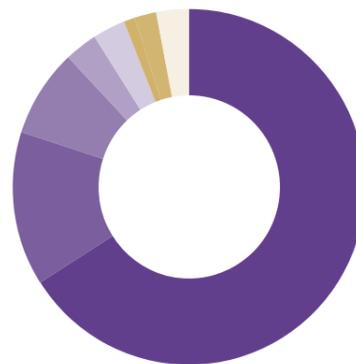
All of this increase was spent on our charitable activities which increased by 12% to £1,037k. £47k in resources was released by a reduction in expenditure on pioneering sand dams by 46%. This, along with the additional income raised enabled an increase on overseas programmes of 18.9%.

In 2016/17 our investment in charitable activities is planned to increase by 32% over five programmes within four countries.

Charitable expenditure as a % of total expenditure

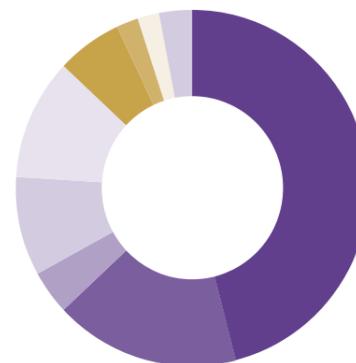
	2014/15 £000	2015/16 £000
Total spend on charitable activities	926	1,037
Total spend	1,202	1,314
Ratio	77%	79%

2015/16 Actual charitable expenditure; £1,037k



- 66% Community water and food, southeast Kenya
- 14% Community wildlife conservancies, Lekurruki, northern Kenya
- 8% Pastoralists for peace, northern Kenya
- 3% Water for arid lands, India
- 3% Building sand dam capacity, Southern Africa
- 1% Community wildlife conservancies, Northern Rangelands, Kenya
- 2% Promoting sand dams
- 3% Knowledge sharing

2016/17 Planned charitable expenditure, £1,372k



- 46% Community water and food, southeast Kenya
- 17% Community wildlife conservancies, Lekurruki, northern Kenya
- 4% Pastoralists for peace, northern Kenya
- 9% Water for arid lands, India
- 11% Building sand dam capacity, Southern Africa
- 6% Community wildlife conservancies, Northern Rangelands, Kenya
- 2% Promoting sand dams
- 2% Evidence and research
- 3% Knowledge sharing

Income

Income for the year ended 31st March 2016 amounted to £1,534k compared to £1,291k for the previous year.

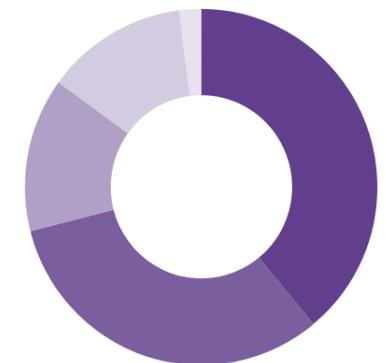
Income growth of 19% was due mainly to a £218k increase in income from trusts & foundations. This income was boosted by a two year grant of £260k from the Medicor Foundation, of which £170k was received in this financial year.

In addition, Excellent Development was awarded grants by the Jersey Overseas Aid and the Isle of Man International Development Committee to support the creation of sustainable lives for people and wildlife in the Northern Rangelands of Kenya. Another grant was received, also from the Jersey Overseas Aid for water security in Southern Africa. One other key area of increased income was from Rotary Clubs within Rotary International in Great Britain and Ireland which increased by 13% to £212k.

Income stream mix

	2014/15 Total £000	2015/16 actual £000	% Variance
Small governments & institutions	536	601	12
Trusts & foundations	272	490	80
Rotary	187	212	13
Individual donors	199	203	2
Other income	97	28	-71
Total income	1,291	1,534	19

Income stream mix 2015/16



- 39% Small governments & institutions
- 32% Trusts & foundations
- 14% Rotary
- 13% Individual donors
- 2% Other income

Where every £ went in 2015/16

For every pound Excellent Development received in 2015/16, 79p went directly to our charitable activities.

21p was used for fundraising and communications.

Where every £1 went in 2015/16



- 51p Community water and food, southeast Kenya
- 12p Community wildlife conservancies, Lekurruki, northern Kenya
- 7p Pastoralists for peace, northern Kenya
- 3p Water for arid lands, India
- 2p Building sand dam capacity, Southern Africa
- 4p Pioneering sand dams
- 21p Costs of raising funds

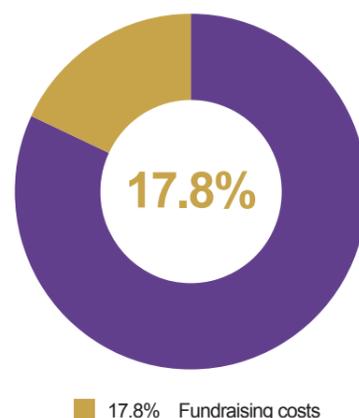
Donation and legacies fundraising

Expenditure on donation and legacies fundraising includes the costs of fundraising campaigns, marketing and communications.

These costs are spread over the differing income streams.

	2014/15 Total £000	2015/16 Total £000
Small governments & institutions	41	55
Trusts & foundations	112	77
Rotary	24	25
Individual donors	79	106
Corporate	5	4
Community fundraising	5	2
Awards	2	2
Total	268	271

Fundraising cost as a percentage of donation and legacies income 2015/16



Fundraising cost as a percentage of 2015/16 total donation and legacies income

The Board target is to reduce the cost of raising donation and legacies income as a % of income to 15%. This has fallen from 21.7% in 2015 to 17.8% this year.

Excellent Development increased its investment in individual giving by £19k to launch a campaign in the Isle of Man. However, the investment in trusts & foundations decreased by £35k, as the resource to support this income was not recruited until later in the year.

	2014/15 £000	2015/16 £000
Cost of raising donation and legacies income	268	271
Donation and legacies income	1,234	1,524
Ratio of spend to income	21.7	17.8

Fundraising targets

The Charity achieved 96% of its fundraising target of £1,589k for the year. The additional funds raised from trusts & foundations offset funds that were not raised from Rotary and individual donors.

	2015/16 target £000	2015/16 actual £000	% achieved
Small governments & institutions	559	601	108%
Trusts & foundations	366	490	134%
Rotary	343	212	62%
Individual donors	275	203	74%
Other	46	18	39%
Total	1,589	1,524	96%

Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by Excellent Development for a specific purpose. Restricted funds have increased by £188k from £332k to £520k. This is due to grants received from the Jersey Government and the Isle of Man towards projects which started in February but which will not be fully delivered until 2016/17.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of Excellent Development Ltd and which have not been designated for other purposes. Unrestricted funds have increased by £34k from £142k to £176k. This increase in unrestricted income, principally due to additional trust income being received, not only allowed additional expenditure over 2014/15, but also allowed another £34k to be put into reserves.

Reserves policy and going concern statement

Reserves are needed to bridge the gap between core cost expenditure and the receiving of income and to cover other unplanned cash flow pressures. The Trustees consider reserves of six months of previous year core costs (employment, accommodation and administration) as the preferred minimum level and 12 months as the preferred maximum level.

	2014/15 actuals months	2015/16 actuals months	Better/Worse than minimum target months	2016/17 Budget months	Better/Worse than minimum target months
Reserves vs annual core costs (Policy 6 months)	2.9	3.45	2.55	2.83	3.17

The failure to meet our target compromises our ability to remain solvent. Our reserves improved by £34k over the year, due primarily to the receipt of additional trust income. It is recognised that more work needs to be done in order to meet the reserves target. The current position is partly attributable to the additional investment in individual giving in Excellent Development IOM Ltd.

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.

The performance of available funds against the policy is as follows:

	2014/15 actuals months	2015/16 actuals months	Better/Worse than minimum target months	2016/17 Budget months	Better/Worse than minimum target months
Available funds vs annual expenditure (Policy 4-8 months)	4.8	6.36	2.36	4.2	0.2

Financial strength has improved with total available funds increasing from £479k in 2015 to £699k in 2016.

The Consolidated Balance Sheet remains strong, with current assets of £699k. The Trustees have reviewed the circumstances of the Group, and consider that adequate resources continue to be available to fund the activities of the Group for the foreseeable future. The Trustees are of the view that the Group is a going concern.

Risk management

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 risk facing the charity.
- Assess the likelihood and severity of the risk involved.
- Review the existing controls and actions that the charity has in place to mitigate the risk.
- 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:

- Overseas political situations can disrupt the work being undertaken through our grant funding. This risk is mitigated by expanding the breadth of its activities to more countries, and in line with this risk, the organisation is looking to increase its activities to more countries.
- 39% of our income comes from the UK, Jersey, Guernsey and the Isle of Man governments, while 14% comes from Rotary clubs within Rotary International Great Britain and Ireland. A lack of diversity and the financial implications if one of these grants stops provides a revenue risk to the organisation. Measures are now in place to increase and diversify our funding.

Investment powers and policy

The trustees, having regard to the liquidity requirements of paying out grants, are holding all funds in short term bank deposits. Currently they are all on deposit with CAF bank and Co-operative bank in the UK. The invested funds achieved an average rate of 0.2% for the year.

Grant management policy

The majority of Excellent's charitable activity is carried out by providing 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.

Overseas programmes.



"This tree nursery is of great importance to us. It enables us to plant trees at our homes. From the mango trees we will be able to get mangoes to eat and sell so as to earn an income. We are holding millions in our very own hands."

Photo: Eunice Katumbi, Kakai self-help group, southeast Kenya.

Community water & food – Southeast Kenya.

A long walk for water

In Ukambani, southeast Kenya, as many as 83% of households have no access to safe water. During dry seasons, women and girls spend between six 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 774 sand dams, six rainwater harvesting rock catchments, and 60 school water tanks, bringing safe water close to home for 853,715 people.

About our partner

Africa Sand Dam Foundation (ASDF) is our partner in southeast 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.

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, Overseas Aid and Development Commission, Medicor Foundation, Isle of Man International Development Committee, Jersey Overseas Aid.



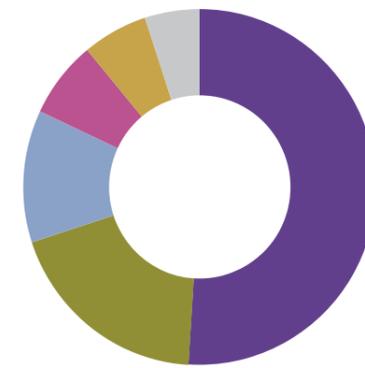
Photo: Teresa and her baby, Precious, from Kikai self-help group, southeast Kenya, at her grain store, which will pay for her family's education.

2015/16 Plans

£555k **50**
Investment Sand dams built

2015/16 Achievements

£672k **51** **36,153**
Investment Sand dams built People with safe water



- 51% Sand dams
- 19% Food production and security
- 12% School water tanks
- 7% Community, learning and training
- 6% Rock catchments
- 5% Farm trees

During 2015/16 we invested significantly in capacity building and training of ASDF staff, particularly in the areas of monitoring and evaluation and finance.

A major area we have been working on over the past year is to be able to demonstrate impact, including the harder-to-measure indicators such as empowerment and happiness, which has led to higher investment than planned.

2016/17 Plans

£637k **48**
Investment Sand dams built

Community wildlife conservancies – Northern Rangelands, Kenya.

Competing for water

The Northern Rangelands is a unique network of 33 community-owned conservancies. People and wildlife live side by side, but dwindling water reserves and degrading pasture are 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 with the Northern Rangelands Trust began in 2015 in Lekurruki Conservancy, Laikipia. The conservancy has two distinct regions, lowland plains occupied by nomadic pastoralists and highland juniperus cloud forest where people live year-round and practice mixed agro-pastoralism. The only improved water supply in the region before our projects was a low capacity school roof tank. Since last year we have enabled two sand dams, and laid plans for several more. Much work has focused on community mobilisation; we have trained four Lekurruki artisans in the art of dam construction; gained community trust and involvement through the scenario planning process; and gained key impact metrics through a baseline survey.

About our partner

Our first partner conservancy in the Northern Rangelands is the Lekurruki Conservation Trust (LCT). We are working with LCT to provide access to safe water in the conservancy by 2018. Our long-term goal is to support the Northern Rangelands Trust, which develops conservancies in our target region and beyond, to implement a holistic water resource management programme.

The programme will:

- help to reduce water conflict
- and create sustainable lives for 200,000 people and vulnerable animal species, such as elephants, in more conservancies like Lekurruki.

Major donors

Isle of Man International Development Committee, Jersey Overseas Aid, Beatrice Laing Trust.

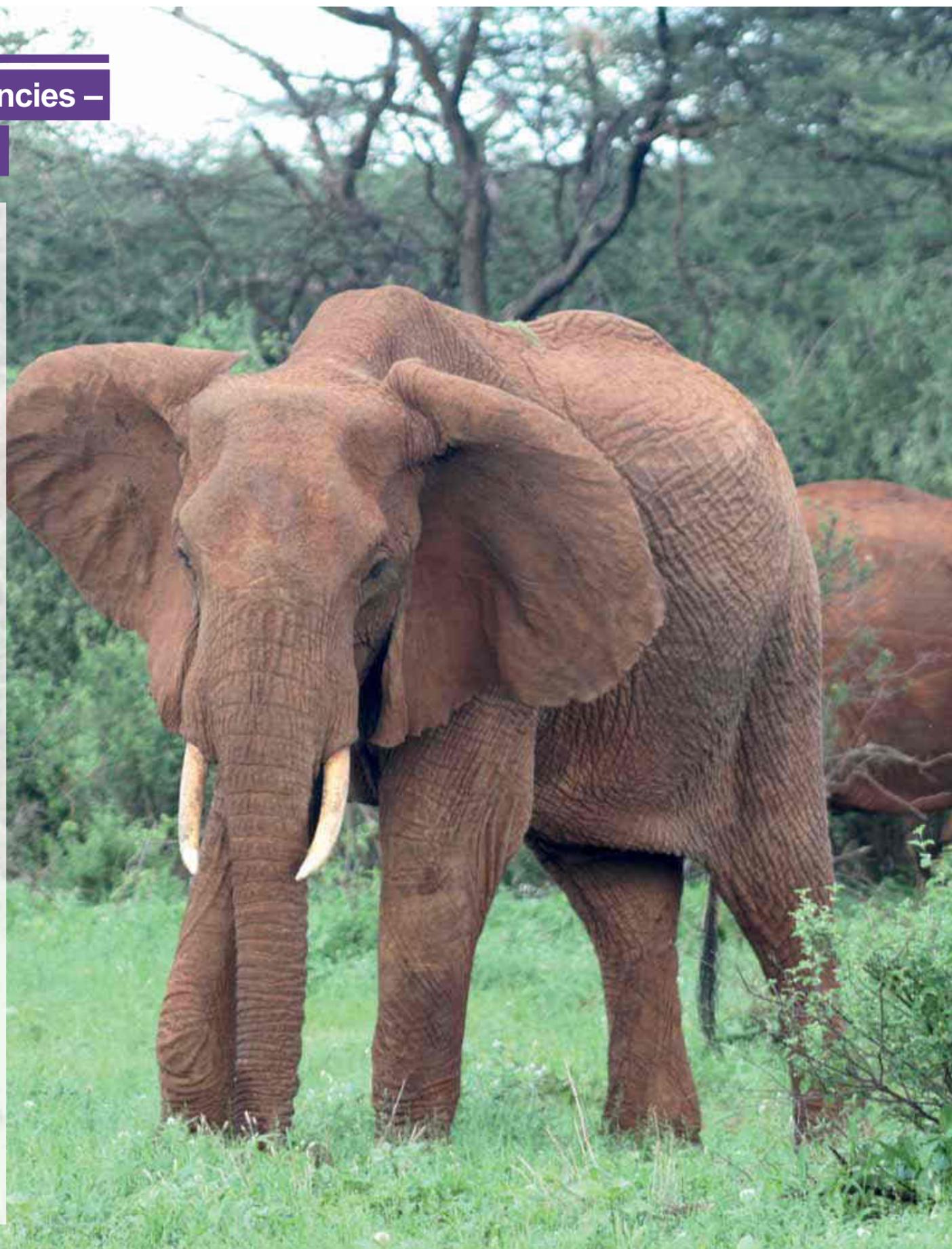


Photo: Elephants in Lekurruki Conservancy, Northern Rangelands, northern Kenya.

2015/16 Plans

£182k	9	3,126
Investment	Sand dams built	People with safe water

2015/16 Achievements

£155k	2	1,404
Investment	Sand dams built	People with safe water

Although only two dams were constructed during 2015/16 compared with the nine planned, four more were constructed in the first quarter of 2016/17, therefore investment was required for designing, community mobilisation, site preparation, and purchase of the materials for construction during the final quarter of 2015/16.

In addition, this year we have invested in detailed scenario planning with communities to better understand the impacts of increased water sources in the region, as well as having carried out a comprehensive baseline survey. We have also facilitated a climate smart agriculture learning visit in southeast Kenya for the more settled communities in the region who are starting to adopt small scale agriculture.

2016/17 Plans

£315k	11	3,126
Investment	Sand dams built	People with safe water

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 can be as much as 10 times higher than is considered safe for human consumption.

Turning salty water sweet

Our work in Marwar is providing safe drinking water close to people's homes and enabling small scale farming. To date we have supported seven sand dams to be built, and designed five for construction in 2016/17. A further eight sites have been found for 2016/17 and 2017/18. The government's Public Health and Engineering Department reported 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 48 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.



Photo: In Marwar, India, 51% of the rural population is not covered by the Government's water supply system.

2015/16 Plans

£80k	5	5,150
Investment	Sand dams built	People with safe water

2015/16 Achievements

£35k	8	3,256
Investment	Sand dams sited	People with safe water

Following the success of the first seven dams, it was agreed that the most efficient and sustainable way of moving forward and scaling up would be for Jal Bhagirathi Foundation to recruit their own dam team to be trained.

We took the decision to delay further sand dam construction until this dam team was recruited and trained.

The construction of dams will now start in September 2016.

2016/17 Plans

£117k	5	763
Investment	Sand dams built	People with safe water

Pastoralists for peace – Northern Kenya.

Separated by drought

In Baringo County, northern Kenya, severe shortages of water and pasture have led to hostility between Ilchamus, 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 provided support and training for sustainable agriculture and pasture development.

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 (CBO). With training and support we facilitated with the UK NGO Responding 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.



Photo: A farmer in Baringo, northern Kenya, plants seeds for pasture.

2015/16 Plans

£133k	5	6	13
Investment	Sand dams built	Pasture plots established	People trained in sustainable agriculture

2015/16 Achievements

£85k	0	12	12
Investment	Sand dams built	Pasture plots established	People trained in sustainable agriculture

Working with three communities who have had a long history of conflict resulting from a lack of water and pasture has been challenging, and over the past year we have focused more on capacity building, including delivering a successful climate smart agriculture learning visit in southeast Kenya, and facilitating support for CCPD from a specialist NGO, Responding to Conflict.

2016/17 Plans

The CBOs faced many challenges with the nature of the environment and historical conflict between the communities which were subsequently unable to mobilise and collaborate, and as a result, Excellent has unfortunately decided to postpone support of this project until we can ensure resources and time can be used effectively.

Despite providing additional support through workshops, six months support and mentoring from Responding to Conflict, there was still no progress from the communities, and so Excellent will be re-evaluating the project before providing any further support.

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

Following the successful sand dam conference in Mozambique last year, we are now building on partnerships with two organisations in Southern Africa; one in Zimbabwe, and one in Mozambique. The aim is to develop shared learning in this region and promote sand dams throughout the Southern Africa region. Key to this aim has been training staff from both organisations to improve their sand dam construction skills through attending a week-long learning visit in Kenya. We have also developed a longer term programme with our two partners, and we have already secured funding for the first year of the programme.

About our partners

Christian Council Mozambique (CCM) Tete, Mozambique, and Dabane Trust, Zimbabwe, are our partners in Southern Africa. Both are established organisations working with farming communities in dryland areas.

Major donors

Jersey Overseas Aid, Isle of Man International Development Committee, The JJ Charitable Trust.



Photo: Community member in Zimbabwe on a sand dam construction site.

2015/16 Plans

£26k **6**
Investment Sand dams enabled

2015/16 Achievements

£32k **5**
Investment People trained in sand dam construction

The funding for this programme was received in the last quarter of 2015/16, which was too late for dams to be built in 2015/16.

In addition to the training, the key activity that took place was a detailed planning visit with both CCM and Dabane Trust.

2016/17 Plans

£150k **3** **3** **3** **2,900**
Investment Sand dams built Knowledge sharing visits People trained in water quality testing People with safe water

Pioneering sand dams.

To enable millions of the world's poorest people in drylands to transform their own lives, sand dams must become a mainstream water resource technology. This requires providing robust evidence of their socio-economic and environmental benefits as well as a better understanding of the physical environments in which they work. Engaging with key decision-makers to influence policy-makers and funding priorities is 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

Our key priorities are:

Water quality

Continue the work done during 2015/16 to collect water quality data from partners and train partners in collecting water quality data who do not currently collect this information. The aim for 2016/17 is for our partners to be collecting water quality data to enable us to build up a large dataset from different countries and contexts and prove sand dam water is safe and clean.

Water yield

A major challenge to measuring water yield has been finding suitable meters that will not break due to the sediment in the water. We remain committed to integrating a yield measurement system in sand dams and have sourced a possible meter to test during 2016/17.

Sediment profiling

A better understanding of the optimum sediment profile of a river for the most effective sand dam is crucial to scaling up sand dam technology. During 2015/16 funding was secured to start this research, which will be delivered during 2016/17.

Promoting sand dams

Our key priorities are:

During 2015/16 funding was secured for piloting sand dams as a viable and cost-effective alternative to traditional road crossings in rural areas. This includes the construction of a sand dam as a road crossing within our work in the Northern Rangelands, Kenya, in addition to a pre-and-post construction Environmental Impact Assessment and written case study to document and promote this.

Knowledge sharing

During 2015/16 we developed sustainable agriculture knowledge sharing workshops, which were successful and we plan to continue implementing these to share learning and best practice amongst farmers in dryland areas.

We have also developed an animation to explain how sand dams work, and this will be more widely promoted during 2016/17.



2015/16 Plans

£101k

Investment

2015/16 Achievements

£57k

Investment

2016/17 Plans

£62k

Investment

The key area for 2016/17 is strengthening our evidence base to demonstrate the impact of sand dams, particularly in terms of sand dam yield, year round availability of water, and water quality, demonstrating that the water from sand dams is clean and safe to drink.

We also plan to pilot our first sand dam road crossing, to demonstrate that sand dams as rural road crossings are a viable and cost-effective alternative solution to improving infrastructure with the added benefit of providing water.

What we have done so far

£1,106k **227** **17** **606**

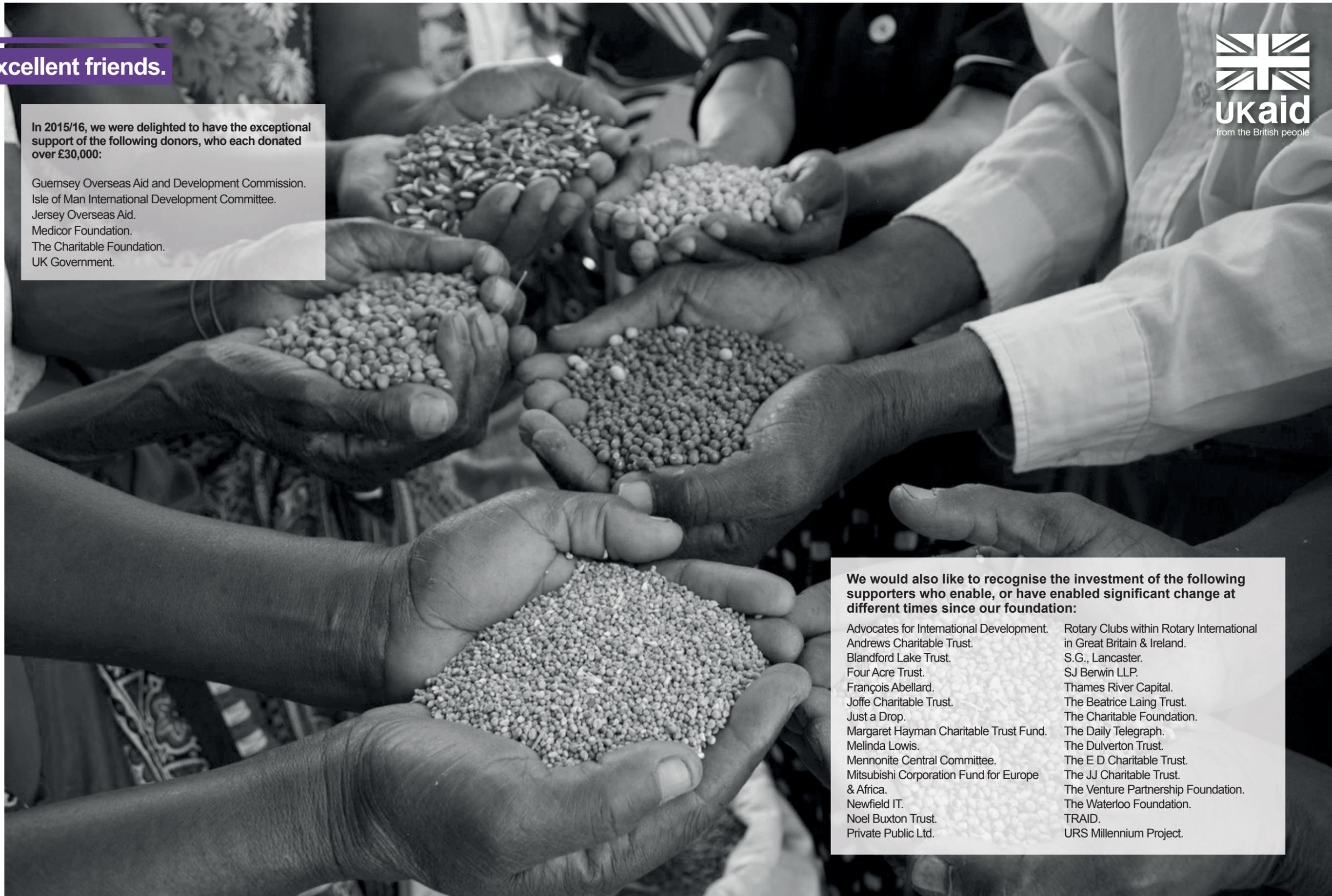
Investment People trained Organisations supported Sand dam manuals distributed

Photo: Sand dam chain in Kitandi village, southeast Kenya.

Excellent friends.

In 2015/16, we were delighted to have the exceptional support of the following donors, who each donated over £30,000:

- Guernsey Overseas Aid and Development Commission.
- Isle of Man International Development Committee.
- Jersey Overseas Aid.
- Medicor Foundation.
- The Charitable Foundation.
- UK Government.



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

- | | |
|--|--|
| Advocates for International Development. | Rotary Clubs within Rotary International in Great Britain & Ireland. |
| Andrews Charitable Trust. | S.G., Lancaster. |
| Blandford Lake Trust. | SJ Berwin LLP. |
| Four Acre Trust. | Thames River Capital. |
| François Abellard. | The Beatrice Laing Trust. |
| Joffe Charitable Trust. | The Charitable Foundation. |
| Just a Drop. | The Daily Telegraph. |
| Margaret Hayman Charitable Trust Fund. | The Dulverton Trust. |
| Melinda Lewis. | The E D Charitable Trust. |
| Mennonite Central Committee. | The JJ Charitable Trust. |
| Mitsubishi Corporation Fund for Europe & Africa. | The Venture Partnership Foundation. |
| Newfield IT. | The Waterloo Foundation. |
| Noel Buxton Trust. | TRAID. |
| Private Public Ltd. | URS Millennium Project. |

Photo: Seed distribution with the Sindano wa Wia self-help group, southeast Kenya.

Charity number:	1094478
Company number:	4432166
Registered Office:	2 Water Court, Water Street, Birmingham, B3 1HP
Operational address:	Unit 1.17, The Foundry, 17 Oval Way, London, SE11 5RR
Our Contact Details:	
Telephone:	+44 (0)20 3752 5780
E-mail:	team@excellent.org.uk
Website:	www.excellent.org.uk

Our advisors:

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

Bankers: The Co-Operative Bank plc
PO Box 250, Delf House, Southway, Skelmersdale, WN8 6WT

CAF Bank Ltd
25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Patrons: Lord Joel Joffe CBE
Sir Edward Clay

Directors and Trustees: The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers who have served during the year or appointed since the year end were as follows:

Trustees and Members: Stephen Owen
Darren John Worsley (resigned August 2016)
Mark Murphy
Richard Alan Barnes (resigned September 2016)
David Jordan
Nigel Reader (appointed August 2016)
Alison Bell (appointed August 2016)

Trustees: Barbara Busby (appointed August 2016)

Additional Members: Simon Maddrell
Christopher Ian Pockett
Jenine Ruth Langrish
Fiona Charlotte Moore
Richard Pearce -Thomas
Sir Edward Clay
Tim James Wood

Key Management Personnel:

Senior Management Team: Simon Maddrell
Judith Eaton
Christine Whinney
Rachel Beer

Governing document

Excellent Development Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26 October 2002. It is registered with the Charity Commission. Anyone over the age of 18 can become a Member of the Company and there are currently 11 members, each of whom agrees to contribute up to £10 in the event of the charity winding up.

Appointment of Trustees

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 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 assesses 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 and training

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

Organisation

The Board of Trustees, which can have up to ten Members, administers the Charity. The Board normally meets quarterly and there are sub-committees covering finance and audit and governance and risk which normally meet bi-monthly. An Executive Director is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and performance related activity.

Related parties and co-operation with other organisations

Any connection between a Trustee or senior manager of the Charity with the overseas partners or suppliers used to achieve the Charity's objectives must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported. The Charity has close relationships with Africa Sand Dam Foundation in Kenya which shares the Charity's vision for the pioneering of sand dams worldwide, and actively promotes the work of the Charity. Other partners include the Lekurruki Conservation Trust in northern Kenya, the Jal Bhagirathi Foundation in India, the Community Centre for Peace and Development in southeast Kenya and the Northern Rangelands Trust in Kenya. A summary of transactions with these partners, is set out in Note 7 to the financial statements.

Pay policy for senior staff

All Trustees give of their time freely and none of the Trustees receive remuneration or other benefit from their work with the Charity. Details of any related party transactions are disclosed in Note 18 to the financial statement. Details of expenses are disclosed in Note 16 to the financial statements. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the Charity, salaries are benchmarked against pay in other charities of a similar size.

Trustees' responsibilities

The Trustees (who are also Directors of Excellent Development Limited 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 thereunder. 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.

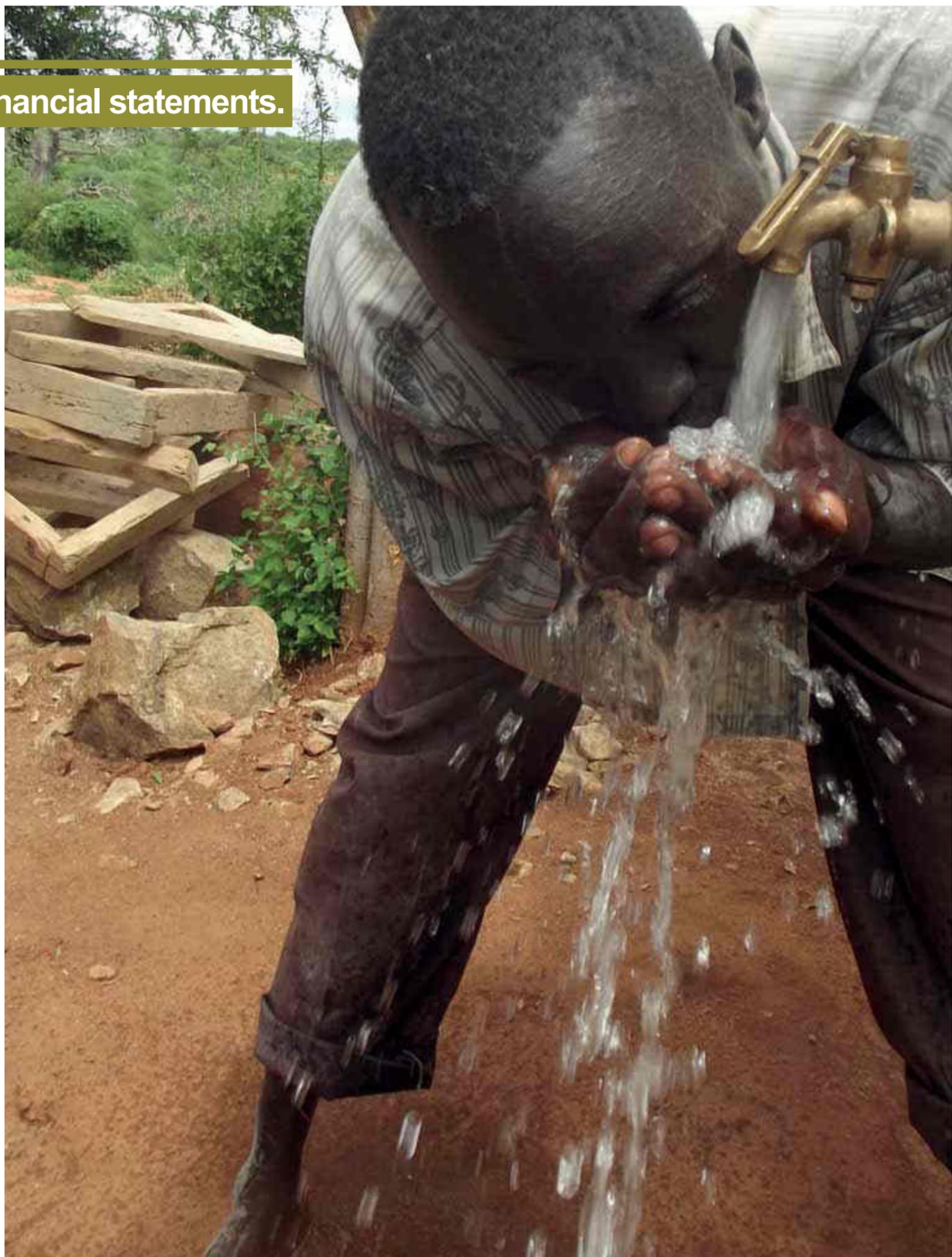
Appointment of auditors

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

This report was approved and authorised for issue by the Trustees on 14 September 2016 and signed on its behalf by:

David Jordan OBE
Chairman

Financial statements.



Main photo: A member of the Kyeni kya Mukononi self-help group, southeast Kenya, quenches his thirst at a water tap.

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 2016 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company 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, 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 group and charitable company's affairs as at 31 March 2016, 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; 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
- 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: 26 September 2016.

Excellent Development Limited (Company Reg. No. 4432166)
Statement of Financial Activities for the period ended 31 March 2016
Including Consolidated Income and Expenditure Account

	Note	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
INCOME FROM:					
Donations and legacies funding	2	302	1,222	1,524	1,239
Charitable activities	3	-	9	9	51
Investment management & interest	4	-	1	1	1
Total income		<u>302</u>	<u>1,232</u>	<u>1,534</u>	<u>1,291</u>
EXPENDITURE ON:					
Raising funds					
- Donation and legacies funding	5	145	126	271	268
- Charitable activities	6	-	6	6	8
Cost of raising funds		<u>145</u>	<u>132</u>	<u>277</u>	<u>276</u>
Charitable activities					
Overseas programmes	7	97	883	980	825
Pioneering sand dams	8	28	29	57	101
Cost of charitable activities		<u>125</u>	<u>912</u>	<u>1,037</u>	<u>926</u>
TOTAL EXPENDITURE		<u>270</u>	<u>1,044</u>	<u>1,314</u>	<u>1,202</u>
NET INCOME/(EXPENDITURE)		<u>32</u>	<u>188</u>	<u>220</u>	<u>89</u>

The movement in funds is detailed in Note 13 on page 49.

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.

The Consolidated Statement includes income from Excellent Development IOM Ltd. of £162k; (£83k; 2015), and expenditure of £162k; (£83k; 2015), net loss of £NIL (£2015 NIL).

Excellent Development Limited (Company Reg. No. 4432166)
Balance sheet as at 31 March 2016

	Note	Group 2016 £000	Group 2015 £000	Charity 2016 £000	Charity 2015 £000
Fixed assets					
Tangible fixed assets	9	3	5	3	5
Total fixed assets		<u>3</u>	<u>5</u>	<u>3</u>	<u>5</u>
Current assets					
Debtors	10	67	23	62	18
Cash at bank & in hand	11	694	485	694	485
Total current assets		<u>761</u>	<u>508</u>	<u>756</u>	<u>503</u>
Liabilities					
Creditors falling due within one year	12	(65)	(34)	(62)	(29)
Net assets		<u>699</u>	<u>479</u>	<u>697</u>	<u>479</u>
Funds of the charity					
Unrestricted funds	13	176	142	174	142
Restricted funds	13a	520	332	520	332
Property & equipment fund		3	5	3	5
Total funds		<u>699</u>	<u>479</u>	<u>697</u>	<u>479</u>

The Trustees have prepared consolidated accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. The Consolidated Statement includes liabilities of £5k (2015: £5k) and assets of £5k (2015: £5k) from Excellent Development IOM Ltd.

The accounts were approved by the Board on 14 September 2016.



David Jordan OBE
Chairman

	Group 2016 £000	Group 2015 £000	Charity 2016 £000	Charity 2015 £000
A. Consolidated cashflow statement for the period ended 31 March 2016				
Cash generated from operating activities				
Net cash used in operating activities	208	143	208	143
Applications of Cash				
Purchase of fixed assets	1	-	1	-
Net increase/decrease in cash	209	143	209	143

	Group 2016 £000	Group 2015 £000	Charity 2016 £000	Charity 2015 £000
B. Reconciliation of net income/(expenditure) to net cash flow from operating activities				
Net expenditure (as per the Statement of Financial Activity)	220	89	218	89
Adjustments for:				
Interest received	1	1	1	1
Depreciation	2	3	2	3
Movements between funds	(2)	(2)	(2)	(2)
Movement in debtors	(44)	68	(44)	66
Movement in creditors	31	(16)	33	(14)
Net cash used in operating activities	208	143	208	143

	Group 2016 £000	Group 2015 £000	Charity 2016 £000	Charity 2015 £000
C. Analysis of cash at bank & in hand				
Increase in cash	209	143	209	143
Net funds at beginning of year	485	342	485	342
Net funds at end of year	694	485	694	485

1. Accounting policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), The Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

These financial statements for the year ended 31 March 2016 are the first financial statements of Excellent Developments Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given below.

In preparing the accounts the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the re-statement of comparative items was required; At the date of transition in applying the new income headings to the Statement of Financial Activities the reclassification of expedition income (and subsequently the relevant costs) from 'Activities for generating funds' to 'Income from charitable activities' was required. In addition, Marketing and communication costs were reclassified as 'Donation and legacies funding' and Governance was allocated directly over the cost of Charitable Activities.

Also at the date of transition, in applying the requirements to recognise liabilities arising from employee benefits, a liability was recognised from employee entitlement to annual leave.

The liability recognised at the date of transition was for the holiday entitlement arising in the year which was due but not taken. This liability of £3k is not considered to be a material component of expenditure.

The Trustees have at the time of approving the financial statements, a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Group entities

The financial statements consolidate the results of the charitable parent company and its wholly owned subsidiaries Excellent Development Trading Limited and Excellent Development (IOM) Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable parent company has not been presented because the Trustees have taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Excellent Development Trading Ltd

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 Capital and Reserves at 31 March 2016 was £0k (2015: £0k).

Excellent Development (IOM) Ltd

Excellent Development (IOM) Ltd is a company registered in the Isle of Man. It is limited by guarantee (company number 128231C) and is a charity (registration number 1147). It is a subsidiary because the company is the sole member.

The Capital and Reserves at 31 March 2016 was £0k (2015: £0k).

1.3 Income

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.

Income includes the following types of income:

- grants from government and other agencies where these amount to a contract for service to be used to further the Charity's objects.
- donations, where the money is given either in response to an appeal, or to be used with greater freedom.

Income is recognised in the period in which the Charity is entitled to receipt, the receipt is probable and the amount can be measured with reasonable certainty.

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 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 Ltd.

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

1.4 Core, support and governance costs**Core costs summary**

Core costs relate to the cost of organisational overheads such as accommodation, staffing and general administration that support the work of the Charity.

1.4a Breakdown of total core costs

	2016 %	2016 £000	2015 %	2015 £000
Employment costs (see note 15)	88.5	541	90.3	537
Accommodation costs	7.2	44	5.9	35
Administration costs	4.3	26	3.8	23
Total	100.0	611	100.0	595

1.4b Core costs allocation

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

	2016 %	2016 £000	2015 %	2015 £000
Expenditure on raising funds				
Donations and legacies funding	36.9	226	40.3	239
Charitable activities	0.6	4	1	7
	37.5	230	41.3	246
Expenditure on charitable activities				
Overseas programmes	22.2	135	16.3	97
Pioneering sand dams	4.0	25	8.1	48
	26.2	160	24.4	145
Governance	4.6	28	4.5	27
Support costs				
Overseas programmes	30.2	184	13.7	81
Pioneering sand dams	1.5	9	16.1	96
Sub-total	31.7	193	29.8	177
Total core costs allocation	100	611	100.0	595

Support costs summary:

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 both 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 £234k (2015: £214k) includes core costs and travel & accommodation.

1.4c Breakdown of total support costs

	2016 £000	2015 £000
Core costs	193	177
Travel & accommodation	41	37
Total support costs	234	214

1.4d Support costs allocation:

	2016 %	2016 £000	2015 %	2015 £000
Overseas programmes	95.5	221	85.5	183
Pioneering sand dams	4.5	13	14.5	31
Total support costs allocation	100.0	234	100.0	214

Governance costs summary:

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.

1.4e Breakdown of total governance costs

	2016 £000	2015 £000
Insurance	4	3
Audit fees	12	5
Trustee expenses	5	3
Professional fees and registration	9	2
Other governance expenses	1	-
Core cost allocation (See note 1.4b)	28	27
Total governance costs	59	40

Audit fees include the remuneration of the independent examiner for professional services incurred in relation to Excellent Development IOM Ltd for 2013/14 and 2014/15 and which were not accrued as a group expense.

	2016 £000	2015 £000
Excellent Development UK Ltd 2015/16	4	4
Excellent Development IOM Ltd 2015/16	3	-
Excellent Development IOM Ltd 2014/15	2	1
Excellent Development IOM Ltd 2013/14	3	-
Total	12	5

1.4f Governance costs allocation

	2016 %	2016 £000	2015 %	2015 £000
Overseas programmes	95.5	56	85.5	34
Pioneering sand dams	4.5	3	14.5	6
Total governance costs allocation	100.0	59	100.0	40

1.5 Tangible fixed assets and depreciation

Fixed assets costing more than £500 are capitalised.

Depreciation:	%	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.

1.10 Taxation

The activities of Excellent Development Ltd and Excellent Development Isle of Man Ltd. are for charitable purposes. Under part 11 of CTA 2010 no liability for corporation tax has arisen for the year to 31st March 2016 (nil to 31st March 2015).

2. Donations and legacies income

	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Small governments & institutions	-	601	601	536
Trusts & foundations	128	362	490	272
Rotary	4	208	212	187
Individual donors	161	42	203	199
Corporate	4	9	13	16
Community fundraising	5	-	5	15
Media appeals	-	-	-	14
Total	302	1,222	1,524	1,239

2.1. Analysis of government grants (all restricted)

	Purpose for which grant was received (see note below)	2016 Total £000	2015 Total £000
UK Government	a	178	157
Isle of Man International Development Committee	b	75	80
Isle of Man International Development Committee	c	59	-
Overseas Aid and Development Commission	a	19	37
Overseas Aid and Development Commission	d	20	-
Jersey Overseas Aid	b	100	-
Jersey Overseas Aid	c	94	-
Total government grants		545	274

Included in the Small governments and institutions income above are government grants of £545k. This includes £178k (2015: £157k) which is part of a 36 month grant from the UK Government and £75k (2015: £0) which is part of a 36 month grant from the IOM government.

Programmes for which grants have been received

- Improved food production and security for six communities in rural Makueni County, Kenya
- Creating sustainable lives for people and wildlife, Northern Rangelands, Kenya
- Water security, Southern Africa
- Water tanks, Makueni County, Kenya

3. Charitable activities income

	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Expeditions	-	7	7	10
Consultancy	-	2	2	41
Total	-	9	9	51

4. Investment management & interest

	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Bank interest	-	1	1	1
Total	-	1	1	1

5. Expenditure on raising funds – Donation and legacies funding				
	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Small governments & institutions	15	39	54	41
Trusts and foundations	20	57	77	112
Rotary	5	20	25	24
Individual donors	99	8	107	79
Corporate	2	2	4	5
Community fundraising	2	-	2	5
Awards	2	-	2	2
Total	145	126	271	268

Core costs of £226k have been allocated across the income stream activities (see Note 1.4b).

6. Expenditure on raising funds – Charitable activities				
	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Expeditions costs	-	6	6	7
Consultancy income costs	-	-	-	1
Total	-	6	6	8

Core costs of £4k have been allocated to the cost of income from charitable activities (see Note 1.4b).

7. Expenditure on charitable activities – Overseas programmes				
	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Community water and food, southeast Kenya	18	654	672	604
Community wildlife conservancies, Lekurruki, northern Kenya	44	100	144	60
Pastoralists for peace, northern Kenya	20	66	86	49
Water for arid lands, India	2	33	35	38
Building sand dam capacity, Southern Africa	12	20	32	44
Sand dams, southeast Kenya	-	-	-	30
Community wildlife conservancies, Northern Rangelands, Kenya	1	10	11	-
Total	97	980	980	825

Core costs of £135k, support costs of £221k and governance costs of £56k have been allocated to the charitable activities (see Note 1.4).

7a. Analysis of overseas programmes					
	2016 Support & governance costs £000	2016 In kind grants £000	2016 Direct grants £000	2016 Total £000	2015 Total £000
Community water and food, southeast Kenya	154	69	449	672	604
Community wildlife conservancies, Lekurruki, northern Kenya	43	40	61	144	60
Pastoralists for peace, northern Kenya	38	44	4	86	49
Water for arid lands, India	17	14	4	35	38
Building sand dam capacity, Southern Africa	16	16	-	32	44
Sand dams, southeast Kenya	-	-	-	-	30
Community wildlife conservancies, Northern Rangelands, Kenya	8	2	1	11	-
Total	276	185	519	980	825

Community water and food, southeast Kenya expenditure for 2016 includes a grant of £178k from the UK Government, of which £138k was spent on direct grants to ASDF and £40k on support costs.

7b. Direct grants		
The Charity paid out £519k in direct grants to its partners (2015: £474k). These are identified as follows:		
	2016 £000	2015 £ 000
Africa Sand Dam Foundation, southeast Kenya	449	451
Lekurruki Conservation Trust, northern Kenya	61	10
Jal Bhagirathi Foundation, India	4	-
Community Centre for Peace and Development, northern Kenya	4	-
North Rangelands Trust, northern Kenya	1	-
Light of Maasai, Kenya	-	13
Total	519	474

8. Expenditure on charitable activities – Pioneering sand dams				
	2016 Unrestricted £000	2016 Restricted £000	2016 Total £000	2015 Total £000
Promoting sand dams	15	8	23	21
Evidence & research	-	5	5	9
Knowledge sharing	13	16	29	71
Total	28	29	57	101

Core costs of £25k, support costs of £13k and governance costs of £3k have been allocated to the charitable activities (see Note 1.4).

8a. Analysis of pioneering sand dams expenditure				
	2016 Support and governance costs £000	2016 In Kind grants £000	2016 Total £000	2015 Total £000
Promoting sand dams	11	12	23	21
Evidence & research	-	5	5	9
Knowledge sharing	5	24	29	71
Total	16	41	57	101

9. Tangible fixed assets		
	2016 £000	2015 £000
Cost or valuation		
Opening balance	37	38
Additions	1	-
Disposals	(7)	(1)
Balance as at year end	31	37
Depreciation		
Opening balance	32	31
Charge for year	2	3
Disposals	(6)	(2)
Balance as at year end	28	32
Net book value as at year end	3	5

10. Debtors		
	2016 £000	2015 £000
Prepayments	11	4
Accrued income	9	15
Deposits	4	4
Other debtors	43	-
Total	67	23

All debtors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied.

11. Cash at bank & in hand		
	2016 £000	2015 £000
Bank balances	694	485
Total	694	485

Bank balances are measured at cash value on the reporting date.

12. Creditors: amounts falling due within one year		
	2016 £000	2015 £000
Expenses creditors	21	16
Accruals	31	7
PAYE	13	11
Total	65	34

All creditors are initially measured at the settlement amount after any discounts (under normal credit terms) have been applied

13. Movement in funds						
	As at 1st April 2015 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Total Movements £000	As at 31st March 2016 £000
Unrestricted	142	302	(270)	2	34	176
Restricted	332	1,232	(1,044)	-	188	520
Property & equipment	5	-	-	(2)	(2)	3
Total	479	1,534	(1,314)	-	220	699

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.

13a Analysis of movement in restricted funds					
	As at 1st April 2015 £000	Incoming Resources £000	Outgoing resources £000	Total movement £000	As at 31st March 2016 £000
Community water and food, southeast Kenya	239	522	(654)	(132)	107
Community wildlife conservancies, Lekurruki, northern Kenya	48	85	(100)	(15)	33
Pastoralists for peace, northern Kenya	32	84	(66)	18	50
Water for arid lands, India	5	90	(33)	57	62
Building sand dam capacity, Southern Africa	-	150	(20)	130	130
Community wildlife conservancies, Northern Rangelands, Kenya	-	128	(10)	118	118
Sand dams, southeast Kenya	-	7	-	7	7
Promoting sand dams	6	1	(8)	(7)	(1)
Knowledge sharing	2	26	(16)	10	12
Evidence and research	-	5	(5)	-	-
Expeditions	-	6	(6)	-	-
Marketing	-	28	(28)	-	-
Fundraising	-	100	(98)	2	2
Total Restricted	332	1,232	(1,044)	188	520

14. Analysis of net assets between funds				
	Unrestricted funds £000	Restricted funds £000	Property & equipment fund £000	Total funds £000
Fixed assets	0	0	3	3
Current assets	230	531	-	761
Current liabilities	(54)	(11)	-	(65)
Total assets less current liabilities	<u>176</u>	<u>520</u>	<u>3</u>	<u>699</u>

15. Employees		
	2016 £000	2015 £000
Salaries & wages	461	461
Employer NIC	40	40
Recruitment	26	8
Training	9	2
Health Insurance	5	3
Redundancy	-	23
Total	<u>541</u>	<u>537</u>
Average number of employees	<u>11.2</u>	<u>14.1</u>

One employee earned £74,900 for the year.

16. Trustee expenses		
	2016 £000	2015 £000
Travel	4	1
Other	1	1
Total	<u>5</u>	<u>2</u>

None of the seven Trustees who held office during the period (or any persons connected with them) received any remuneration during the year. The seven Trustees incurred expenses as detailed above:

17. Financial commitments

As at 31 March 2016 the Charity is committed to £16,867 lease cost for its office until 31 August 2016 (2015: £16,795).

18. Related parties

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

Our philosophy & values

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.

Excellent

Development



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Instagram: [ExcellentDevelopment](https://www.instagram.com/ExcellentDevelopment)

Charity registration number (England & Wales)

1094478

Registered company number: 4432166