

EXCELLENT DEVELOPMENT LIMITED
Annual Report and Financial Statements
For the year ended 31 March 2010



Excellent Development Limited is a company limited by guarantee
Registered in England and Wales:
Company Number: 4432166 Charity Number: 1094478

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Chairman’s message

This has been another year of excitement and transformation for Excellent Development; we’ve commenced working with various like-minded organisations and NGOs in several other semi-arid countries by advocating our approach and sand dam technology as well as funding direct work with communities. This evolution allows us to support even more communities in achieving food and water security, whilst building the foundations to expand even faster and further afield in future.

In the light of continuing economic uncertainty, it has been pleasing that our income generation has been shown to have a high degree of resilience. This is allowing us to support the communities we work with, whilst continuing to work towards achieving our long-term vision.



The strength of the Board of Trustees has continued to improve, this year by us welcoming Chris Pockett, who brings considerable marketing and business experience to support Excellent Development, particularly with regard to our current re-branding and website development.

It is also pleasing that our approach and continuing progress has again been recognised both within the sector, with success at the Charity Times Awards, and in the national press, having been chosen as one of the beneficiaries of the Daily Telegraph’s Christmas Appeal.

This annual report will, I hope, illustrate the on-going progress Excellent Development is making and the need for continued support. The Trustees would like to thank the team, donors and volunteers who have made this possible.

A handwritten signature in blue ink, appearing to read 'S. Owen', written in a cursive style.

.....

Stephen Owen
CHAIRMAN

Legal and administrative information

Excellent Development Limited (Excellent) 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 Jenine Ruth Langrish Mark Murphy Nigel Edward Melville Christopher Ian Pockett Richard Pearce-Thomas	Appointed: 3 rd February 2010 Resigned: 19 th January 2010
Additional Members:	Simon Richard Maddrell Fiona Charlotte Moore Richard Pearce-Thomas Richard Alan Barnes	
Patrons:	Lord Joel Joffe CBE Sir Edward Clay	
Operational address:	Studio 61 The Market Building 195 High Street Brentford TW8 8LB Telephone: Website: Email:	020 8232 9050 www.excellentdevelopment.com team@excellentdevelopment.com
Registered office address:	2 Water Court Water Street Birmingham B3 1HP	
UK bankers:	The Co-operative Bank plc Kings Valley Yew Street Stockport SK4 2JU	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling, Kent ME19 4JQ
Company Secretary:	Anthony Powles	
Auditors:	Michael Kay & Company 2 Water Court Water Street Birmingham B3 1HP	

Our Objects

The objects of the Charity are:

- (i) To promote the conservation, protection, and improvement of the physical and natural environment for the public benefit; and
- (ii) To relieve poverty, in particular but not exclusively, by supporting sustainable development projects*; and
- (iii) 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 Vision

Our 2020 vision is that three million more people every year who live in dryland areas will have access to clean water and grow enough food to eat and sell

Our Mission

Our mission is that Excellent Development:

- Supports farming communities in dry lands worldwide to achieve water and food security through soil and water conservation and improved farming techniques
- Engages with development organisations at the local, national and international level to influence and support wider adoption of soil and water conservation and improved farming techniques
- Promotes the concept that development, in dry land areas, is achieved through transforming the environment sustainably, including building resilience to the greater environmental challenges resulting from climate change
- Enhances development education and awareness worldwide.

2020 Goals

- Three million more farmers each year have access to clean water
- Excellent is actively engaged with/supporting 50 organisations focused on building sand dams
- 2,500 sand dams built each year. 200 of these by organisations receiving mainstream funding from Excellent and the remaining 2,300 built by NGOs independent of Excellent

Enhance both overseas development and environmental awareness/education by:

- Advocating wider scale use of sand dam technology, soil and water conservation and community self-help development.
- Improving development and environmental awareness with the general public both directly and through corporate and other partnerships.
- Enhancing formal development and environmental education in the British Isles.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 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; 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

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 page 17 and 18. Communities have described the benefits and impacts of the work they do supported by Excellent – clearly demonstrating the linkage to our charitable objects.

Management and staffing

Simon Maddrell, a founder Member of Excellent in May 2002, is our Executive Director. He has responsibility for implementing the strategic objectives of the organisation within clear policies set by the Trustees. He ensures that the staff team is recruited and supported to provide the skills and experience needed to run a successful organisation and observe the philosophy and values of Excellent.

Sophie Bown has worked for Excellent since 2006 and is the charity's Communications Manager. Sophie's role is to manage our website and supporter and donor communications, including e-mail marketing and social media.

Ian Neal joined us in July 2007 and is the Programme Manager. Ian is leading the promotion of sand dam technology and our programme to expand the number of countries where sand dams make an impact. Ian also manages our grant management, advocacy and research activities.

Emily Ambrose who joined us in August 2007 is Personal Assistant to the Executive Director and Chairman, as well as managing human resources and training and working on the development of Excellent's trading arm.

Alexandra Oatham joined us in November 2008 as Fundraising Development Manager. Her role is to develop and manage corporate and major donor relationships as well as managing expeditions.

Benjamin Araud has been the Trusts and Institutions Fundraising Manager since joining the charity in January 2009. Benjamin manages new and existing trust and institutional donors and public organisations such as schools and Rotary groups.

Muhammad Ahmad is the Finance & Administration Manager. Muhammad joined the charity in September 2009 and manages the finance, administration and governance activities of the charity.

Louise Storey joined Excellent in November 2009 as Programme Officer. She has responsibility for managing the Charity's programme development partners. She also leads the development of our programme framework, policies and processes to maximise the efficiency and effectiveness of the Programmes team.

Bongani Ncube joined Excellent in January 2010 on a short-term contract as part of the Programmes team. Her role is to manage grants and co-ordinate our advocacy activities.

2020 strategic direction

Charitable activity – overseas strategy

Here at Excellent we are passionate about sand dams. They vastly improve people’s lives and transform dry environments into places where animals, plants and people can thrive. They are also the world’s lowest cost way of capturing rainwater in dry rural areas. We sometimes refer to ‘the miracle of sand dams’ because the amount of water they make available seems unbelievable. However it is not literally a miracle, just a simple union of nature and engineering. One of the reasons we love sand dams so much is because they keep water where it’s needed – avoiding expensive technologies to bring water back after it’s gone! By capturing the rainwater where it falls, you can provide year-round clean water for the equivalent of £10 per person, for life. The potential for sand dams is therefore enormous and our 2020 strategic direction is focused on the enormous impacts that sand dams could make to disadvantaged people living in drylands around the world.



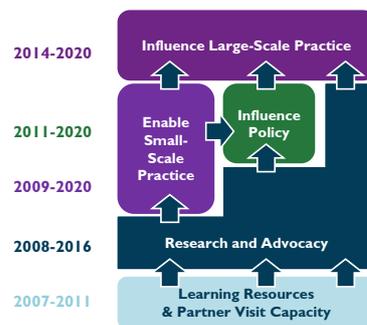
The Potential for Sand Dams



Promoting sand dams – a technology with a 2,000 year history – to the mainstream of development practice is no easy task. We have therefore developed a strategic model that takes a step by step approach to first of all influencing small-scale practice whilst all along increasing the amount of evidence (proof of benefits and impacts) to a level that will be able to influence policy and large-scale practice. We call these activities ‘programme development’.

Critically, this process isn’t about inappropriately promoting one technology over another – or even being technology-led. Sand dams are not widespread because they aren’t even considered as ‘one of the technologies in the tool bag’ when working with communities to identify solutions to water issues. There are places where they aren’t appropriate – you need sufficient sand content in the seasonal riverbeds and the river gradient cannot be too steep or too shallow. Equally critical is to understand that this is not about *replication*. Any technology that aims to make a sustainable difference to the lives of the world’s disadvantaged needs to be appropriate to that political, economic, social and technical environment; therefore the process needs

programme development model



2020 Vision and Mission



to be seen as the *application* of a technology so that it both works efficiently and effectively and addresses community needs. In this way it is vital that a proper and thorough process of 'piloting' the technology takes place prior to any attempts to implement a full programme.



This change in strategy means that our work is no longer just managing grants to NGOs overseas to implement integrated food and water programmes involving sand dams, but four additional sets of activities. Along with our strategic partners we need to provide the opportunity for interested parties to see the impacts of sand dams and experience the process to start to understand applicability to their circumstances. One crucial part of this is a sand dam manual. Too often we see organisations and engineers mystifying the technology of sand dams that only serves to separate it from the communities who could benefit and creates a dependence on 'foreign experts' to implement. We want to create a sand dam manual that demystifies the technology but also enables people to build dams that work. It's not an easy task, but when one considers that 750 sand dams have been built in Kenya in the last 30 years without water engineers, one can see it is possible to combine sharing experience backed up with learning resources to remove the barriers to the growth of sand dams. As described, the next step is to ensure effective pilots are carried out so that any decision to invest in larger sand dam programmes is appropriate. Of course all these activities provide the opportunity for research to demonstrate the benefits and impacts that sand dam programmes can deliver. This of course further strengthens advocacy activities whereby we intend to develop a website and engage with agencies, networks and institutes to promote sand dam technology.

Excellent's vision is that 2,500 sand dams a year will be built by 2020 – there are less than 150 a year being built now. Excellent won't do this alone and nor do we want to. We want to work with strategic partners to develop around six 'Centres of Excellence' in three continents whereby sand dam technology can be tested, demonstrated and proven in a variety of political, economic, social and technical environments. Through this we will be able to promote the technology so that sand dams become a 'mainstream' water solution considered side-by-side with the more well-known technologies. This approach echoes our experience of supporting community groups in Africa whereby visits and exchanges between different communities is a key driver of development and adoption of sand dams in new areas.



**EXCELLENT DEVELOPMENT LIMITED
ANNUAL REPORT OF THE BOARD OF TRUSTEES**

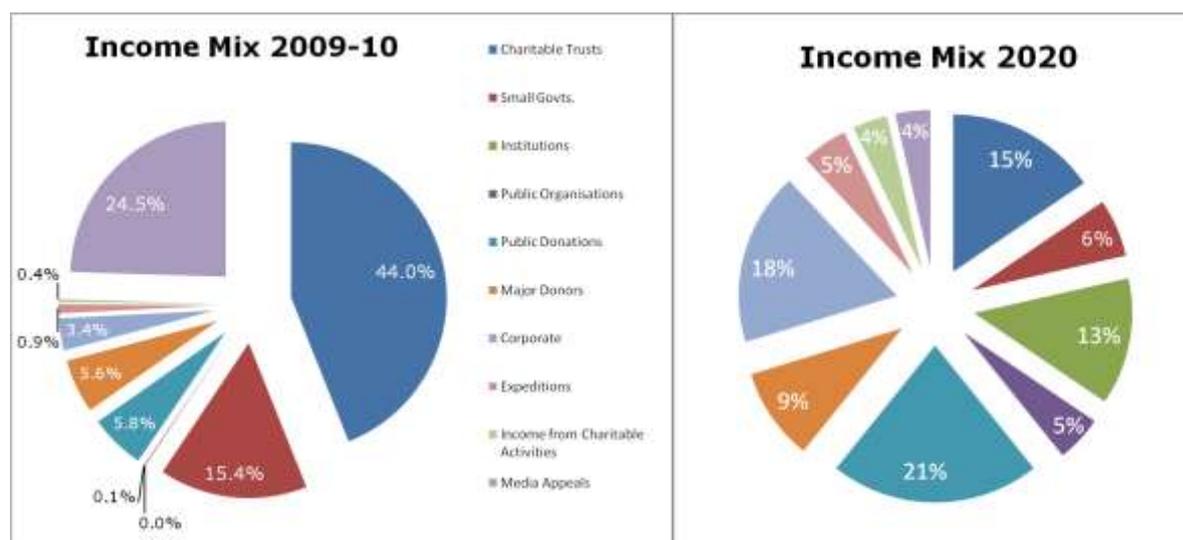
Whilst our focus is promoting sand dams through community-based action, we are not ignoring the potential elsewhere. For example, sand dams could also be implemented as part of a public works programme on seasonal rural roads – combining bridges with sand dams – rather than the traditional culvert. In addition, many game reserves in the world could be made more resilient to drought through sand dams. Elephants can dig water from sand dams and drought resilience would protect many endangered species and increase revenues.

Charitable activity – development education

Although a small part of our charitable activity, development education is a very important part of our strategy. Influencing understanding of sustainable farming in developing countries and the crucial role of soil and water conservation as a prerequisite to rural development is important at all levels. Seeking to expose school children, young people, teachers and university students to the remarkable impact of sand dams is part of a long-term advocacy strategy. Expeditions of young people and corporate employees to see, experience and feel the process of sustainable development are all part of the same process. Development education can of course also create demand for expeditions and opportunities for fundraising. We will promote our resources for Key Stage 2, 3 and 4 students and redevelop and expand our promotion of sustainable farming, soil and water conservation and sand dams throughout the education system.

Income strategy - fundraising

In order to be sustainable as an organisation ourselves it is critical that we diversify our income streams and increase levels of unrestricted funds to enable us to have the agility to respond to opportunities and changing needs. The pie charts below show our income mix last year and an indicative picture of the mix by 2020:



In particular we are very keen to develop both public donations and institutional funding – although the latter needs careful planning so as not to create a ‘feast and famine’ of income for both us and the development organisations we work with and support financially. We believe that expeditions have great potential for growth and is a priority because of its linkage to other fundraising and advocacy. In addition income from charitable activities will be important to grow in order to make our programme development activity more sustainable. This income stream would involve gaining income from the larger charities interested in sand dams by providing consultancy, support and enabling learning visits. Another area that we believe has potential is our TreeDuty brand which is used for voluntary carbon offsetting by planting endangered and medicinal trees in protected forests. We believe it provides a wider market place of donors than those interested in supporting development in Africa and we will be expanding our fundraising activities in this area with both corporates and the general public.

Strategically we also want to encourage or enable fundraising functions from other markets. We are struggling to establish a foothold in the USA but will continue to see how this could work. We have definite plans to establish a charity in the Isle of Man, which would enable us to strengthen our connection to the Manx government as well as provide a focussed constituency for individual fundraising. We also have interest from Australia, which would enable access to funds from the whole Asia Pacific region.

Fundraising is of course not restricted to 'developed nations' and we aim to support our strategic partners to gain funds from other organisations and in-country to reduce dependence. We also aim to support our partners build the capacity to provide the information required by donors, thereby supporting in-country fundraising and reducing Excellent's support costs necessary to meet our donors' needs.

Income strategy – rewarding farmers for conservation

Over the next ten years there are likely to be further income opportunities for our partners and the farmers they support. Initiatives whereby farmers themselves can gain income because of their soil and water conservation or carbon emission related activities. Two examples of this currently in the early stages are Green Water Credits and the Agroforestry Policy Initiative, both of which provide exciting potential for the sand dam and tree planting integrated programmes that we support to become financially self-sustaining.

Green Water Credits is an environmental reward system that promotes sustainable land and water management by farmers, so that land and water degradation diminish and both water quantity and quality increase. Green Water Credits will guarantee investments for land users to apply simple, but effective soil and water management practices, which leads to an increase in the amount of green water upstream and blue water downstream. There are projects in their early stages in Morocco, China and Kenya, the latter being the Tana basin where sand dams are being considered as part of the programme design. See <http://greenwatercredits.info>.

To encourage the formation of a global partnership to unlock this untapped potential, the World Agroforestry Centre has launched an Agroforestry Policy Initiative. The Initiative aims to support policy reviews and reforms that will stimulate agroforestry and benefit rural people. "This Initiative will support national and local policy reforms that will reduce barriers and improve incentives for private investment in agroforestry," said Dennis Garrity, Director General of the World Agroforestry Centre. "Agroforestry can deliver a wide range of benefits. It can enhance food security, improve rural livelihoods, make better use of scarce rainwater and absorb atmospheric carbon." See <http://www.worldagroforestry.org>.

In addition, there is a class of carbon offset mechanisms referred to as REDD schemes (Reducing emissions from deforestation and forest degradation), which may be included in a post-Kyoto agreement. REDD credits provide carbon offsets for the protection of forests, and provide a possible mechanism to allow funding from developed nations to assist in the protection of native forests in developing nations. The conflict between conserving environments and improving livelihoods is constricting efforts aimed at reducing emissions from deforestation and forest degradation in sub-Saharan Africa. REDD projects involve providing an incentive for changing the way forest resources are used. They offer a new way of curbing CO₂ emissions, through paying for actions that prevent forest loss or degradation. This can involve carbon trading or paying people to manage forests. One REDD scheme with considerable potential in Africa is agroforestry, which would massively increase the potential, particularly in drylands where 80% of the world's poor live. Developing countries' quest for food security through agricultural expansion often leads to deforestation and forest degradation. Agroforestry integrates growing trees with agricultural and horticultural production. It can help reduce deforestation indirectly by providing tree products and services that would have otherwise been exploited from forests, such as wood, charcoal, and nutrient-rich soils. See <http://www.un-redd.org/>.

Relationships with other organisations

These are the organisations that we currently co-operate with in pursuit of our charitable objectives, excluding those organisations that act solely as donors.

Charities/NGOs	Abbreviation	Country
Utooni Development Organisation	UDO	Kenya
Africa Sand Dam Foundation	ASDF	Kenya
Ukamba Christian Community Services	UCCS	Kenya
Mennonite Central Committee	MCC	Kenya and Mozambique
Christian Council of Mozambique	CCM	Mozambique
SOS Sahel Sudan	-	Sudan
SOS Sahel International UK	-	UK and Sudan
Dabane Trust	-	Zimbabwe
WaterAid	-	UK and Uganda
Rain Foundation	-	Ethiopia
Social Change and Development	SCAD	India
Other Organisations	Activity	Country
Quest Overseas	Expeditions	UK and Kenya
Inspire Worldwide	Expeditions	UK and Kenya
Andrews Charitable Trust	Strategic supporter	UK
Venture Partnership Foundation	Strategic supporter	UK

2009/10 operational review

Summary

- **Two more awards for Excellent**
- **Excellent Development Kenya becomes fully independent**
- **2010 goals on target except tree planting due to drought**
- **Programme development activities progressing well**

Awards

In 2009 Excellent was named the winner of the 'Small Charity, Big Achiever' category at the Third Sector Excellence Awards. Excellent was also runner up in the small charity category at the 2010 'charitytimes Awards'. Both awards are organised by two of the leading sector magazines.



Grant management

As planned, our sister organisation Excellent Development Kenya became fully independent in 2009, changing its name to the Utooni Development Organisation (UDO) in honour of its roots and connection with the Utooni Development Project – the community-based project that was the inspiration for Excellent Development.

Supported by both Excellent and the Mennonite Central Committee (MCC), UDO built 50 sand dams and 14 extensions to sand dams last year. Eighteen dams and one extension were directly funded by Excellent. Terracing continues to be a vital activity to enable farmers to retain water and top soil in their farms to increase food production potential. UDO communities dug 270 km of terraces or trenches – 99 km better than plan. This was achieved by the need to extend the food for work programme into the first half of 2009-10. Because there was a big improvement in the October-December rains, communities were able to plant 120,000 trees (8,000 over their target).

A key part of emerging from a long period of drought is having enough seeds to plant – many farmers are left without the store of seeds, or cash to buy them, after battling with water and food shortages. UDO supported communities were better off than most as shown in the photo right of the Munathi self-help group showing some seeds from their existing seed bank. However, Excellent and MCC supported further investment in community seed banks.



Photo: Polly Braden

Excellent also funded seven water tanks – five for rainwater collection for schools and two to support a rock catchment project.

In 2002 we set joint goals with UDO of what would be achieved by the end of 2010. So far 252 sand dams have been built towards the target of 300, which will be achieved this year. The 1,000 km target for terracing and trenching has already been exceeded by 163 km. Tree planting has reached 700,293 so far – 300,000 short of the one million target. By the end of 2010 it will be around 200,000 short, mainly due the prolonged droughts in 2006 and 2008-9.

Programme development

As discussed in the 2020 strategy section there are a set of key activities involved in our programme development work to increase the impact of sand dams in dryland areas world-wide:

- Opportunity identification
- Learning visits and resources
- Sand dam (and/or organisational) pilots
- Research
- Advocacy

Opportunity identification

During 2009-10, we identified the opportunity to expand work in Kenya by supporting the setting up of a new NGO working in the drier areas of Makueni and Kibwezi, called Africa Sand Dam Foundation (ASDF). The senior team of Kyalo Matheka and Musila Silu have significant sand dam and development experience from their work with Excellent in the past.



Musila Silu and Kyalo Matheka

Another organisation UCCS had recently started building sand dams but unfortunately their key donor Christian Aid has backed out because of budgetary cuts. They work in the northern parts of Machakos and Makueni as well as the even drier Mwingi district.

We also engaged with SOS Sahel who wanted to pilot sand dams in Sudan. South Kordofan, Sudan, is still reeling from the impact of the civil war. Pastoralists and farmers fought on opposing sides during the war and are now trying to live harmoniously in this challenging environment. It is often hard to find enough water for daily living. Competition for scarce water supplies risks endangering peace.

In 2009-10 we also developed a relationship with international NGO MCC and local NGO CCM in Mozambique. Like the people of Sudan, Mozambiquans have also experienced the negative impact of civil war on their society and their environment. Mozambique is the 11th poorest country in the world and continues to face the basic challenge of food and water security.

We have also identified opportunities to work with WaterAid, the Dabane Trust in Zimbabwe and SCAD in India.

Learning visits and resources

One key activity has been to progress with the unenviable task of creating a sand dam manual that will bring knowledge of sand dams to a wide audience and make it accessible to development practitioners rather than just water engineers.

As well as hosting a visit from SOS Sahel Sudan, UDO welcomed a visit from Excellent and staff from WaterAid and Rain Foundation. There were a total of ten visitors including staff from Ethiopia, Ghana, Uganda, UK and Zambia.



WaterAid and Rain Foundation visit to Kenya

Sand dam (and/or organisational) pilots

Excellent Development supported SOS Sahel's pilot project in 2009-10 which established the feasibility of building sand dams in a primarily agricultural area of South Kordofan, successfully building three sand dams on the Marui River with support from the Damba village community. These sand dams will reduce the distance the people of Damba village need to travel for water as well as enabling them to set up small-scale agricultural initiatives.



Above left: Armed Hawazma Pastoralists, Al-Batha camp (Photo: Sue Cavanna)

Above right: Plastering the Marui Dam (Photo: SOS Sahel UK)

Facilitated by the Mennonite Central Committee (MCC) who work in both Kenya and Mozambique, the Christian Council of Mozambique (CCM) joined them on a learning visit to UDO in 2007. They subsequently started a sand dam programme in two provinces and have built 20 dams. We have been approached by CCM and MCC to provide technical support on building sand dams and strategic support in the development of a national water and agriculture programme, driven by sand dams. Ian Neal our Programme Manager did an initial scoping visit in November 2009.

Research & Advocacy

Activities in these areas have been restricted primarily to strategic development, although we have started to integrate the data collection required for sand dam research. Advocacy has involved building relationships with organisations and networks and gaining publicity for sand dams, in particular through the Daily Telegraph. In addition, Executive Director Simon Maddrell took part in the 2009 Earthwatch Annual Debate, 'From Tsunami to Drought'. The audience at the Royal Geographical Society, London voted sand dams the best solution to the global water crisis. The debate was broadcast on BBC Radio 4 in December and January.

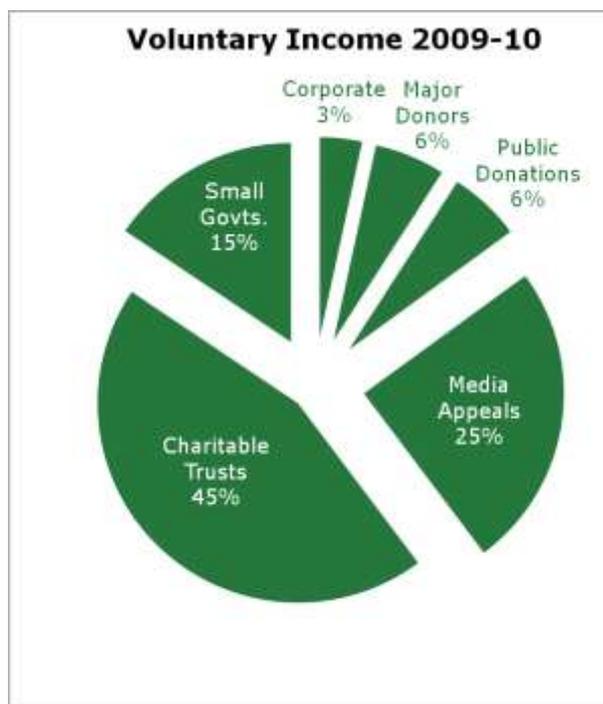
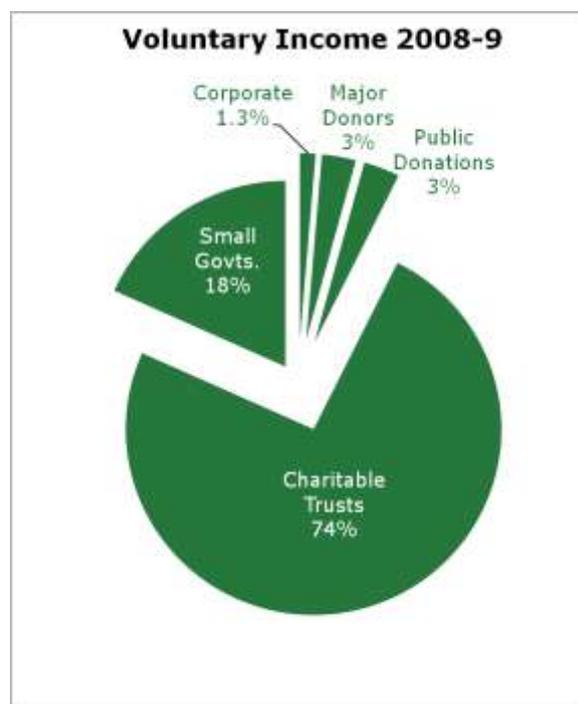
"Simon won the crowd over hands down. It was great to hear the story of Excellent Development!"
Michael Triff, Director of Development, Earthwatch Institute.

2009/10 financial review

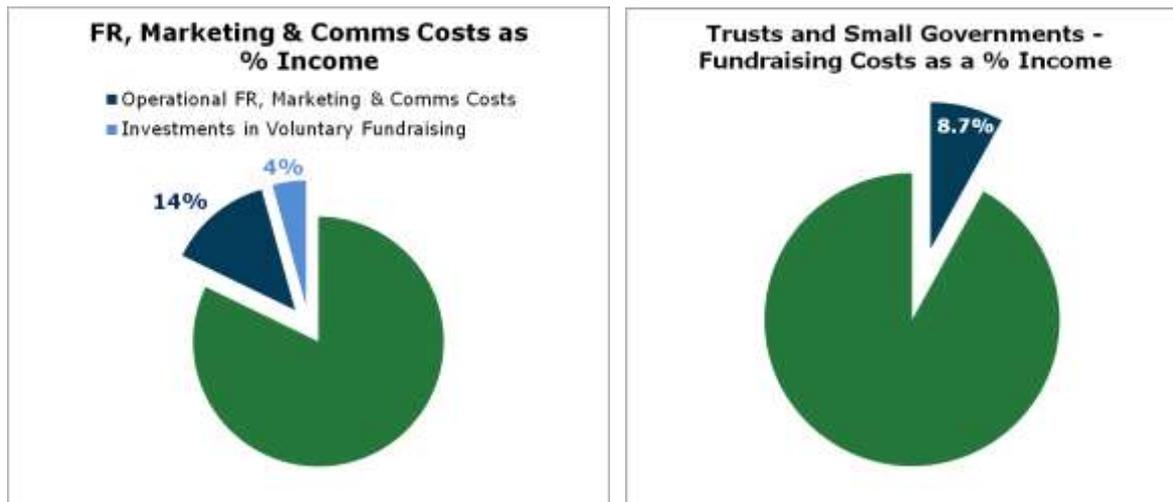
2009/10 has been another positive year for Excellent with income showing a growth of 76% to £893,526 in comparison with a budget of £797,000. This is our eighth year in succession that we have hit our income target. Due to a high proportion of income being received in the last quarter of the year, overall expenditure only increased by 13% (Charitable expenditure by 19%) to £632,693. The first major surplus since Excellent was formed in 2002 of £260,833 has enabled an increase in reserves to bring the Charity to a sustainable level of 6.6 months of ongoing core costs and 3.5 months of total planned expenditure. Due to the full independence of Excellent Development Kenya (now UDO) our financial reporting does not consolidate the accounts in Kenya.

The increases in income came primarily from our newer voluntary income streams – corporate, major donors and general public. This was enormously supported by The Daily Telegraph Christmas appeal, of which we were one of four chosen charities, which raised £219K. The increases in our newer income streams are a result of extra investments and resulted in the following growth percentages and share of total voluntary income:

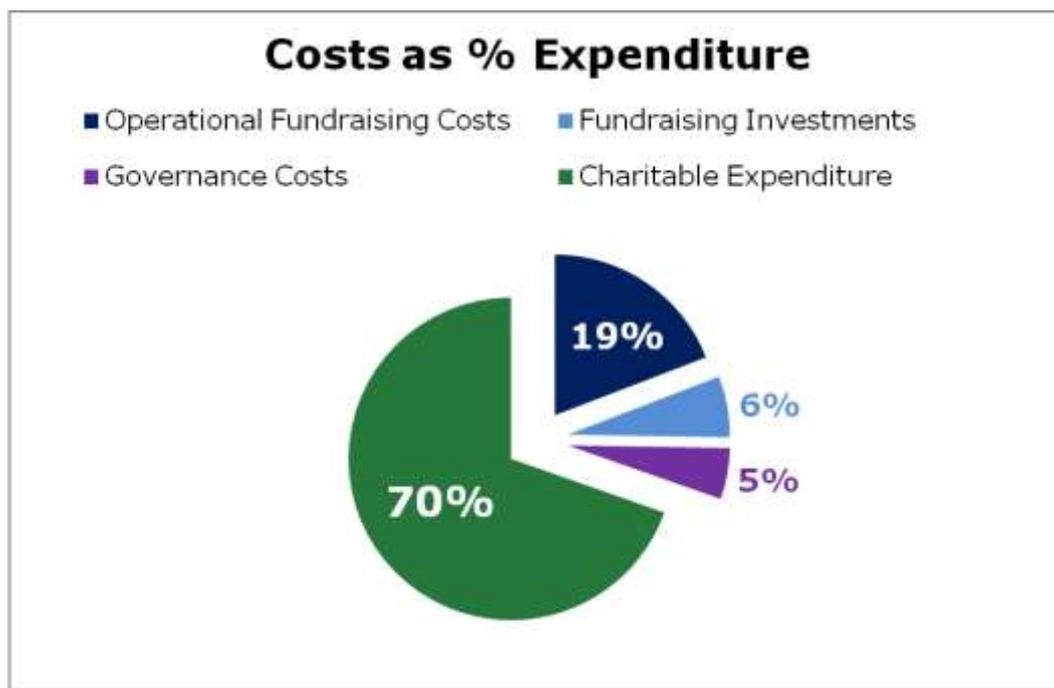
	2009-10	2008-9	Increase	% increase
Voluntary Income	£ 881,531	£ 487,373	£ 394,158	81%
Corporate	£ 29,920	£ 6,520	£ 23,400	359%
Major Donors	£ 50,168	£ 14,246	£ 35,922	252%
Public Donations	£ 51,546	£ 15,218	£ 36,328	239%
Small Governments	£ 137,257	£ 89,199	£ 48,058	54%
Charitable Trusts	£ 393,775	£ 362,190	£ 31,585	9%
Media Appeals	£ 218,865	-	£ 218,865	-



This diversification of our income streams has been a strategic priority for Excellent to remove our over reliance on charitable trust income, and we have gained investment funding to support change in this area. This has affected our total fundraising costs but operational fundraising costs have remained relatively low at 14%. With corporate, major donors and public fundraising notoriously difficult to grow without both delayed payback and significant investment it is understandable that our underlying fundraising cost remains relatively high, though this has decreased from 19% last year to 14%. However, it is important to note that fundraising costs for our mature income streams of trusts, foundations and small governments is much lower at 8.7%.



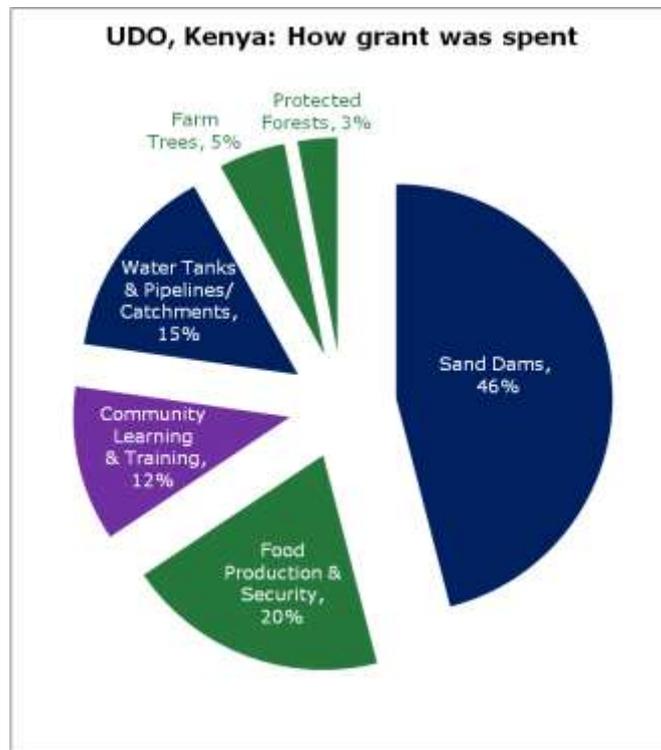
On the Expenditure front, costs have been controlled well as our growth has continued, but our charitable expenditure has reduced to 70% of total expenditure (from 78% in our 2008-9 consolidated accounts). This is partly due to no longer consolidating the accounts of Excellent Development Kenya (now UDO); but primarily due to the surplus for the year of £260,833. It was impossible to expend more funds overseas because such a high % of income came in the final quarter of the year – but it was also vital to increase reserves as the Charity has operated pretty much ‘hand to mouth’ since it was formed in 2002.



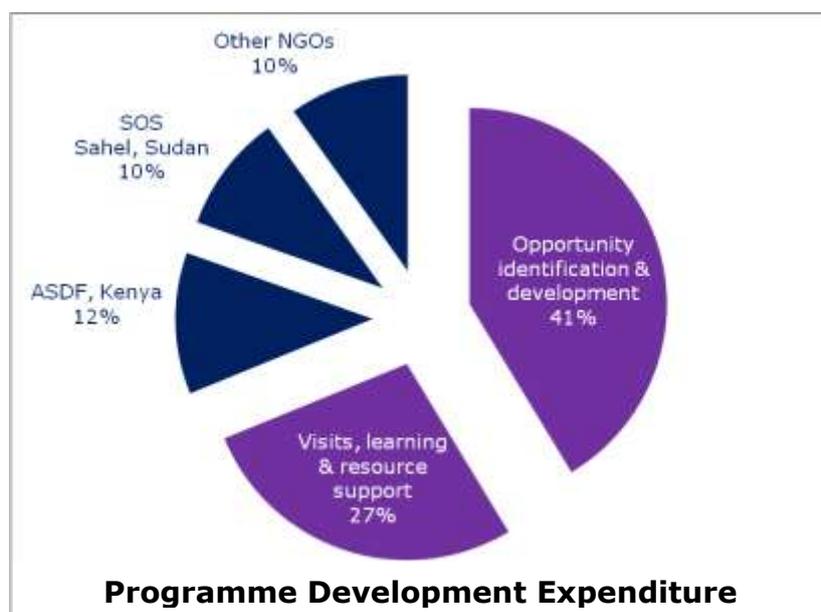
As important, if not more important, is actually how the 70% charitable expenditure is spent. With its new strategy, Excellent splits its charitable expenditure into two main parts: Grant Management (where we work with organisations who are supporting community groups and farmers to address food and water) and Programme Development (where we are mainly supporting organisations to pilot or develop sand dam technology as part of their food and water programmes).

**EXCELLENT DEVELOPMENT LIMITED
ANNUAL REPORT OF THE BOARD OF TRUSTEES**

In terms of Grant Management, 94% of our grants in 2009-10 were with UDO (formerly Excellent Development Kenya) and the £279,535 grant was used in the proportions indicated on the pie chart below. 60% of the funds were used to support water provision (75% on sand dams). 25% was spent on farmers' food production and tree planting with 12% on community learning and training that covers everything from specific learning about food and water and more generic support for self-help groups such as goal setting and community organisation.



In Programme Development, £126,888 was spent according to the pie chart below. In 2009-10 two-thirds of the funds were spent on developing opportunities and on the first stage of programme Development – visits and learning support about sand dams and the food production programmes we support. 10% was spent on supporting SOS Sahel pilot sand dams in Sudan and 12% in the setting up of a new NGO in Kenya to build sand dams in the drier areas of SE Kenya. 10% was spent on developing other opportunities with NGOs. As our work expands supporting the utilisation of sand dams in other areas, we expect, quite rightly, that a much higher proportion of expenditure will be utilised for grants to other organisations.



Benefits & Impacts of our work

Excellent Development supports farmers in Africa to gain access to clean water and grow enough food to eat and sell, enabling them to pay their children's school fees and buy other necessities. Farmers achieve this by organising themselves into self-help groups and improving soil and water conservation and farming techniques. Soil and water conservation is achieved through the terracing of land, planting of trees and building sand dams that hold between 2-10 million litres of water ensuring all year round availability.

The impacts of this simple, community-led approach are profound and long-lasting. Community groups in Kenya have demonstrated that sand dams can function effectively for over 30 years, with minimal maintenance. Excellent is working to help community groups in drylands worldwide to access the transformational technology of the sand dam.

Around four-fifths of the world's poorest people are reliant on drylands resources, so making these regions more productive and easier to live in will have a huge impact globally. Sand dams are the lowest-cost way to capture rainwater in drylands, providing the key to unlock the potential of both the environment and the people who live there.

Access to Clean Water

Feedback from Kenyan community groups indicates that sand dams have reduced the average time taken to collect water by over five hours, and the average distance travelled has reduced by over eight kilometres (see table below). These changes benefit the community in many ways, including having more time available to focus on producing food.

Reduction in time to collect water:		
Previously:	Between 2 and 12 hours	(Average 6 hours)
Reduced to:	30-60 minutes	(Average 53 minutes)
Reduced distance to collect water:		
Previously:	Between 3 and 25 km	(Average 11 km)
Reduced to:	½ to 7 km	(Average 2.6 km)

"There has been a great change since the sand dams. People no longer go to the hills seeking water. There is no more fighting at water points, and the water we get is not as salty as before. The people are now able to bathe, wash clothes, children are clean, people have been able to make terraces on their farms, and are also able to do construction projects at their homes since there is water. Areas around the sand dams have become cool. The people have planted sugar cane, napier grass, bananas and vegetables in the sand dam areas due to the availability of water."

Farmers in Matondoni Self-Help Group, Kenya

On a visit to sand dam sites in Kenya, **Salih Majid, Executive Director of SOS Sahel Sudan** commented that the clear, visible effects of the sand dams were *"green trees, healthy animals, and people who have time to do other work"*.



"There is a saying that says - Better to train a child to catch fish than to give him a fish. So by saying that I mean the skills we are getting now from Excellent Development are more important than the help that we can be given because you can give us one million and that million, it will end up you know, in a month, and then you'll find that there's nothing. Then we stand where we stay and we start stretching our hands again to borrow. But when our mind is filled with a skill then we will do for ourselves."

Charles Muendo Ndambuki, Mukika Self-Help Group, Kenya

Improved Food Production Leading to Increased Incomes

By improving water and soil conservation on farmland e.g. by terracing land, farmers can achieve greater crop yields. They are further boosted by the introduction of sustainable agriculture techniques such as intercropping and use of locally-adapted seeds. When farmers grow enough food to feed their family and some to spare, they can raise income by selling the surplus.

"This season even though the rains were unreliable I harvested some pigeon peas from the terraced areas. Previously I would harvest 5 bags of maize. With good terracing the harvest has increased to 25 bags."

Nduku Mutinda, Miamba Mitamboni Self-Help Group, Kenya

"Income has improved because we have better harvests from terracing land, better harvests from diversifying crops, and time saved. We have more time to work on important issues, and we can sell a portion of our crops."

Farmers in Kwa Mukonza Self-Help Group, Kenya

"We have reduced cash spending on food and fuel because families have increased production. We have increased cash income from crops, livestock, and trees."

Farmer from Iviani Self-Help Group, Kenya

"Ensuring water is available for agriculture throughout the year means that communities have the opportunity to increase small scale agricultural production and thus boost household incomes."

Vincent Casey, Technical Support Manager, WaterAid



"I appreciate the hard work we do with Excellent Development Kenya (EDK) because it pays. Before working with EDK I used to plant vegetables but the river channel dried up. Now I appreciate the revival of vegetable growing along the river channel due to the availability of water from the sand dams. When the vegetables are ready I sell to the community or to a commercial buyer. Therefore, I feel working with EDK, life is changing from worse to better off through the employment opportunities created."

Charles Wambua, Masenviro Self-Help Group, Kenya

Improved Health

Access to clean water and an increased, more diverse, food supply greatly improves a community's health, by enabling them to both avoid water-borne diseases, and avoid diseases associated with poor nutrition.

"We have been able to vary our meals. We have different diets today from the different crops. We have learned to use our local foods to cook differently. Malnutrition incidences used to be recorded in the community (but not now)."

Farmer in Kwa Mukonza Self-Help Group, Kenya

"The children used to go to school late. They were dirty. Rates of sickness like diarrhoea and other water borne diseases are now lower, and the children are clean."

Farmers from Kyumbuni Self-Help Group, Kenya



2010-11 plans

Summary

- **Enabling grant management growth in Kenya**
- **Seek to develop relationship and opportunities with WaterAid and Oxfam**
- **Supporting learning visits from India and Zimbabwe**
- **Launch the sand dam manual**
- **Progressing pilots in Mozambique and Sudan**
- **Launch Key Stage2 development education resources**

Plans for 2010/11 are for an income of £1,189,000 and expenditure of £1,162,000. From an income perspective we plan to further strengthen our range of income streams, particularly individual donors, expeditions and corporate donations.

Grant management

We will continue to focus on supporting rural communities to carry out soil and water conservation to enable them to focus on their priorities of water, food, incomes and health. During 2010-11 we plan to transition ASDF and UCCS from organisational pilots into an ongoing grant management programmes.

Programme development

The slide below outlines the progress and plans we have as regards learning visits and sand dam/organisational pilots:



Opportunity identification

We plan to develop our relationship with Water Aid, in particular to develop an opportunity to work with them to pilot sand dams in NE Uganda. We will also work with Oxfam to understand if we can investigate opportunities to pilot sand dams with their partners.

Learning visits and resources

We will launch a sand dam manual before the end of 2010-11. In addition to visits from SCAD and Dabane, we are also planning a second learning visit from CCM and MCC from Mozambique to further develop the technical side of sand dams and investigate ideas to further integrate sand dams with their integrated agricultural programme.

Sand dam (and/or organisational) pilots

In Sudan, the next step is to pilot building sand dams in conflict 'hot spots'. SOS Sahel is working with pastoralists and farmers to identify such places where sand dams are the best water solution. SOS Sahel Sudan aim to build 20 sand dams between 2011 and 2014 to improve the availability of water in these areas. As part of the project, it is hoped that ex-combatants will be trained in construction skills, reducing the risk of future conflict.

In Mozambique, our team will be visiting CCM and MCC to support the strategic planning and implementation of a national office, which intends to eventually support all 11 provinces with integrated sand dam and agriculture programmes.

Research

In 2008 we were involved in the sub-Saharan Africa part of the multi-agency Ecosystems Services for Poverty Alleviation (ESPA) research study.

See <http://www.nerc.ac.uk/research/programmes/espa/background.asp>. We will be aiming to be involved in the next stage of work starting in 2011.

Advocacy

As part of the development of the advocacy strategy we will be planning for the launch of sanddams.org in 2011 to promote sand dam technology and provide access to learning resources and research material on sand dam technology. We hope to be able to start building a network of organisations with the common aim of promoting the appropriate application of sand technology in dryland areas with both agriculturalists and pastoralists.

Development education

We will launch teaching resources for Key Stage 2 students to build upon those developed for Key Stage 3, 4 and A level in 2007/8. We will be launching and distributing these resources through Development Education Centres in the UK and via the One World Centre in the Isle of Man. We will promote our resources through the Geographical Association at their annual conference.

Rebranding

Having gone through a whole new vision and strategy for Excellent, we were approached by one of our corporate sponsors who offered to provide *pro bono* support to carry out a rebranding exercise. Myles Pinfold, Director of WPA Pinfold, explained, "We came across Excellent Development because of its TreeDuty initiative and have been very impressed by the way it operates. We admire the organisation for its integrity and open and accessible approach. We feel it will benefit considerably from our brand and marketing communications expertise".

With our current brand and website being over five years old and our vision and strategy having changed so much, we accepted their generous offer of support at no cost. Below you can see a taste of the new brand which addresses the problems expressed to us by strategic partners and key donors. Simplifying our name to Excellent will make it more memorable and the strap line of 'Pioneers of Sand Dams' helps people to understand what we do, emphasise our unique selling point in the UK charity sector and reflect our new vision. The water drop and leaf motif strengthens this identity, reflecting the holistic nature of our work and how the water supplied from sand dams enables communities to plant trees and improve food production. Look forward to the launch of our new brand in early February 2011 and a new website by end of April.

Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for the charity for 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 Board resolution at each Annual General Meeting. 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 Committee which identifies gaps in skills and/or experience in the Board and then proposes recruitment and election.

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' induction courses.

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

Risk assessment

The Trustees have a structured approach to fulfil their responsibilities 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 believes that the organisation and the project will efficiently and effectively support the mission and vision of Excellent.
- The organisation is both willing and able to provide sufficient information and evidence to enable fundraising applications and fund raising reporting to meet the needs of donors.
- The organisation is both willing and able to provide regular reporting in accordance with Excellent's monitoring and evaluation (M&E) process.

All grants are subject to Excellent having sufficient funds and management capacity. All grants follow an approval process involving Executive Director, Overseas Development Sub-Committee (ODSC), and/or Board, depending on the grant value.

Excellent 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 6 months of ongoing core costs as the minimum reserves necessary, with 12 months the upper limit. Furthermore, the Trustees wish to hold a minimum of 3 months of total planned expenditure as the minimum level of reserves, with 6 months desired in order to protect our relationships and commitments to NGOs that we work with overseas.

Reserves to policy	£	%	Months
Reserves at 31st March 2010	£ 305,316		
Ongoing Core Costs 2010/11	£ 551,786	55%	6.6
Total Expenditure 2010/11	£ 1,040,296	29%	3.5

The Trustees therefore consider the current level of reserves to be acceptable.

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 and Barclays Bank in Kenya. Due to the increase in reserves the Trustees are to review this policy during the financial year.

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 29th September 2010



.....
Stephen Owen
CHAIRMAN

Independent auditors report

We have audited the financial statements of Excellent Development Limited for the year ended 31 March 2010 which comprise of the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein [and the Financial Reporting Standard for Smaller Entities (effective April 2008)]

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Excellent Development Limited for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

EXCELLENT DEVELOPMENT LIMITED
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 MARCH 2010

Opinion

In our opinion:

- The financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice [applicable to Smaller Entities];
- The financial statements have been prepared in accordance with the Companies Act 2006; and
- The information given in the Trustees' Annual Report is consistent with the financial statements.



Michael Kay
SENIOR STATUTORY AUDITOR

For and on behalf of:

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

Date: 29th September 2010

EXCELLENT DEVELOPMENT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 Unrestricted £	2010 Restricted £	2010 Total £	2009 Total £
INCOMING RESOURCES					
Voluntary income	2	442,500	439,031	881,531	487,371
Activities for generating funds	3	6,048	2,360	8,408	14,392
Income from charitable activities	4	50	3,116	3,166	288
Investment income and interest	5	223	198	421	4,212
Total incoming resources		448,821	444,705	893,526	506,263
RESOURCES EXPENDED					
Cost of generating funds					
Marketing and communications costs	6	18,844	13,895	32,739	31,966
Voluntary income costs	7	69,567	54,611	124,178	95,930
Activities for generating funds costs	8	10,132	939	11,071	5,779
Income from charitable activities costs	9	-	270	270	-
Investment income costs		-	-	-	110
Total cost of generating funds		98,543	69,715	168,258	133,785
Charitable expenditure					
Grant management	10	58,421	239,464	297,885	306,023
Programme development	11	61,031	65,857	126,888	46,958
Development education		6,191	1,500	7,691	10,114
Total charitable expenditure	12	125,643	306,821	432,464	363,095
Governance	13	14,673	17,298	31,971	63,285
TOTAL RESOURCES EXPENDED		238,859	393,834	632,693	560,165
Exchange rate gain/(losses)		-	-	-	(6,272)
NET INCOMING /(OUTGOING) RESOURCES		209,962	50,871	260,833	(60,174)

The movement in funds are detailed in Note 19 on page 33.

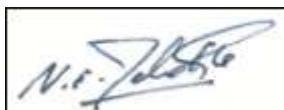
The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All of the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

EXCELLENT DEVELOPMENT LIMITED
BALANCE SHEET
AS AT 31 MARCH 2010

		2010	2009
			(As Restated)
	Note	£	£
Fixed assets			
Tangible fixed assets	14	8,807	10,021
Investments	15	1	1
Total fixed assets		<u>8,808</u>	<u>10,022</u>
Current assets			
Debtors	16	42,501	32,210
Cash at bank and in hand	17	402,025	134,052
Total current assets		<u>444,526</u>	<u>166,262</u>
Current liabilities			
Creditors falling due within one year	18	(46,365)	(30,148)
Net current assets		<u>398,161</u>	<u>136,114</u>
Total assets less current liabilities		<u>406,969</u>	<u>146,136</u>
Financed by:			
Unrestricted funds	19	305,316	95,354
Restricted funds		92,846	40,761
Property and equipment fund		8,807	10,021
Total funds		<u>406,969</u>	<u>146,136</u>

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 29th September 2010



.....
Nigel Edward Melville
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 and the Charities Act 1983, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in 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.

Excellent Development (Kenya) became autonomous with effect from 1 April 2009 and is now known as the Utooni Development Organisation (UDO). The Charity no longer has effective management control over UDO and has therefore not consolidated their accounts in 2009/10. The comparatives used for the year ended 31st March 2009 have been stated as per the company (not consolidated) accounts of last year.

1.3 Incoming resources

Any materials (tools, equipment, etc.) received and given to overseas projects are included in the Financial Statements at market value at the time of export. 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 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 of the staff who promote 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.

Core Costs

Core costs of £357,654, which comprise employment, administration, accommodation and support costs have been allocated on the basis of staff time attributable to each activity, as follows:

	%	%
Cost of generating funds		42
Marketing and communications costs	7	
Voluntary income costs	32	
Activities to generate funds costs	3	
Charitable expenditure		24
Grant management	5	
Programme development	19	
Development education	0	
Governance		5
Support costs		29
Grant management	14	
Programme development	13	
Development education	2	

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 by staff directly providing support for charitable activities including management, policy and advocacy work and supervision 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; organisational administration and compliance with constitutional and statutory requirements. Support costs of £116,333 have been allocated to charitable activities on the basis of staff time attributable to each activity, as follows:

	%
Grant management	47
Programme development	47
Development education	6

1.5 Tangible fixed assets and depreciation

Assets costing more than £500 are capitalised.

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

1.6 Investments

Investments in subsidiary are 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.

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

	2010 Unrestricted £	2010 Restricted £	2010 Total £	2009 Total £
Public donations	49,440	2,106	51,546	15,465
Media appeals	218,865	-	218,865	-
High net worth individuals	41,835	8,333	50,168	11,538
Trusts and foundations	103,348	274,550	377,898	364,649
Small governments	-	137,257	137,257	89,199
Awards	15,877	-	15,877	-
Corporate	13,135	16,785	29,920	6,520
Total	<u>442,500</u>	<u>439,031</u>	<u>881,531</u>	<u>487,371</u>

3. Activities for generating funds

	2010 Unrestricted £	2010 Restricted £	2010 Total £	2009 Total £
Expeditions	5,335	2,360	7,695	4,626
Events	-	-	-	9,766
Trading	713	-	713	-
Total	<u>6,048</u>	<u>2,360</u>	<u>8,408</u>	<u>14,392</u>

4. Income from charitable activities

	2010 Unrestricted £	2010 Restricted £	2010 Total £	2009 Total £
Consultancy income	50	3,116	3,166	288
Total	<u>50</u>	<u>3,116</u>	<u>3,166</u>	<u>288</u>

5. Investment income and interest

	2010 Unrestricted £	2010 Restricted £	2010 Total £	2009 Total £
Bank interest	223	198	421	4,212
Total	<u>223</u>	<u>198</u>	<u>421</u>	<u>4,212</u>

6. Marketing and communications costs

	2010 Total £	2009 Total £
Marketing, design & print costs	2,370	2,211
Other marketing & communications costs	657	400
E-mail marketing costs	490	246
PR, marketing & services costs	2,989	7,467
Core cost allocation	26,233	21,642
Total	<u>32,739</u>	<u>31,966</u>

EXCELLENT DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. Voluntary income costs

	2010	2010	2010	2009
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Public donations costs	21,166	179	21,345	7,418
Media appeals costs	7,531	0	7,531	-
High net worth individuals costs	19,431	1,308	20,739	11,045
Trusts and foundations costs	11,508	28,851	40,359	51,371
Small governments costs	0	5,844	5,844	7,339
Awards costs	835	0	835	-
Corporate costs	9,096	18,429	27,525	14,227
Kenya fundraising costs	-	-	-	4,530
Total	<u>69,567</u>	<u>54,611</u>	<u>124,178</u>	<u>95,930</u>

* Core costs of £115,110 in 2010 have been allocated across the income stream activities (see Note 1.4).

8. Activities to generate funds costs

	2010	2010	2010	2009
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Expeditions costs	9,850	939	10,789	993
Events costs	29	-	29	4,786
Trading costs	253	-	253	-
Total	<u>10,132</u>	<u>939</u>	<u>11,071</u>	<u>5,779</u>

* Core costs of £10,549 in 2010 have been allocated across the activities to generate funds (see Note 1.4).

9. Income from charitable activities costs

	2010	2010	2010	2009
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Consultancy costs	-	270	270	-
Total	<u>0</u>	<u>270</u>	<u>270</u>	<u>-</u>

* Core costs of £270 in 2010 have been allocated to the income stream activity (see Note 1.4).

10. Grant management

	2010	2010	2010	2009
	Unrestricted	Restricted	Total	Total
	£	£	£	£
UDO, Kenya	50,071	229,464	279,535	282,934
Excellent Development USA	8,350	10,000	18,350	23,089
Total	<u>58,421</u>	<u>239,464</u>	<u>297,885</u>	<u>306,023</u>

* Core costs of £74,508 in 2010 have been allocated to the income stream activity (see Note 1.4).

EXCELLENT DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

11. Programme development

	2010 Unrestricted	2010 Restricted	2010 Total	2009 Total
	£	£	£	£
Opportunity identification & development	32,166	20,322	52,488	26,261
Visits, learning & resource support	13,839	20,970	34,809	20,697
Support and/or grants for programmes:				
ASDF, Kenya	9,504	5,293	14,797	-
SOS Sahel, Sudan	1,875	10,443	12,318	-
CCM, Mozambique	1,875	7,064	8,939	-
NGOs, Swaziland	562	1,059	1,621	-
Dabane Trust, Zimbabwe	375	706	1,081	-
UCCS, Kenya	835	-	835	-
Total	<u>61,031</u>	<u>65,857</u>	<u>126,888</u>	<u>46,958</u>

* Core costs of £113,494 in 2010 have been allocated to the income stream activity (see Note 1.4).

12. Charitable expenditure

	2010 Support costs *	2010 Direct costs	2010 Total	2009 Total
	£	£	£	£
Grant management	54,609	243,276	297,885	306,023
Programme development	54,033	72,855	126,888	46,958
Development education	7,691	-	7,691	10,114
Total	<u>116,333</u>	<u>316,131</u>	<u>432,464</u>	<u>363,095</u>

* Support costs have been allocated across the different charitable activities (see Note 1.4).

13. Governance

	2010 Total	2009 Total
	£	£
Audit fees	3,231	3,231
Bank charges	226	171
Insurance	1,576	1,198
Professional fees and registrations	1,245	2,733
Trustee expenses	8,202	5,897
Allocation of core costs *	17,491	50,055
Total	<u>31,971</u>	<u>63,285</u>

14. Tangible fixed assets

	2010 IT Equipment £	2009 IT Equipment £
<u>Cost or valuation:</u>		
Opening balance	22,211	22,375
Additions	6,240	2,323
Disposals	-	(2,487)
Balance as at year end	<u>28,451</u>	<u>22,211</u>
<u>Depreciation:</u>		
Opening balance	12,190	5,509
Charge for year	7,454	6,681
Balance as at year end	<u>19,644</u>	<u>12,190</u>
Net Book Value as at year end	<u><u>8,807</u></u>	<u><u>10,021</u></u>

EXCELLENT DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

15. Investments

	2010	2009
	£	£
Investment in Excellent Development Trading Limited	1	1
Total	1	1

16. Debtors

	2010	2009
	£	£
Debtors	1,049	3,021
Prepayments*	5,888	27,958
Accrued income	34,625	414
Deposits	939	58
Amount owed by Excellent Development Trading Limited	-	759
Total	42,501	32,210

* Prior year adjustment from £3,327 to £27,958 due to retained funds in Excellent Development (Kenya) now not consolidated in the accounts.

17. Cash at bank and in hand

	2010	2009
	£	£
Current Account	299,289	33,001
Savings Account	103,509	103,286
Business Charge Card Account	(773)	(2,235)
Total	402,025	134,052

18. Creditors: amounts falling due within one year

	2010	2009
	£	£
Creditors	5,488	16,838
Accruals	31,861	3,961
Deferred income	-	633
PAYE	9,015	8,715
Amount owed to Excellent Development Trading Limited	1	1
Total	46,365	30,148

19. Movement in funds

	As at 1 April 2009 (As Restated)	Incoming resources	Outgoing resources	Transfers	Total Movements	As at 31 March 2010
Fund types	£	£	£	£	£	£
Unrestricted	95,354	448,821	(238,859)	-	209,962	305,316
Restricted	40,761	444,705	(393,834)	1,214	52,085	92,846
Property & equipment	10,021	-	-	(1,214)	(1,214)	8,807
Total funds	146,136	893,526	(632,693)	-	260,833	406,969

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

20. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Property & equipment fund	Total funds
	£	£	£	£
Fixed assets	-	-	8,807	8,807
Current assets	328,164	116,362	-	444,526
Current liabilities	(22,848)	(23,516)	-	(46,364)
Net assets at end of year	305,316	92,846	8,807	406,969

21. Financial commitments

As at 31st March 2010 the Charity is committed to a lease for its office until 21st June 2010 (£2,640).

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 1.4).

23. Trustees

None of the seven trustees who held office during the year (or any persons connected with them) received any remuneration during the year.

The seven trustees incurred expenses as follows:

	2010	2009
	£	£
Memberships	-	466
Trustee indemnity insurance	474	107
Travel	6,614	5,324
Telephone	1,114	-
Total	8,202	5,897

24. Employees

	2010	2009
	£	£
Salaries and wages	277,612	226,058
Employer NIC	30,254	25,317
Total	307,866	251,375
Average number of employees	7.7	5.7

One employee earned £62,488 during the year.

25. Related parties

Mr Simon Maddrell, Executive Director and Member of the Charity, is a Director of Excellent Development USA (Excellent USA), which is an independent, registered 501(c) not for profit organisation. He received no remuneration or expenses from Excellent USA during the year. Excellent USA received start-up funds from the Charity (see Note 10).

