

VILLAGE WATER LIMITED

England & Wales · Charity number 1117377

Details

Status Registered

Legal form Charitable company

Company number [05970344](#)

Registered 2006-12-22

Register [View on the Charity Commission register](#)

Contact

Address C/O URC Office
Coleham Head
Shrewsbury
Shropshire
SY3 7BJ

Phone 01743241563

Email info@villagewater.org

Website www.villagewater.org

Activities

Objects: TO PROMOTE ACCESS TO SAFE WATER, HYGIENE EDUCATION AND SANITATION AS A MEANS OF IMPROVING HEALTH, ACCESS TO EDUCATION AND COMMUNITY DEVELOPMENT BY PROVIDING SUPPORT TO LOCAL PARTNERS WORKING IN DISADVANTAGED COMMUNITIES IN AFRICA AND FOR OTHER COMPLEMENTARY CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITIES & INSTITUTIONS IN WHICH WE WORK.

Activities: We promote access to safe water, hygiene education and sanitation as a means of improving health, access to education and community development. We achieve this by providing support to local partners working in disadvantaged communities in Africa.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Overseas Aid/famine Relief
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE, AFRICA
- Mozambique
- Zambia

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£1,478,198	£1,516,641	£431,875	9
2024-12-31	£1,688,308	£1,660,016	£470,319	8
2023-12-31	£2,447,890	£2,558,958	£442,027	7
2022-12-31	£2,303,396	£1,975,025	£553,095	8
2021-12-31	£1,201,760	£1,111,046	£224,724	6
2020-12-31	£1,137,569	£1,254,674	£134,010	6

Trustees

Name	Role	Appointed
Andrew Picken OBE	Chair	2015-04-09
Drake Peabody		2024-01-25
Madison Kirby		2025-10-17
Martin Rickard		2024-04-18
Martyn Anwyl		2023-01-20
Natalie Lanagan		2026-01-30
REBECCA BUTCHER		2026-01-30
Sarah-Jane Docherty		2019-10-24
Simranjeet Gill		2026-01-30
Steven Andre		2023-01-20
Trina Chakravarti		2017-12-05
Zara Prabhu		2023-01-20

VILLAGE WATER LIMITED

England & Wales - Charity number 1117377

Accounts

Registered number: 05970344
Charity numbers: 1117377 (England & Wales) & SC044129 (Scotland)

VILLAGE WATER LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

VILLAGE WATER LIMITED
(A company limited by guarantee)

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VILLAGE WATER LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees	Mr Andrew Picken, Chair Ms Trina Chakravarti Ms Sarah-Jane Docherty Mr Steven Andre Mr Martyn Anwyl Ms Zara Prabhu Mr Drake Peabody Mr Martin Rickard Ms Madison Kirby (appointed 17 October 2025) Ms Natalie Lanagan (appointed 30 January 2026) Ms Rebecca Butcher (appointed 30 January 2026) Mr Simranjeet Gill (appointed 30 January 2026)
Company registered number	05970344
Charity registered numbers	1117377 (England & Wales) and SC044129 (Scotland)
Registered office	Room C, URC Office Coleham Head Shrewsbury Shropshire SY3 7BJ
Independent auditor	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West malling Kent ME19 4JQ

VILLAGE WATER LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their annual report together with the audited financial statements of the Village Water Limited for the year 1 January 2025 to 31 December 2025. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Vision: Better health, education and opportunity for everyone, through safe water, sanitation and hygiene, along with additional integrated activities, improving the lives of the people we work with.

The Trustees have had regard to the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'. Working towards achieving the Sustainable Development Goals' concept 'Leave no-one behind,' the Trustees confirm that they have complied with the duty in the Charities' Act 2011 and consider that the objects of the charitable company, the activities outlined in this report and the charitable company's future plans have a demonstrable benefit to the public.

b. Principal activities

Last year, working closely with our dedicated local partners in Zambia and Mozambique, Village Water supported 102,526 people through safe water, sanitation, and hygiene programmes across our district wide work. Since we began in 2004, we have reached a significant milestone, passing two million people supported. This achievement reflects improved WASH services in 4,692 villages, support to 277 schools and 64 health centres, and better learning environments for 157,173 pupils, helping children study in cleaner, safer conditions.

A big part of our approach is working directly with district councils and partners to develop District Wide Plans: practical, costed roadmaps designed to reach everyone in a district with sustainable WASH services. These plans identify gaps, strengthen accountability, support local enterprise, and help ensure no one is left behind. Our focus on three districts is intentional: we are testing and improving an approach that can ultimately be led and sustained by councils with progressively less input from Village Water.

We are not only investing in infrastructure, but also in the systems that keep services running. In 2025, functionality remained high, with 98% of water points functional. This reliability is supported through locally led maintenance systems, including trained area pump minders and strengthened water committees.

We also track health and inclusion outcomes. Our monitoring shows a 93% reduction in waterborne disease in focus communities, and improved menstrual health outcomes, with 94% improved menstrual health knowledge in focus wards and an 89% decrease in girls' school absence linked to menstruation and illness.

Climate resilience remains a key part of our work. Since 2019, our carbon funded programme has helped keep services operational at scale, supporting 1,262,916 people with maintained water access and delivering 1,037 water point repairs in the year. This approach also contributes to climate outcomes, with an estimated 4.1 million tonnes of carbon emission savings since 2019, through reduced need to boil unsafe water using firewood.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Objectives and activities (continued)

c. Grant-making policies

Village Water works through local partners in Zambia and Mozambique, with whom we have Partnership Agreements which define roles, expectations, and obligations of all parties. Each partner signs a Memorandum of Understanding which details specific activities, timeline and budget.

When we identify new partners to work with in-country we carry out due diligence checks including organisational, governance, policies, and financial processes. Partnerships are reviewed annually.

We monitor project progress and impact using a mobile-to-web system that tracks milestones along the activity timelines. Financial reports are required by an agreed deadline which, once approved, trigger further transfers made in line with the annual budget. Directors meet bi-monthly and team members from each partner, including Village Water, take part in 'hubs' focusing on, but not limited to communications and marketing, safeguarding, finance and stock control, monitoring, and board support. Staff, Trustees and occasionally volunteers visit the projects to support local partners to develop new projects, gather data, marketing materials, and to carry out 'follow the money' finance checks.

Achievements and performance

a. Review of activities

2025 Overview:

Throughout the year, we made significant strides in improving water, sanitation, and hygiene (WASH) in the areas we work, reaching over 102,526 people in Zambia and Mozambique combined.

Zambia:

In Zambia, we continued district wide delivery across our focus areas, combining infrastructure investment with hygiene promotion, maintenance systems, and monitoring. In 2025 we installed 11 new village water points, rehabilitated five existing water points, and installed two solar powered water systems. We strengthened maintenance capacity through training and support for local teams, including area pump minder training and continued reinforcement of water committee roles and preventative maintenance.

Mozambique:

In Mozambique, we delivered hygiene and sanitation promotion and strengthened maintenance systems through training and toolkits for local area pump minders and water committees. We installed two new solar systems in schools and supported sustained service delivery through the carbon programme.

Key Successes

In 2025, we redeveloped our website so that it better reflects the quality and scale of Village Water's work and enables us to launch new campaigns more quickly and effectively.

We made good progress in our three focus districts. Thanks to enhanced support and training, area pump minders have reduced both the frequency and duration of breakdowns. We continued investing in our three priority districts, installing 15 water systems and repairing five.

Our monitoring continues to show clear outcome level impact. It indicates a 93 per cent reduction in waterborne disease in focus communities, alongside improved outcomes for girls through menstrual health programming, with 94 per cent improved menstrual health knowledge and an 89 per cent reduction in girls' absence linked to menstruation and illness.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Achievements and performance (continued)

We have maintained a clear focus on water safety, completing 4,239 water quality tests in total, including 611 tests in District Wide Plan areas and 3,628 tests through the carbon programme.

Our carbon funded programme continues to deliver safe water access for nearly 1.3 million people across rural areas in Zambia and Mozambique. The project has been renewed for another five-year period, and since 2019 we have achieved an estimated 4.1 million tonnes of carbon emission savings.

Together, these achievements highlight the impact of long-term partnerships at district level, and our commitment to reaching everyone with safe, sustainable water, sanitation, and hygiene.

We thank those who make regular gifts, as your support gives us the security to plan. We could not continue to grow our impact without the many generous donations from individuals, community groups, and trusts during the year. We acknowledge, among others too numerous to mention, The Waterloo Foundation, The Rotary Club of Stokesley, The Guernsey Overseas Aid and Development Committee, and The Peter Stebbings Memorial Charity. We also remember those who entrusted us with legacy gifts in their wills.

Village Water are extremely grateful to the immense generosity of the BBC Radio 4 Appeal listeners who helped raise over £22,209 via the appeal presented by our ambassador, renowned garden historian, Advolly Richmond.

Our Big Give campaign raised £70,411, reflecting a strong response from supporters and high engagement during the appeal period.

b. Fundraising activities and income generation

Village Water complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and adhere to the Fundraising Promise. We are also signed up to the Fundraising Preference Service (FPS) to enable individuals to opt out from receiving fundraising communications from us. During 2025, we received one FPS request and actioned it promptly, ensuring the individual was removed from all relevant communications.

All income was generated through fundraising, with a small amount from investment income. In 2025 we spent £141,160 (2024: £133,556) in support costs for our projects. Expenditure on charitable activities, including governance, in 2025 was 91p (2024: 92p) in every pound.

Our fundraising activities include applications to trusts and foundations, encouraging private donations, and digital appeals. We have a large proportion of income from corporate donors. We employ a small fundraising team which supports all income generating initiatives. Village Water does not use third-party suppliers for any fundraising activities.

Our complaints' policy is publicly available on our website, giving individuals clear means to complain, even anonymously, about something they are unhappy with. There were no complaints made in 2025 (2024: none). Our safeguarding policy is available on our website. All staff are familiar with the procedures and have signed the organisation's Code of Conduct.

Structure, governance and management

a. Constitution

Village Water is a charitable company limited by guarantee incorporated on 18 October 2006 and registered with the Charity Commission on 22 December 2006. The Memorandum and Articles of Association were revised and approved by the Board on 26 July 2024.

VILLAGE WATER LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The charitable company's Board of Trustees currently comprises 12 volunteer members who are responsible for the strategic direction and compliance activities of the charitable company. The Board meets four times a year. Board Management, Strategy, HR, Fundraising, Finance and Risk Committees meet regularly.

Trustees are appointed as required. When considering new Trustees, the Board will carry out a gap analysis before advertising the position on specialist sites. The Board Management Committee will make recommendations on applicants and selection is by interview.

c. Policies adopted for the induction and training of Trustees

Newly appointed Trustees receive induction in Village Water's background, strategic goals, and financial history. Trustees are expected to join one of the sub-committees and given the opportunity to visit the projects in Africa to better understand the work.

d. Organisational structure and decision-making policies

The staff team is led by the CEO, to whom the Trustees delegate responsibility for ensuring that the charitable company delivers the services specified and that strategic targets are met. The CEO manages a team of staff including fundraising, monitoring and finance functions.

Two trustees stepped down at the April meeting. Paul Marston resigned for personal reasons, and Louise Cook completed her full 12-year term. The Board records its sincere thanks to both for their long-standing commitment and valuable contribution to Village Water's work.

Madison Kirby joined the Board during the year. The trustees are pleased to welcome her and look forward to the experience and insight she brings to support the charity's ongoing development and governance.

e. Pay policy for key management personnel

The Trustees consider the key management personnel of the charity to comprise the CEO. The pay of the CEO is reviewed periodically by the Board of Trustees and is benchmarked against similar roles within the charity sector, taking account of the size, complexity and geographical scope of the organisation. The aim is to ensure remuneration is fair, reasonable and sufficient to attract and retain appropriately qualified staff while reflecting the charity's values and available resources. The remuneration of the CEO is approved by the Trustees.

f. Trustees' indemnities

The charitable company has granted qualifying third-party indemnity provisions for the benefit of its Trustees. In addition, the charity maintains Trustee Liability insurance to protect Trustees against certain liabilities arising from their role in the governance of the charity. These indemnities and insurance arrangements were in place throughout the financial year and remain in force at the date of approval of these financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Financial review

a. Financial review

Income

Income in 2025 was £1.48m compared with £1.69m in 2024. Expenditure totalled £1.52m, resulting in a small deficit of £38,443 as the charity continued investing in programme delivery across its three focus districts. At year end, Village Water held £315,160 in free reserves, comfortably within Tier 4 of its reserves policy. Corporate income reduced slightly year on year, partly due to the strengthening of local currencies against sterling. Encouragingly, Village Water saw growth across several other areas, including non-carbon corporate income, community fundraising, statutory funding, and legacy giving, all of which increased compared with 2024 and demonstrate a continued diversification of our funding base. Despite a more challenging trusts and foundations funding environment, the mix of income outside the carbon programme is now more balanced than in previous years, positioning Village Water well for sustainable growth in the years ahead.

Income streams

Stream	2024	2025
Individuals (including gift aid)	£82,746	£76,525
Community groups	£10,428	£24,630
Trusts	£377,659	£246,673
Businesses	£1,120,150	£1,018,985
Statutory	£54,914	£60,000
Legacy	£32,275	£45,542
Investments	£10,136	£5,843
Total	£1,688,308	£1,478,198

Expenditure

Total expenditure during the year was £1,516,641 (2024: £1,660,016). Unrestricted funds made up 34% (2024: 28%) of our income. We continued to invest heavily in the three districts we are currently working in to ensure long term sustainable WASH services for all. Expenditure on charitable activities, including governance, in 2025 was 91p (2024: 92p) in every pound. Expenditure exceeded income by £38,443 as the charity continued to invest in programme delivery across its three focus districts while income from trusts and foundations declined compared with the previous year.

b. Reserves policy

Village Water, in accordance with recommendations from the Charity Commission, aims to maintain an unrestricted reserve that allows for Village Water to protect against future uncertainties and to provide a secure standing.

- Tier 1- UK operating costs- £0-116k
- Tier 2- UK and Partner operating costs- £116k-228k
- Tier 3- Exchange rate fluctuations- £228-276k
- Tier 4- Additional UK and Partner operating costs and Future projects- £276k - 755k

The Board remains focused on the need to balance the level of reserves in the charity with the effective delivery of the organisation's strategic objectives.

This reserve is to be invested in an interest-bearing account with the potential to release deposits in a timely fashion if required.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Financial Review (continued)

Should the organisation face liquidation, all assets would be distributed to another not-for-profit organisation, working in the same sphere of activity as Village Water to be used for charitable purposes. Should any such assets be restricted to a specific funder, any decision regarding disposal would be discussed and agreed with them before action.

Free reserves comprise of the unrestricted funds, less fixed assets and any designated funds. Total funds at year end stood at £431,875, with £322,371 of this being unrestricted. This amounts to £315,160 free reserves at the year end (2024: £428,301), placing it comfortably within Tier 4 of the reserves policy.

c. Going concern

The financial statements are drawn up on the going concern which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months from the date of signing these financial statements.

d. Principal risks and uncertainties

Village Water's principal risks and uncertainties relate to income concentration, operational delivery, and external economic and environmental factors. A significant proportion of income is derived from our carbon-financed water programme, which creates reliance on a single funding source. During the year, this programme was renewed under a new five-year agreement, providing longer-term security for this funding stream. The risk is further mitigated by actively diversifying income through trusts, corporate partnerships, and individual giving, alongside maintaining financial reserves and careful budget planning. Foreign exchange exposure is mitigated through conservative budgeting and ongoing financial monitoring.

Operational risks include borehole drilling uncertainty, infrastructure maintenance, and climate variability such as drought and flooding. These are mitigated through professional site surveys, climate-resilient system design, training of local technicians, and close partnership with local government. Political and regulatory risks are managed by working through established local partners and maintaining strong local relationships.

Village Water further mitigates risk through lean operations, strong governance, and reliable monitoring systems, using detailed data and regular reporting to track functionality, manage performance, and ensure accountable and sustainable programme delivery.

e. Risk management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. The Finance and Risk Committee carries out on-going reviews of the risk matrix, which is discussed by the Board at each quarterly meeting. This sets out organisational and programme risks and actions to mitigate these if appropriate.

In its management of risk, Village Water works through established local partners, including WATSAN in Mozambique and ECHO in Zambia, who play a central role in risk management at country level. They mitigate operational and financial risk through local technical knowledge, routine monitoring of waterpoint functionality, oversight of contractors and supply chains, strong financial controls and budget tracking, and regular reporting to Village Water. Their close relationships with communities and district authorities enable early identification of safeguarding, financial, reputational or delivery risks and prompt corrective action.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Events after year end

In Mozambique, parts of the country are experiencing high levels of rainfall and flooding is leaving communities without safe drinking water and increasing the risk of disease. Families have been displaced to temporary centres. Schools and health facilities are affected, and livelihoods have been disrupted as crops and farmland are lost. We have started a campaign to support these households.

Since the year end, conflict in the Middle East has created wider instability, including disruption to travel routes and potential impacts on fuel costs and logistics. The Trustees continue to monitor the situation and will respond as necessary.

Simran Gill, Natalie Lanagan and Rebecca Butcher were appointed as trustees on 30 January 2026. They bring a range of relevant experience to the Board, and we look forward to their contribution to the charity's oversight and future direction.

Plans for the future

In 2026, Village Water will continue to deliver its strategic objectives through its district-wide approach, working in partnership with local governments and partners to strengthen sustainable water, sanitation and hygiene (WASH) services. The organisation aims to raise over £1.5 million to support programme delivery and organisational sustainability.

Our planned activities will focus on strengthening district systems, improving infrastructure, and enhancing monitoring and accountability. This includes supporting district coordination structures, delivering hygiene and sanitation training in villages, schools, and institutions, and expanding menstrual health management and WASH education programmes.

Infrastructure investment will remain a priority, with plans to install and rehabilitate water systems in villages, schools, and health centres, expand solar-powered systems, and strengthen maintenance capacity through training of local maintenance teams, water committees, and Area Pump Minders. We will also continue water quality testing, surveys, and monitoring to support data-driven planning and long-term sustainability.

In 2026, we will invest in the development of local sanitation enterprises within a ward in Nalolo, Zambia. This will include supporting small businesses with training, technical guidance and business development assistance so they are able to offer affordable latrine construction and sanitation services to households. By strengthening local supply chains and market-based service provision, we aim to increase household access to improved sanitation while building local capacity, creating livelihoods and supporting long-term sustainability beyond direct project inputs.

Through these activities, Village Water will continue to strengthen locally led systems and ensure sustainable access to safe water, sanitation, and hygiene for communities across our focus districts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The Company changed auditors during the year and appointed WR Partners as our new external auditors. This change was planned following many years of service from the previous auditors and was approved by the Board.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr Drake Peabody

Trustee

Date:

March 24, 2026

VILLAGE WATER LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VILLAGE WATER LIMITED

Opinion

We have audited the financial statements of Village Water Limited (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VILLAGE WATER LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; 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.

Responsibilities of trustees

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

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

VILLAGE WATER LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VILLAGE WATER LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the susceptibility of the charitable company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charitable company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charitable company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charitable company awareness to carry out our work to the required standard.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

VILLAGE WATER LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VILLAGE WATER LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

30/3/2026

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

VILLAGE WATER LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	981,729	490,626	1,472,355	1,678,172
Investments	5	-	5,843	5,843	10,136
Total income		981,729	496,469	1,478,198	1,688,308
Expenditure on:					
Charitable activities	6	1,082,140	434,501	1,516,641	1,660,016
Total expenditure		1,082,140	434,501	1,516,641	1,660,016
Net (expenditure)/income		(100,411)	61,968	(38,443)	28,292
Transfers between funds	16	169,947	(169,947)	-	-
Net movement in funds		69,536	(107,979)	(38,443)	28,292
Reconciliation of funds:					
Total funds brought forward		39,968	430,350	470,318	442,026
Net movement in funds		69,536	(107,979)	(38,443)	28,292
Total funds carried forward		109,504	322,371	431,875	470,318

All of the above results are derived from continuing activities. The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 36 form part of these financial statements.

VILLAGE WATER LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05970344

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	12	5,760	-
Tangible assets	13	1,451	2,049
		<u>7,211</u>	<u>2,049</u>
Current assets			
Debtors	14	118,558	121,351
Cash at bank and in hand		417,763	358,125
		<u>536,321</u>	<u>479,476</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(111,657)	(11,207)
Net current assets		<u>424,664</u>	<u>468,269</u>
Total assets less current liabilities		<u>431,875</u>	<u>470,318</u>
Net assets		<u>431,875</u>	<u>470,318</u>
Total net assets		<u><u>431,875</u></u>	<u><u>470,318</u></u>

VILLAGE WATER LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05970344

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Charity funds			
Restricted funds	16	109,504	39,968
Unrestricted funds	16	322,371	430,350
Total funds		<u>431,875</u>	<u>470,318</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

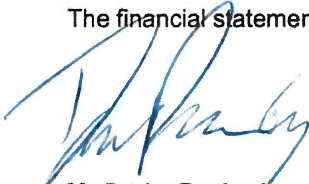
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr Drake Peabody
Trustee

Date:

March 24, 2026

The notes on pages 18 to 36 form part of these financial statements.

VILLAGE WATER LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	61,594	(91,549)
Cash flows from investing activities		
Bank interest received	5,843	10,136
Purchase of intangible assets	(7,200)	-
Purchase of tangible fixed assets	(599)	(2,270)
Net cash (used in)/provided by investing activities	(1,956)	7,866
Change in cash and cash equivalents in the year	59,638	(83,683)
Cash and cash equivalents at the beginning of the year	358,125	441,808
Cash and cash equivalents at the end of the year	417,763	358,125

The notes on pages 18 to 36 form part of these financial statements

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Village Water is a private charitable company limited by guarantee, incorporated in England and Wales under the Companies Act, and registered as a charity in England and Wales (1117377) and Scotland (SC044129).

The charitable company's registered office address is shown page 1. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on page 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Village Water Limited meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared using the historical cost convention. The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pounds sterling (£).

2.2 Going concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months from the date of signing these financial statements.

2.3 Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which is credited in the year in which they are received; and investment income, including bank interest, is credited in the year in which it is received.

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2. Accounting policies (continued)

2.4 Resources expended

Expenditure is included on an accrual's basis inclusive of VAT, which is not recoverable. Expenditure directly attributable to specific activities has been allocated to those activities.

- Costs of charitable activities in Zambia and Mozambique represent direct expenditure incurred through grants to local partners for their operational activities together with associated support costs to deliver safe water, sanitation and hygiene.
- Fundraising expenses relate to the costs incurred by the charitable company in raising funds for the charitable work.
- Governance costs are associated with the arrangements relating to the strategic operations of the charitable company as opposed to those costs associated with general running of the charitable company, fundraising or charitable activity. These governance costs include external audit costs, staff and Trustee costs in governance of the organisation.

2.5 Fund structure

The funds held by the charitable company fall into the following categories:

Unrestricted funds- represents donations and other incoming resources receivable for the object of the charitable company without further specified purpose and are available as general funds.

Restricted funds- represent funds subject to restrictions on their expenditure as imposed by the donor.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website	- 20 %
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VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible assets are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 33%
-----------------------	-------

2.9 Receivables

Receivables are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2. Accounting policies (continued)

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method; however, the charitable company does not currently have any bank loans.

2.13 Pensions

The charitable company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in period in which they become payable.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Donations			
Community	15,999	8,631	24,630
Corporate	751,768	267,217	1,018,985
Individuals	2,256	74,269	76,525
Statutory	60,000	-	60,000
Trusts/Foundations	151,706	94,967	246,673
Legacy	-	45,542	45,542
	981,729	490,626	1,472,355
	981,729	490,626	1,472,355

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Income from donations and legacies (continued)

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Donations			
Community	3,110	7,318	10,428
Corporate	801,929	318,221	1,120,150
Individuals	3,356	67,682	71,038
Statutory	54,914	-	54,914
Trusts/Foundations	356,460	21,199	377,659
Legacy	-	32,275	32,275
Gift Aid	-	11,708	11,708
	<u>1,219,769</u>	<u>458,403</u>	<u>1,678,172</u>

5. Investment income

	<i>Unrestricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Bank interest receivable	<u>5,843</u>	<u>5,843</u>
	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Bank interest receivable	<u>10,136</u>	<u>10,136</u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total 2025 £
Charitable activities- Zambia	563,765	112,003	675,768
Charitable activities- Mozambique	518,375	115,964	634,339
Fundraising	-	141,160	141,160
Governance	-	65,374	65,374
	<u>1,082,140</u>	<u>434,501</u>	<u>1,516,641</u>

Restricted expenditure:

Village Water raises donations in the UK to support water, sanitation and hygiene (WASH) activities in Zambia and Mozambique. The monies are remitted to Empowered Communities Helping Others and WATSAN Mozambique, both independent NGOs, who carry out the company's fieldwork programme.

Unrestricted expenditure

- The charitable company initially identifies all unrestricted expenditure and then apportions the cost between four major categories:
- Charitable expenditure Zambia- relates to support costs incurred to raise funds for activities in Zambia.
- Charitable activities Mozambique- relates to support costs incurred to raise funds for activities in Mozambique.
- Fundraising expenses- relate to the costs incurred by the charitable company in raising funds for the charitable work; and
- Governance- costs are those associated with the governance arrangements relating to the strategic operations of the charitable company.

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

6. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total 2024 £</i>
Charitable activities- Zambia	595,923	101,435	697,358
Charitable activities- Mozambique	663,615	110,511	774,126
Fundraising	-	133,556	133,556
Governance	-	54,976	54,976
	<u>1,259,538</u>	<u>400,478</u>	<u>1,660,016</u>

7. Analysis of expenditure by activities

	Charitable Activities 2025 £	Support costs 2025 £	Total funds 2025 £
Charitable activities- Zambia	675,768	-	675,768
Charitable activities- Mozambique	634,339	-	634,339
Fundraising	-	141,160	141,160
Governance	-	65,374	65,374
	<u>1,310,107</u>	<u>206,534</u>	<u>1,516,641</u>

	<i>Charitable Activities 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Charitable activities- Zambia	697,358	-	697,358
Charitable activities- Mozambique	774,126	-	774,126
Fundraising	-	133,556	133,556
Governance	-	54,976	54,976
	<u>1,471,484</u>	<u>188,532</u>	<u>1,660,016</u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities- Zambia 2025 £	Charitable activities- Mozambique 2025 £	Total funds 2025 £
Staff costs	100,223	103,796	204,019
Training	3,401	3,526	6,927
Travel	1,594	1,653	3,247
Work from home allowance	477	496	973
Events & fundraising	308	-	308
Office costs	1,923	1,990	3,913
Insurance	480	498	978
IT expenses	2,885	2,987	5,872
Other governance costs	-	280	280
Depreciation and amortisation	712	738	1,450
Remittances to Zambia	560,659	-	560,659
Remittances to Mozambique	-	515,945	515,945
Direct expenditure in UK on work in Zambia	3,106	-	3,106
Direct expenditure in UK on work in Mozambique	-	2,430	2,430
	<u>675,768</u>	<u>634,339</u>	<u>1,310,107</u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Charitable activities- Zambia 2024 £</i>	<i>Charitable activities- Mozambique 2024 £</i>	<i>Total funds 2024 £</i>
Staff costs	92,792	101,550	194,342
Training	2,544	2,638	5,182
Travel	1,416	1,468	2,884
Work from home allowance	572	594	1,166
Office costs	1,504	1,557	3,061
Insurance	659	684	1,343
IT expenses	1,385	1,436	2,821
Depreciation and amortisation	563	584	1,147
Remittances to Zambia	593,248	-	593,248
Remittances to Mozambique	-	653,827	653,827
Direct expenditure in UK on work in Zambia	2,675	-	2,675
Direct expenditure in UK on work in Mozambique	-	9,788	9,788
	<u>697,358</u>	<u>774,126</u>	<u>1,471,484</u>

Salaries, recruitment, training , travel and volunteers' costs are apportioned per capita- i.e., on the number of people of employed within an activity.

Events and fundraising, other governance costs, audit fees and bank charges apportionment is based on usage.

Office costs, insurance and IT expenses apportionment is based on floor area occupied by an activity.

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Fundraising 2025 £	Governance 2025 £	Total funds 2025 £
Staff costs	119,353	44,943	164,296
Training	3,779	1,889	5,668
Travel	1,771	886	2,657
Work from home allowance	531	266	797
Events & fundraising	8,610	110	8,720
Office costs	2,874	1,064	3,938
IT expenses	3,451	1,251	4,702
Other governance costs	-	1,968	1,968
Audit fees	-	12,520	12,520
Depreciation and amortisation	791	396	1,187
Bank charges	-	81	81
	<u>141,160</u>	<u>65,374</u>	<u>206,534</u>

	<i>Fundraising 2024 £</i>	<i>Governance 2024 £</i>	<i>Total funds 2024 £</i>
Staff costs	100,694	41,316	142,010
Training	2,827	1,413	4,240
Travel	1,573	787	2,360
Work from home allowance	636	318	954
Events & fundraising	23,260	-	23,260
Office costs	2,403	1,201	3,604
IT expenses	1,538	769	2,307
Other governance costs	-	1,260	1,260
Audit fees	-	7,500	7,500
Depreciation and amortisation	625	313	938
Bank charges	-	99	99
	<u>133,556</u>	<u>54,976</u>	<u>188,532</u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. Auditor's remuneration

	2025 £	2024 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,750	5,000
Fees payable to the Company's auditor in respect of: All non-audit services not included above	2,500	2,500
	10,250	7,500

9. Taxation and charitable status

The Trust is a charitable company within the definition of Section 467 Corporation Tax Act 2010 and is, therefore, able to take advantage of the exemption given by Section 486 of that Act. Accordingly, there is no Corporation Tax charge in these financial statements.

10. Staff costs

	2025 £	2024 £
Wages and salaries	319,211	292,450
Social security costs	27,971	22,950
Operating costs of defined benefit pension schemes	21,133	20,952
	368,315	336,352

Of the total staff costs of £368,315, £204,019 is allocated to charitable activities (see note 7), including programme monitoring and delivery roles supporting the carbon-financed water programme. These costs are classified as charitable expenditure in accordance with the Charities SORP (FRS 102).

The average number of persons employed by the Company during the year was as follows:

	2025 No.	2024 No.
Average number of employees	9	9
	9	9

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Employees	8	8
	8	8

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

10. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) paid to key management personnel of the charity was £54,840 (2024: £53,132).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

2 Trustees were paid expenses totalling £1,145 (2024: £1,330) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2024: £nil).

12. Intangible assets

	Website £
Cost	
Additions	7,200
At 31 December 2025	<u>7,200</u>
Amortisation	
Charge for the year	1,440
At 31 December 2025	<u>1,440</u>
Net book value	
At 31 December 2025	<u><u>5,760</u></u>
At 31 December 2024	<u><u>-</u></u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 January 2025	9,758
Additions	599
	10,357
At 31 December 2025	10,357
 Depreciation	
At 1 January 2025	7,709
Charge for the year	1,197
	8,906
At 31 December 2025	8,906
 Net book value	
At 31 December 2025	1,451
<i>At 31 December 2024</i>	2,049

14. Debtors

	2025 £	2024 £
Due within one year		
Other debtors	99,081	120,858
Prepayments and accrued income	19,477	-
Gift Aid Recoverable	-	493
	118,558	121,351

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	7,477	-
Other creditors	2,866	8,881
Accruals and deferred income	101,314	2,326
	111,657	11,207
	111,657	11,207

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2025 £
Unrestricted funds					
General Funds	430,350	496,469	(434,501)	(169,947)	322,371
	430,350	496,469	(434,501)	(169,947)	322,371
Restricted funds					
Zambia	39,968	567,882	(563,766)	55,596	99,680
Mozambique	-	413,847	(518,374)	114,351	9,824
	39,968	981,729	(1,082,140)	169,947	109,504
	470,318	1,478,198	(1,516,641)	-	431,875
Total of funds	470,318	1,478,198	(1,516,641)	-	431,875

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2024 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2024 £</i>
Unrestricted funds					
General Funds - all funds	377,027	468,539	(400,479)	(14,737)	430,350
Restricted funds					
Zambia	50,000	585,891	(595,923)	-	39,968
Mozambique	15,000	633,878	(663,615)	14,737	-
	<u>65,000</u>	<u>1,219,769</u>	<u>(1,259,538)</u>	<u>14,737</u>	<u>39,968</u>
Total of funds	<u><u>442,027</u></u>	<u><u>1,688,308</u></u>	<u><u>(1,660,017)</u></u>	<u><u>-</u></u>	<u><u>470,318</u></u>

17. Summary of funds

Summary of funds - current year

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2025 £
General funds	430,350	496,469	(434,501)	(169,947)	322,371
Restricted funds	39,968	981,729	(1,082,140)	169,947	109,504
	<u>470,318</u>	<u>1,478,198</u>	<u>(1,516,641)</u>	<u>-</u>	<u>431,875</u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2024 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2024 £</i>
General funds	377,027	468,539	(400,479)	(14,737)	430,350
Restricted funds	65,000	1,219,769	(1,259,538)	14,737	39,968
	<u>442,027</u>	<u>1,688,308</u>	<u>(1,660,017)</u>	<u>-</u>	<u>470,318</u>

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted balance, unrestricted funds of £169,947 (2024: £14,737) were transferred to restricted funds.

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	1,451	1,451
Intangible fixed assets	-	5,760	5,760
Current assets	109,504	426,817	536,321
Creditors due within one year	-	(111,657)	(111,657)
Total	<u>109,504</u>	<u>322,371</u>	<u>431,875</u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	2,049	2,049
Current assets	39,968	439,508	479,476
Creditors due within one year	-	(11,207)	(11,207)
Total	<u>39,968</u>	<u>430,350</u>	<u>470,318</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(38,443)</u>	<u>28,292</u>
Adjustments for:		
Depreciation charges	1,197	2,085
Amortisation charges	1,440	-
Bank interest received	(5,843)	(10,136)
Decrease/(increase) in debtors	2,793	(114,726)
Increase in creditors	100,450	2,936
Net cash provided by/(used in) operating activities	<u><u>61,594</u></u>	<u><u>(91,549)</u></u>

20. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	<u>417,763</u>	<u>358,125</u>
Total cash and cash equivalents	<u><u>417,763</u></u>	<u><u>358,125</u></u>

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

21. Analysis of changes in net debt

	At 1 January 2025	Cash flows	At 31 December 2025
	£	£	£
Cash at bank and in hand	358,125	59,638	417,763
	358,125	59,638	417,763

22. Pension commitments

The charitable company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charitable company to the scheme and amounted to £21,133 (2024: £20,952).

Contributions totalling £2,862 (2024: £3,512) were payable to the scheme at the end of the year and are included in other payables.

23. Operating lease commitments

At 31 December 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	4,510	-
	4,510	-

24. Company limited by guarantee

The company is a charitable company limited by guarantee and consequently not have share capital. In the event that the charitable company enters into liquidation, each member of the charitable company agrees to contribute an amount not exceeding £1 towards costs of the dissolution, and liabilities of the charitable company.

25. Related party transactions

The charitable company works in partnership with independent local charities Empowered Communities Helping others (ECHO) in Zambia WATSAN Mozambique in Mozambique, who share a common purpose. All partners receive funding for their charitable objectives from Village Water and from other donors. During the year, the charitable company remitted £1,096,080 (2024: £1,246,823) to these partners.

VILLAGE WATER LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

26. Events after the reporting period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in the financial statements.

VILLAGE WATER LIMITED

England & Wales - Charity number 1117377

Accounts

VILLAGE WATER LIMITED

VILLAGE WATER

Changing
lives for
good

VILLAGE WATER LIMITED

(A company limited by guarantee)
Report and Financial Statements for the Year
Ended 31 December 2024

Registered charity numbers: 1117377 (England & Wales)
and SC044129 (Scotland)

Company number: 05970344



Children at Tsuanda School, Mozambique.

VILLAGE WATER LIMITED

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Integrated project at Imana Community in Zambia



Village Water is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Company Registration number 05970344.

Charity Registration number 1117377 (England & Wales) and SC044129 (Scotland).

Principal and Registered Office:

Room C, URC Offices

Coleham Head

Shrewsbury

Shropshire

SY3 7BJ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4JQ

Trustees:

Mrs Louise Cook (retired 25.04.2025)

Mr Andrew Picken (Chair)

Ms Trina Chakravarti

Mr Paul Marston (retired 25.04.2025)

Ms Sarah-Jane Docherty

Mr Steven Andre

Mr Martyn Anwyl

Ms Zara Prabhu

Mr Drake Peabody (appointed 25.01.2024)

Mr Martin Rickard (appointed 18.04.2024)

Independent Auditor:

Shaw Gibbs (Audit) Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

Trustees' Report for the year ending 31 December 2024

The Trustees of Village Water present their annual report and audited financial statements for the year ended 31 December 2024 and confirm that they comply with the requirements of the Companies Act 2006, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance, and management

Village Water is a charitable company limited by guarantee incorporated on 18 October 2006 and registered with the Charity Commission on 22 December 2006. The Memorandum and Articles of Association were revised and approved by the Board on 26 July 2024.

The charitable company's Board of Trustees currently comprises eight volunteer members who are responsible for the strategic direction and compliance activities of the charitable company. The Board meets four times a year. Board Management, Strategy, HR, Finance and Risk Committees meet regularly.

Trustees are appointed as required. When considering new Trustees, the Board will carry out a gap analysis before advertising the position on specialist sites. The Board Management Committee will make recommendations on applicants and selection is by interview. Newly appointed Trustees receive induction in Village Water's background, strategic goals, and financial history. Trustees are expected to join one of the sub-committees and given the opportunity to visit the projects in Africa to better understand the work.

The staff team is led by the CEO, to whom the Trustees delegate responsibility for ensuring that the charitable company delivers the services specified and that strategic targets are met. The CEO leads the staff team, overseeing fundraising, monitoring, and finance functions.

Vision: Better health, education and opportunity for everyone, through safe water, sanitation and hygiene, along with additional integrated activities, improving the lives of the people we work with.

Principal activities

Last year, working closely with our dedicated local partners in Zambia and Mozambique, we've supported over 115,000 people through safe water, sanitation, and hygiene (WASH) programmes. It's not just about taps and toilets, it's improving health, reducing cases of diarrhoea, and unlocking opportunities for families to thrive.

A big part of our approach is working directly with district councils' partners to develop District Wide Plans (DWP). These are practical, costed roadmaps that aim to reach everyone in a district with sustainable WASH services. These plans help identify gaps, support local enterprise, strengthen operation and maintenance systems, and build on existing leadership to enhance coordination, transparency, and shared responsibility. Our focus on three districts is to ensure we learn and improve our approach before general scale up and roll out and our goal is to develop systems that local councils can use to independently replicate the DWPs across the country.

We're not just focusing on infrastructure, although investment in it really matters. Each plan also tackles bigger challenges, like how we manage water resources, adapt to climate change, and make services inclusive and resilient.

These changes directly support UN Sustainable Development Goals such as SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 13 (Climate Action), as well as many other of the goals.

Trustees' Report for the year ending 31 December 2024

Principal activities (continued)

Since 2019, we've also been tracking carbon reductions. When people don't have to boil dirty water over wood fires, it means fewer emissions and less deforestation. Over five years, we've helped repair more than 3,600 water points across four provinces, reaching over 1.3 million people with safer water.

Now we're scaling up. Over the next few years, we'll stay focused on our three core districts, aiming to help nearly 600,000 people access reliable WASH services. The ambition is big, but with the right partnerships and a clear plan, it's possible.

Public benefit

Working towards achieving the Sustainable Development Goals' concept 'Leave no-one behind,' the Trustees confirm that they have complied with the duty in the Charities Act 2011 and consider that the objects of the charitable company, the activities outlined in this report and the charitable company's future plans have a demonstrable benefit to the public.

Risk Management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. The Finance and Risk Committee carries out on-going reviews of the risk matrix to present to the Board at each quarterly meeting. This sets out organisational and programme risks and actions to mitigate these if appropriate.

2024 Overview:

Throughout the year, we made significant strides in improving water, sanitation, and hygiene (WASH) in the areas we work, reaching over 115,000 people in Zambia and Mozambique combined.

Zambia:

- **Hygiene and Sanitation Promotion:** Implemented comprehensive campaigns addressing hygiene, sanitation, and COVID-19 mitigation across seven wards reaching 39,291 people.
- **Enterprise Development:** We supported the creation and growth of local enterprises focused on toilet construction and strengthening the capacity of local water committees and area pump minders. This included providing training, tools, and ongoing support to ensure the effective maintenance of water points. Quality is monitored through quarterly Water Quality Testing (WQT) to ensure water stays safe across the district.
- **Villages:** Constructed ten new boreholes and established water committees to ensure the longevity and sustainability of these water points.
- **Schools and Health Centres:** Across the two districts, we improved WASH services by installing two latrine blocks, four handwashing facilities, and improved or installed four solar-powered water systems. We also rolled out centralised MHM support, including girls' clubs and local pad production in all seven wards.
- **District Strengthening:** Facilitated coordination and planning meetings at various governmental levels to enhance district wide WASH initiatives.
- **Integrated project:** Supported our first community solar project reaching seven communities impacting 250 people and providing 32 households with taps near their homes, keyhole gardens that can provide year-round crops and support in efficient agriculture techniques.
- **Monitoring:** Conducted surveys to assess existing infrastructure, water quality, and access, as well as household health and school attendance.
- **Carbon Project Impact:** Completed 144 repairs on water points already in the project.

2024 Overview (continued)

Mozambique:

- Hygiene and Sanitation Promotion: Implemented comprehensive campaigns addressing hygiene, sanitation, and COVID-19 mitigation across an entire ward reaching 49,898 people.
- Enterprises Development: Supporting the training of local area pump minders and provision of toolkits district wide. Increase capacity of local water committees with formalisation training and preventative maintenance training.
- Villages: Constructed four new boreholes and established water committees to ensure the longevity and sustainability of these water points.
- School and Health Centres: We installed WASH facilities including two solar water systems and two ablution blocks. We also rolled out centralised MHM support, including girls’ clubs and local pad production ward wide.
- Monitoring: Conducted surveys to assess existing infrastructure, water quality, and access, as well as household health and school attendance.
- Carbon Project Impact: Completed 797 repairs on water points already in the project.

Income

Our income in 2024 was £1,678,172, reflecting a decrease of around £760,000 compared to the previous year, a reduction we had anticipated following the successful completion of a major carbon reduction project. This planned decrease was factored into our strategy, ensuring that we remain on track to achieve our goals by investing in fundraising. We are now well positioned to grow in the coming years. Encouragingly, we continue to attract support from a broad range of funders, both new and long-standing. Income from individuals and statutory sources showed modest year-on-year growth, while income from Trusts and Foundations and Corporate partners saw more significant declines, due to the difficult Trust and Foundation market and the previously mentioned end of project.

Income streams

Individuals (including gift aid)	£82,746
Community groups	£10,428
Trusts	£377,659
Businesses	£1,120,150
Statutory	£54,914
Legacy	£32,275
Total	<u>£1,678,172</u>

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2024**Key Successes**

In 2024, we began an ambitious new project that not only addresses safe water and sanitation, but also delivers wider benefits for the communities we work in. This integrated approach is designed to improve daily life beyond water. It provides water at home, enhances food security through better access to water for small-scale agriculture, supports livelihoods through the sale of agricultural produce, and enables children, especially girls, to spend more time in school rather than collecting water. The project reflects our commitment to holistic and climate-resilient solutions that meet immediate needs while contributing to long-term community development.

Our carbon-funded programme continues to deliver safe water access for 1.3 million people across rural areas in Zambia and Mozambique. This project is currently being renewed for another five-year period.

We also had a strong year in the three focus districts where we work closely with local governments and partners. Thanks to enhanced support and training, area pump minders have reduced both the frequency and duration of breakdowns. Just 7.3% of water points were out of service for over 1 day a month over the past year, a significant improvement from 19% previously. Area pump minders train and support water committees to carry out preventive maintenance, and this locally led approach is proving both effective and sustainable in keeping systems operational.

Together, these achievements highlight the impact of long-term partnerships at district level, and our commitment to reaching everyone with safe, sustainable water, sanitation, and hygiene.

We thank those who make regular gifts, as your support gives us the security to plan ahead. We could not continue to grow our impact without the many generous donations from individuals, community groups, and trusts during the year. We acknowledge, among others too numerous to mention, CO2 Balance, E J Spice Charitable Trust, The Waterloo Foundation, Wilmslow Wells for Africa, Guernsey Overseas Aid and Development Committee (OA&DC), The Peter Stebbings Memorial Charity, and The Clive Richards Foundation.

Expenditure

Expenditure on charitable activities (including governance) was £1,526,460. Unrestricted funds made up 28% (2023: 53%) of our income. We continued to invest heavily in the three districts we are currently working in to ensure long term sustainable WASH services for all. Expenditure on charitable activities in 2024 was 88p (2023: 94p) in every pound.

Fundraising statement

Village Water complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and adhere to the Fundraising Promise. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received zero requests from this service in 2024.

All our income came from fundraising. In 2024 we spent £133,556 (2023: £104,497) in support costs for our projects.

Our fundraising activities include applications to trusts and foundations, encouraging private donations, and digital appeals. We have a large proportion of income from corporate donors. We employ a small fundraising team which supports all income generating initiatives. Village Water does not use third-party suppliers for any fundraising activities.

Our complaints' policy is publicly available on our website, giving individuals clear means to complain, even anonymously, about something they are unhappy with.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2024**Fundraising statement (continued)**

There were no complaints made in 2024 (2023: none). Our safeguarding policy is available on our website. All staff are familiar with the procedures and have signed the organisation's Code of Conduct.

Grant making statement

Village Water works through local partners in Zambia and Mozambique, with whom we have Partnership Agreements which define roles, expectations, and obligations of all parties. Each partner signs a Memorandum of Understanding which details specific activities, timeline and budget.

When we identify new partners to work with in-country we carry out due diligence checks including organisational, governance, policies, and financial processes. Partnerships are reviewed annually.

We monitor project progress and impact using a mobile-to-web system that tracks milestones along the activity timelines. Financial reports are required by an agreed deadline which, once approved, trigger further transfers made in line with the annual budget. Directors meet bi-monthly and team members from each partner, including Village Water, take part in 'hubs' focusing on, but not limited to communications and marketing, safeguarding, finance and stock control, monitoring, and board support. Staff, Trustees and occasionally volunteers visit the projects to support local partners to develop new projects, gather data, marketing materials, and to carry out 'follow the money' finance checks.

Events after the year end

Two trustees stepped down at the April meeting, Paul Marston, who resigned for personal reasons, and Louise Cook, who completed her full 12-year term. We are deeply grateful to both for their commitment over the years. Village Water is stronger thanks to their contributions.

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2024
Statement of Trustees' responsibilities

The Trustees (who are also directors of Village Water Limited for the purposes of company law) are responsible 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).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Village Water and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to auditors

The Trustees confirm that they have taken all the required steps to acquaint themselves with any relevant audit information, as defined by Section 418 of the Companies Act 2006 and to ensure that Village Water's auditors are aware of that information.

Going concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months from the date of signing these financial statements.

Auditors

Shaw Gibbs Group are Village Water's appointed auditors for the financial year January to December 2024, responsible for auditing the annual accounts.

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2024
Statement of Trustees' responsibilities

Small company provisions

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP (FRS 102)) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Approved by the Board on 7 July 2025 and signed on its behalf by:

Signed by:



BE6BC942AB4D435.....

Drake Peabody - Trustee

VILLAGE WATER LIMITED

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year to 31 December 2024

	Note	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Incoming Resources					
Incoming resources from generated Funds:					
Donations	2	458,403	1,219,769	1,678,172	2,437,656
Investment Income:					
Bank and Other Interest	3	10,136	-	10,136	10,234
Total Incoming Resources		468,539	1,219,769	1,688,308	2,447,890
Resources Expended					
Charitable Activities Zambia		101,435	595,923	697,358	1,346,572
Charitable Activities Mozambique		110,511	663,615	774,126	1,058,893
Fundraising expenses		133,556	-	133,556	104,497
Governance		54,976	-	54,976	48,996
Total resources expended	4	400,478	1,259,538	1,660,016	2,558,958
Net income/(expenditure) for the year before transfers		68,061	(39,769)	28,292	(111,068)
Transfers between funds	6	(14,737)	14,737	-	-
Net income/(expenditure) for the year after transfers		53,324	(25,032)	28,292	(111,068)
Reserves at 1 January 2024		377,027	65,000	442,027	553,095
Reserves at 31 December 2024		430,351	39,968	470,319	442,027

Notes:

All of the above results are derived from continuing activities. All gains and losses in the year are included above.

The notes on pages 14 to 23 form part of the Financial Statements.

VILLAGE WATER LIMITED

Balance Sheet

(Company no. 05970344)

As at 31 December 2024

Total Funds

	Note	2024 £	2023 £
Non-current Assets			
Property, plant and equipment	10	<u>2,049</u>	<u>1,864</u>
Current Assets			
Receivables	11	121,350	6,624
Cash and cash equivalents	12	<u>358,125</u>	<u>441,808</u>
		479,475	448,432
Payables: Amounts falling due within one year	13	<u>(11,205)</u>	<u>(8,269)</u>
Net current assets		<u>468,270</u>	<u>440,163</u>
Net Assets	15	<u>470,319</u>	<u>442,027</u>
Funds			
Unrestricted	16	430,351	377,027
Restricted	16	<u>39,968</u>	<u>65,000</u>
		470,319	442,027

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved and authorised for issue by the Board on 7 July 2025 and signed on its behalf by:

Signed by:



BE6BC942AB4D435.....

Drake Peabody - Trustee

The notes on pages 14 to 23 form part of the Financial Statements.

VILLAGE WATER LIMITED
Statement of Cashflows
for the year to 31 December 2024

	2024 £	2023 £
Net cash flows from operating activities		
Net income/(expenditure) for the year	28,292	(111,068)
Adjustments for items not affecting cash flows:		
Depreciation of equipment	2,085	1,561
Bank interest received	(10,136)	(10,234)
Net operating cash flows before reinvestment in working capital	20,241	(119,741)
(Increase)/decrease in receivables	(114,726)	14,647
Increase/(decrease) in payables	2,936	(1,833)
Net cash flows from operating activities	(91,549)	(106,927)
Net cash flows from investing activities		
Purchase of non-current assets	(2,270)	(1,604)
Bank interest received	10,136	10,234
Cash generated from investing activities	7,866	8,630
Decrease in cash and cash equivalents	(83,683)	(98,297)
Cash and cash equivalents at the beginning of the year	441,808	540,105
Cash and cash equivalents at the end of the year	358,125	441,808

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024

1) Accounting Policies**General information**

Village Water is a private charitable company limited by guarantee, incorporated in England and Wales under Companies Act, and registered as a charity in England and Wales (1117377) and Scotland (SC044129).

The charitable company's registered office address is shown on page 3. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 4-10.

Village Water meets the definition of a public benefit entity as defined by FRS 102. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months from the date of signing these financial statements.

Statement of compliance

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 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared using the historical cost convention. The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pounds sterling (£).

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which is credited in the year in which they are received; and investment income, including bank interest, is credited in the year in which it is received.

Reserves policy

Village Water, in accordance with recommendations from the Charity Commission, aims to maintain an unrestricted reserve that allows for Village Water to protect against future uncertainties and to provide a secure standing.

- Tier 1 - UK operating costs - £0-116k
- Tier 2 - UK and Partner operating costs - £116k-228k
- Tier 3 - Exchange rate fluctuations - £228-276k
- Tier 4 - Additional UK and Partner operating costs and Future projects - £276k - 755k

VILLAGE WATER LIMITED

Reserves policy (Continued)

The Board remains focused on the need to balance the level of reserves in the charity with the effective delivery of the organisation's strategic objectives.

This reserve is to be invested in an interest-bearing account with the potential to release deposits in a timely fashion if required.

Should the organisation face liquidation, all assets would be distributed to another not-for-profit organisation, working in the same sphere of activity as Village Water to be used for charitable purposes. Should any such assets be restricted to a specific funder, any decision regarding disposal would be discussed and agreed with them before action.

Resources expended

Expenditure is included on an accrual's basis inclusive of VAT, which is not recoverable. Expenditure directly attributable to specific activities has been allocated to those activities.

- Costs of charitable activities in Zambia and Mozambique represent direct expenditure incurred through grants to local partners for their operational activities together with associated support costs to deliver safe water, sanitation and hygiene.
- Fundraising expenses relate to the costs incurred by the charitable company in raising funds for the charitable work.
- Governance costs are those associated with the arrangements relating to the strategic operations of the charitable company as opposed to those costs associated with general running of the charitable company, fundraising or charitable activity. These governance costs include external audit costs, staff and Trustee costs in governance of the organisation.

Fund structure

The funds held by the charitable company fall into the following categories:

Unrestricted funds - represents donations and other incoming resources receivable for the object of the charitable company without further specified purpose and are available as general funds.

Restricted funds - represent funds subject to restrictions on their expenditure as imposed by the donor.

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

Depreciation is charged by annual instalments estimated to write off their cost less any residual value over the expected useful lives which equate to the following rates:

Furniture & equipment 33% per annum on straight line

Receivables

Receivables are recognised at settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank current account balances and are subject to insignificant risk of change in value.

Payables

Payables are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables are normally recognised at their settlement amount.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charitable company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable.

2) Donations

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Community	7,318	3,110	10,428	10,466
Corporate	318,221	801,929	1,120,150	1,861,185
Individuals	67,682	3,356	71,038	62,580
Statutory	-	54,914	54,914	49,500
Trusts/ Foundations	21,199	356,460	377,659	431,343
Legacy	32,275	-	32,275	10,000
Gift aid	11,708	-	11,708	12,582
Total Donations	458,403	1,219,769	1,678,172	2,437,656

£1,144,012 included within the 2023 donations were restricted.

3) Interest income

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Bank interest receivable	10,136	-	10,136	10,234	-	10,234

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

4) Analysis of Resources Expended**a) Restricted Resources Expended**

Village Water raises donations in the UK to support water, sanitation and hygiene (WASH) activities in Zambia and Mozambique. The monies are remitted to Empowered Communities Helping Others and WATSAN Mozambique, both independent NGOs, who carry out our fieldwork programme.

	2024 £	2023 £
<i>Remittances to Zambia</i>		
Supporting partners to deliver water, sanitation & hygiene	593,248	1,204,832
	<hr/> 593,248	<hr/> 1,204,832
<i>Direct Expenditure in UK on work in Zambia</i>		
IT, Equipment and Materials		
FCDO (Formerly DFID)	2,675	51,347
	<hr/> 2,675	<hr/> 51,347
<i>Remittances to Mozambique</i>		
Supporting partners to deliver water, sanitation & hygiene	653,575	971,295
<i>Direct Expenditure in UK on work in Mozambique</i>		
	<hr/> 10,040	<hr/> 3,768
Total Expenditure	<hr/> 1,259,538	<hr/> 2,231,242

b) Unrestricted Resources Expended

The charitable company initially identifies all unrestricted expenditure and then apportions the cost between four major expenditure categories:

- Charitable expenditure Zambia - relates to support costs incurred to raise funds for activities in Zambia.
- Charitable expenditure Mozambique - relates to support costs incurred to raise funds for activities in Mozambique.
- Fundraising expenses - relate to the costs incurred by the charitable company in raising funds for the charitable work; and
- Governance - costs are those associated with the governance arrangements relating to the strategic operations of the charitable company.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

4) Analysis of Resources Expended (continued)

b) Unrestricted Resources Expended (continued)

The table below outlines unrestricted expenditure, as apportioned between the four expenditure categories.

Year ended 31 December 2024	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fundraising Expenses £	Governance £	Total 2024 £
Salaries	92,793	101,550	100,694	41,316	336,353
Training	2,544	2,638	2,827	1,413	9,422
Travel	1,416	1,468	1,573	787	5,244
Volunteers	-	-	-	-	-
Work from home allowance	572	594	636	318	2,120
Events & fundraising	-	-	23,260	-	23,260
Office costs	1,503	1,557	1,670	835	5,565
Insurance	659	684	733	366	2,442
IT expenses	1,385	1,436	1,538	769	5,128
Other governance costs	-	-	-	1,260	1,260
Audit fees	-	-	-	7,500	7,500
Depreciation	563	584	625	313	2,085
Bank charges	-	-	-	99	99
	101,435	110,511	133,556	54,976	400,478
Year ended 31 December 2023	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fundraising Expenses £	Governance £	Total 2023 £
Salaries	84,451	77,668	95,361	39,187	296,667
Training	995	1,031	1,105	552	3,683
Travel	911	945	1,013	506	3,375
Volunteers	-	-	-	-	-
Work from home allowance	508	526	564	282	1,880
Events & fundraising	-	-	2,533	-	2,533
Office costs	1,324	1,373	1,472	736	4,905
Insurance	287	298	319	160	1,064
IT expenses	1,496	1,552	1,662	831	5,541
Other governance costs	-	-	-	1,520	1,520
Audit fees	-	-	-	4,882	4,882
Depreciation	421	437	468	234	1,560
Bank charges	-	-	-	106	106
	90,393	83,830	104,497	48,996	327,716

Salaries, recruitment, training, travel and volunteers' costs are apportioned per capita - i.e., on the number of people employed within an activity.

Events and fundraising, other governance costs, audit fees and bank charges apportionment is based on usage.

Office costs, insurance and IT expenses apportionment is based on floor area occupied by an activity.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

5) Employees and Trustees

The aggregate payroll costs were as follows:	2024	2023
	£	£
Salaries	292,448	258,830
Social security costs	22,950	19,660
Pension costs	20,952	18,177
	336,350	296,667

No employee received emoluments above £60,000.

The average number of employees during the year calculated as full-time equivalents was 8 (2023: 7)

The Trustees were not paid any remuneration or received any other benefits from employment with the charitable company in the year (2023: £nil).

Six Trustees were paid expenses totalling £1,330 (2023: £1,053) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

6) Transfers

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £15,231 (2023: £1,006,493) were transferred to restricted funds.

7) Movement in funds

Net movement in funds is stated after charging:

	2024	2023
	£	£
Depreciation	2,085	1,560

8) Auditor's remuneration

	2024	2023
	£	£
Auditor's remuneration - the audit of charitable company' accounts	5,000	3,000
Auditor's remuneration - other services	2,500	1,440
	7,500	4,400

9) Taxation and charitable status

The Trust is a charitable company within the definition of Section 467 Corporation Tax Act 2010 and is, therefore, able to take advantage of the exemption given by Section 486 of that Act. Accordingly, there is no Corporation Tax charge in these financial statements.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

10) Non-current assets

Furniture & Equipment	2024	2023
	£	£
Cost		
At 1 January	7,488	5,884
Additions	2,270	1,604
At 31 December	<u>9,758</u>	<u>7,488</u>
Depreciation		
At 1 January	5,624	4,063
Charge in the year	2,085	1,561
At 31 December	<u>7,709</u>	<u>5,624</u>
Net book value at 31 December	<u>2,049</u>	<u>1,864</u>

11) Receivables

	2024	2023
	£	£
Gift Aid Recoverable	493	5,143
Other receivables	120,857	-
Prepayments	-	1,481
	<u>121,350</u>	<u>6,624</u>

12) Cash and cash equivalents

	2024	2023
	£	£
Cash at bank	358,125	441,808
	<u>358,125</u>	<u>441,808</u>

13) Payables: amounts falling due within one year

	2024	2023
	£	£
Other payables	8,879	8,269
Accrued expenses	2,326	-
	<u>11,205</u>	<u>8,269</u>

14) Pensions scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charitable company to the scheme and amounted to £20,952 (2023: £18,177).

Contributions totalling £3,512 (2023: £1,802) were payable to the scheme at the end of the year and are included in other payables.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

15) Analysis of net assets between fund

Year ended 31 December 2024	Unrestricted		Restricted		Total £
	Funds	Zambia	Mozambique		
	£	£	£		
Property, plant & equipment	2,049	-	-	-	2,049
Receivables	121,350	-	-	-	121,350
Cash at Bank	348,125	10,000	-	-	358,125
Payables	(11,205)	-	-	-	(11,205)
	460,319	10,000	-	-	470,319

Year ended 31 December 2023	Unrestricted		Restricted		Total £
	Funds	Zambia	Mozambique		
	£	£	£		
Property, plant & equipment	1,864	-	-	-	1,864
Receivables	6,624	-	-	-	6,624
Cash at Bank	376,808	50,000	15,000	-	441,808
Payables	(8,269)	-	-	-	(8,269)
	377,027	50,000	15,000	-	442,027

16) Movements in funds

	At 1 Jan 2024	Incoming Resources	Outgoing Resources	Transfer between funds	At 31 Dec 2024
	£	£	£	£	£
Unrestricted					
Property, plant & equipment	1,864	2,270	(2,085)	-	2,049
Receivables	6,624	121,350	(6,624)	-	121,350
Cash at Bank	376,809	356,124	(400,038)	(14,737)	318,158
Payables	(8,269)	(11,205)	8,269	-	(11,205)
Total Unrestricted Funds	377,027	468,539	(400,478)	(14,737)	430,351
Restricted					
Zambia	50,000	585,891	(595,923)	-	39,968
Mozambique	15,000	633,878	(663,615)	14,737	-
Total Restricted Funds	65,000	1,219,769	(1,259,538)	14,737	39,968
Total Funds	442,027	1,688,308	(1,660,016)	-	470,319

	At 1 Jan 2023	Incoming Resources	Outgoing Resources	Transfer between funds	At 31 Dec 2023
	£	£	£	£	£
Unrestricted					
Property, plant & equipment	1,821	1,604	(1,561)	-	1,864
Receivables	21,271	6,624	(21,271)	-	6,624
Cash at Bank	394,368	1,303,919	(314,986)	(1,006,493)	376,809
Payables	(10,102)	(8,269)	10,102	-	(8,269)
Total Unrestricted Funds	407,358	1,303,878	(327,716)	(1,006,493)	377,027
Restricted					
Zambia	127,737	664,490	(1,256,179)	513,952	50,000
Mozambique	18,000	479,522	(975,063)	492,541	15,000
Total Restricted Funds	145,737	1,144,012	(2,231,242)	1,006,493	65,000
Total Funds	553,095	2,447,890	(2,558,958)	-	442,027

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

17) Comparatives for Statement of Financial Activities

	Note	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Incoming Resources				
Incoming resources from generated Funds:				
Donations	2	1,293,644	1,144,012	2,437,656
Investment Income:				
Bank and Other Interest	3	10,234	-	10,234
Total Incoming Resources		1,303,878	1,144,012	2,447,890
Resources Expended				
Charitable Activities Zambia		90,393	1,256,179	1,346,572
Charitable Activities Mozambique		83,830	975,063	1,058,893
Fundraising expenses		104,497	-	104,497
Governance		48,996	-	48,996
Total resources expended	4	327,716	2,231,242	2,558,958
Net income/(expenditure) for the year before transfers		976,162	(1,087,230)	(111,068)
Transfers between funds	6	(1,006,493)	1,006,493	-
Net income/(expenditure) for the year after transfers		(30,331)	(80,737)	(111,068)
Reserves at 1 January 2023		407,358	145,737	535,095
Reserves at 31 December 2023		377,027	65,000	442,027

18) Lease commitments

Operating Leases

The total of future minimum lease payments is as follows:

	Office premises	
	2024 £	2023 £
No later than one year	-	4,125
	-	4,125

19) Company limited by guarantee

The company is a charitable company limited by guarantee and consequently not have share capital. In the event that the charitable company enters into liquidation, each member of the charitable company agrees to contribute an amount not exceeding £1 towards costs of the dissolution, and liabilities of the charitable company.

20) Related party transactions

The charitable company works in partnership with independent local charities Empowered Communities Helping Others (ECHO) in Zambia - WATSAN Mozambique in Mozambique, who share a common purpose. All partners receive funding for their charitable objectives from Village Water and from other donors. During the year, the charitable company remitted £1,246,823 (2023: £2,176,127) to these partners.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2024 (continued)

21) Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Opinion on financial statements

We have audited the financial statements of Village Water Limited for the year ended 31 December 2024 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' (who are also directors of the charitable company for the purpose of the company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

VILLAGE WATER LIMITED

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

VILLAGE WATER LIMITED

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the Trustees, who are Directors for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our cumulative audit knowledge and experience of the charitable company and the knowledge of the charities sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 as amended by Charities Act 2022, The Charities (Accounts and Reports) Regulations 2008, The Charities Accounts (Scotland) Regulations 2006, as well as data protection, money laundering and anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

VILLAGE WATER LIMITED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statements to disclosures and underlying supporting documentation.
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with Charities Commission, HMRC and other government bodies, analysing professional services/legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

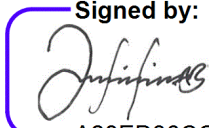
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

VILLAGE WATER LIMITED
**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



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Ransford Agyei-Boamah

Senior Statutory Auditor

for and on behalf of:
Shaw Gibbs (Audit) Limited

Statutory Auditors
7 July 2025

Salatin House
19 Cedar Road

Sutton,
Surrey
SM2 5DA

VILLAGE WATER LIMITED

England & Wales - Charity number 1117377

Accounts

VILLAGE WATER LIMITED

VILLAGE WATER

Changing
lives for
good

VILLAGE WATER LIMITED

(A company limited by guarantee)
Report and Financial Statements for the Year
Ended 31 December 2023

Registered charity numbers: 1117377 (England & Wales)
and SCO44129 (Scotland)
Company number: 05970344



Filomena Giraldo washing her face, Mozambique.

VILLAGE WATER LIMITED

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Regina Fazenda at a hygiene and sanitation training in Mozambique



Reference and administrative details

Village Water is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Company Registration number 05970344.

Charity Registration number 1117377 (England & Wales) and SC044129 (Scotland).

Principal and Registered Office:

Room C, URC Offices

Coleham Head

Shrewsbury

Shropshire

SY3 7BJ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4JQ

Trustees:

Mr Hugh Woodhouse (Secretary) (retired 20.04.2023)

Mr Christopher Morley (retired 12.10.2023)

Mrs Louise Cook

Mr Andrew Picken (Chair)

Ms Trina Chakravarti

Mr Paul Marston

Ms Sarah-Jane Docherty

Mr Steven Andre (appointed 20.01.2023)

Mr Martyn Anwyl (appointed 20.01.2023)

Ms Zara Prabhu (appointed 20.01.2023)

Mr Drake Peabody (appointed 25.01.2024)

Mr Martin Rickard (appointed 18.04.2024)

Independent Auditor:

Shaw Gibbs (Audit) Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023

The Trustees of Village Water present their annual report and audited financial statements for the year ended 31 December 2023 and confirm that they comply with the requirements of the Companies' Act 2006, the Charities' Act 2001, and Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance, and management

Village Water is a charitable company limited by guarantee incorporated on 18 October 2006 and registered with the Charity Commission on 22 December 2006. The Memorandum and Articles of Association were revised and approved by the Board on 07 January 2024.

The charitable company's Board of Trustees currently comprises ten volunteer members who are responsible for the strategic direction and compliance activities of the charitable company. The Board meets four times a year. Board Management, Strategy, HR, Finance and Risk Committees meet regularly.

Trustees are appointed as required. When considering new Trustees, the Board will carry out a gap analysis before advertising the position on specialist sites. The Board Management Committee will make recommendations on applicants and selection is by interview. Newly appointed Trustees receive induction in Village Water's background, strategic goals, and financial history. Trustees are expected to join one of the sub-committees and given the opportunity to visit the projects in Africa to better understand the work.

The staff team is led by the CEO, to whom the Trustees delegate responsibility for ensuring that the charitable company delivers the services specified and that strategic targets are met. The CEO manages a team of eight staff including fundraising, monitoring and finance functions.

Vision: Better health, education and opportunity for everyone, through safe water, sanitation and hygiene, along with additional integrated activities, improving the lives of the people we work with.

Principal activities

This year, we celebrate Village Waters' 20-year anniversary of safe water projects. Working with skilled, passionate partners we've been able to improve over 1.7 million lives across Zambia & Mozambique through integrated safe water, sanitation & hygiene education (WASH). This work has directly led to improvements in health through significant reductions in cases of diarrhoea and other water borne disease, in turn providing families greater chances to earn a living, and for their children to stay in school.

Through collaboration with district councils & our experienced local partners we co-develop District Wide Plans (DWPs) as a solution for 100% WASH coverage. These plans support enterprise, create opportunities, promote equity & inclusion & ensure accountability.

We map out all the current systems in the 3 districts we work in, Nalolo, Mumbwa & Bárue to find the gaps in WASH access. We seek to promote & nurture enterprise & sustainable solutions that have real long-term impacts for the districts, with the aim to ensure everyone has access to WASH services. We monitor our impacts annually & strategically, allowing us to pinpoint how effective the chosen solutions really are.

While continuing supporting infrastructure like boreholes, latrine blocks & solar systems, each District Wide Plan goes much further & tackles more complicated issues, like water resource management, planning, climate resilience, equity & many other issues.

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023

Principal activities (continued)

We have been measuring carbon emissions reductions in our projects in Zambia and Mozambique since 2019. The communities we have supported no longer need to burn wood to make their water safe. With 3,636 water points repaired across four provinces in Mozambique and Zambia over the past 5 years, we've reached more people than we could ever have imagined. That's 204,000 families that enjoy a safer & healthier life.

We are scaling up investment in the District Wide Plan (DWP) approach and are now working in 3 districts in Zambia and Mozambique. We aim to focus on these 3 districts for the next strategic period and help over 500,000 people access better WASH services.

Public benefit

Working towards achieving the Sustainable Development Goals' concept 'Leave no-one behind,' the Trustees confirm that they have complied with the duty in the Charities' Act 2011 and consider that the objects of the charitable company, the activities outlined in this report and the charitable company's future plans have a demonstrable benefit to the public.

Risk Management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. The Finance and Risk Committee carries out on-going reviews of the risk matrix to present to the Board at each quarterly meeting. This sets out organisational and programme risks and actions to mitigate these if appropriate.

2023 Overview:

Throughout the year, we made significant strides in improving water, sanitation, and hygiene (WASH) in the areas we work, reaching over 344,000 people in Zambia and Mozambique combined.

Zambia:

- Hygiene and Sanitation Promotion: Implemented comprehensive campaigns addressing hygiene, sanitation, and COVID-19 mitigation.
- Enterprises Development: Supporting the creation & development of local enterprises to build toilets, increase capacity of local water committees and area pump minders ensuring they have the tools & knowledge to maintain waterpoints.
- Villages: Successfully constructed 10 new boreholes, accompanied by the establishment of robust water committees to ensure the longevity and sustainability of these water points.
- School & Health Centres: We installed & upgraded WASH facilities including 3 solar water systems & 1 borehole, 10 handwashing devices & 5 ablution blocks, including revitalising school clubs and promoting good hygiene and sanitation practices.
- District Strengthening: Facilitated coordination and planning meetings at various governmental levels to enhance district wide WASH initiatives.
- Monitoring: Conducted surveys to assess existing infrastructure, water quality, and access, as well as household health and school attendance.
- Carbon Project Impact: Completed 546 rehabilitations and 35 repairs on water points already in the project.

VILLAGE WATER LIMITED

2023 Overview (continued)

Mozambique:

- School and Health Centres: Implemented solar water systems and constructed permanent latrine blocks in 2 schools, complemented by hygiene promotion activities, pad production, and the establishment of girls' clubs.
- Villages: Successfully constructed 10 new boreholes, accompanied by the establishment of robust water committees to ensure the longevity and sustainability of these water points.
- District Wide Plan: We started a new district wide plan in Bárúè district, Mozambique, involving community mapping and a thorough baseline assessment. Identified the need for increased water coverage, with only 21% of institutions and 42% of villages having access to improved water sources. The district wide plan will be developed in 2024 and activities will help start progress towards 100% coverage.
- Carbon Project Impact: Completed 508 rehabilitations and 373 repairs on water points already in the project.

Income

Our 2023 income increased slightly by 6% on 2022. This was fuelled by the ongoing collaboration on carbon emission projects with our corporate partner. We continue to attract funding from a wide range of supporters, new and long term. 2023 marked yet another milestone with record-breaking income levels achieved. While individual income experienced a slight decline from previous year, we are actively working to bolster this in 2024.

Income streams

Individuals (including gift aid)	£75,162
Community groups	£10,466
Trusts	£431,343
Businesses	£1,861,185
Statutory	£49,500
Legacy	£10,000
Total	<u>£2,437,656</u>

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023

Key Successes

Key successes include a further strengthened partnership with CO2 Balance and once again increasing the number of rehabilitated boreholes repaired during the year. We also conducted a baseline in another district to lay the foundations to achieve 100% WASH by 2030 in Bárue, Mozambique.

We thank those who make regular gifts - your support gives us the security to plan ahead. We could not continue to grow our impact without the many generous donations from individuals, community groups and trusts during the year. We acknowledge among others, too numerous to mention, E J Spice Charitable Trust, The Waterloo Foundation, Wilmslow Wells for Africa, Guernsey Overseas Aid and Development Committee (OA&DC).

Expenditure

Expenditure on charitable activities (including governance) was £2,405,465. Unrestricted funds made up 53%(2022: 69%) of our income. Income from Trusts and Foundations & Individuals reduced slightly from 2022, but all other income streams increased. We are excited to continue to scale our partnerships with corporates to further grow and expand operations.

Expenditure on charitable activities in 2023 was 94p (2022: 94p) in every pound.

Fundraising statement

Village Water complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and adhere to the Fundraising Promise. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received two requests from this service in 2022 from donors not on our database, so likely done in error.

All our income came from fundraising. In 2023 we spent £104,497 (2022: £72,133) in support costs for our projects.

Our fundraising activities include applications to trusts and foundations, encouraging private donations, and digital appeals. Our income from corporate sectors has grown over the years alongside our profile. We employ a small fundraising team which supports all income generating initiatives. Village Water does not use third-party suppliers for any activities. All our 2023 UK costs were covered by a generous funding partner, so that 100% of donations could be used to support our work in Africa.

Our complaints' policy is publicly available on our website, giving individuals clear means to complain, even anonymously, about something they are unhappy with. There were no complaints made in 2023 (2022: none). Our safeguarding policy is available on our website. All staff are familiar with the procedures and have signed the organisation's Code of Conduct.

Grant making statement

Village Water works through local partners in Zambia and Mozambique, with whom we have Partnership Agreements which define roles, expectations, and obligations of all parties. Each partner signs a Memorandum of Understanding which details specific activities, timeline and budget.

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023

Grant making statement(continued)

When we identify new partners to work with in-country we carry out due diligence checks including organisational, governance, policies, and financial processes. Partnerships are reviewed annually.

For project progress and impact monitoring we use a mobile to web monitoring system following activity timeline milestones. Financial reports are required by an agreed deadline which, once approved, trigger further transfers made in line with the annual budget. Directors meet bi-monthly and team members from each partner, including Village Water, take part in 'hubs' focusing on, but not limited to communications and marketing, safeguarding, finance and stock control, monitoring, and board support. Staff, Trustees and occasionally volunteers visit the projects to support local partners to develop new projects, gather data, marketing materials, and to carry out 'follow the money' finance checks.

Events after the year end

In Mozambique and Zambia, an outbreak of cholera has posed challenges, prompting us to deploy emergency funding to curb its spread. Our partners are actively collaborating with local authorities to provide assistance where possible. Furthermore, the drought in Zambia is amplifying the challenges faced by the most vulnerable we support. On a positive note, we've welcomed two new trustees to our board, enhancing the governance of the charity.

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023
Statement of Trustees' responsibilities

The Trustees (who are also directors of Village Water Limited for the purposes of company law) are responsible 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).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Village Water and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP (FRS 102)) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Statement as to disclosure to auditors

The Trustees confirm that they have taken all the required steps to acquaint themselves with any relevant audit information, as defined by Section 418 of the Companies Act 2006 and to ensure that Village Water's auditors are aware of that information.

Going concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Auditors

Following a merger of Harmer Slater Limited with Shaw Gibbs (Audit) Limited in November 2023, Harmer Slater Limited resigned as the company's auditors and Shaw Gibbs (Audit) Limited were appointed to act as the company's auditors. A resolution to reappoint will be put to the AGM.


VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023
Statement of Trustees' responsibilities

Small company provisions

The Trustees' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board on 11 July 2024 and signed on its behalf by:

Paul Marston - Trustee



P. MARSTON

16.7.2024

VILLAGE WATER LIMITED
Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year to 31 December 2023

	Note	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Incoming Resources					
Incoming resources from generated Funds:					
Donations	2	1,293,644	1,144,012	2,437,656	2,301,046
Investment Income:					
Bank and Other Interest	3	10,234	-	10,234	2,350
Total Incoming Resources		1,303,878	1,144,012	2,447,890	2,303,396
Resources Expended					
Charitable Activities Zambia		90,393	1,256,179	1,346,572	695,826
Charitable Activities Mozambique		83,830	975,063	1,058,893	1,163,546
Fundraising expenses		104,497	-	104,497	72,133
Governance		48,996	-	48,996	43,520
Total resources expended	4	327,716	2,231,242	2,558,958	1,975,025
Net income/(expenditure) for the year before transfers		976,162	(1,087,230)	(111,068)	328,371
Transfers between funds	6	(1,006,493)	1,006,493	-	-
Net income/(expenditure) for the year after transfers		(30,331)	(80,737)	(111,068)	328,371
Reserves at 1 January 2023		407,358	145,737	553,095	224,724
Reserves at 31 December 2023		377,027	65,000	442,027	553,095

Notes:

All of the above results are derived from continuing activities. All gains and losses in the year are included above.

The notes on pages 14 to 23 form part of the Financial Statements.

VILLAGE WATER LIMITED

Amended

Balance Sheet

(Company no. 05970344)

As at 31 December 2023


Total Funds

	Note	2023 £	2022 £
Non-current Assets			
Property, plant and equipment	10	<u>1,864</u>	<u>1,821</u>
Current Assets			
Receivables	11	6,624	21,271
Cash and cash equivalents	12	<u>441,808</u>	<u>540,105</u>
		<u>448,432</u>	<u>561,376</u>
Payables: Amounts falling due within one year	13	<u>(8,269)</u>	<u>(10,102)</u>
Net current assets		<u>440,163</u>	<u>551,274</u>
Net Assets	15	<u>442,027</u>	<u>553,095</u>
Funds			
Unrestricted	16	377,027	407,358
Restricted	16	<u>65,000</u>	<u>145,737</u>
		<u>442,027</u>	<u>553,095</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved and authorised for issue by the Board on 11 July 2024 and signed on its behalf by:

Paul. Marston - Trustee



The notes on pages 14 to 23 form part of the amended Financial Statements.

VILLAGE WATER LIMITED
Statement of Cashflows
for the year to 31 December 2023

	2023 £	2022 £
Net cash flows from operating activities		
Net income/(expenditure) for the year	(111,068)	328,371
Adjustments for items not affecting cash flows:		
Depreciation of equipment	1,561	1,193
Bank interest received	(10,234)	(2,350)
	(119,741)	327,214
Net operating cash flows before reinvestment in working capital		
(Increase)/decrease in receivables	14,647	(6,605)
Increase in payables	(1,833)	(4,564)
	(106,927)	316,045
Net cash flows from operating activities		
Net cash flows from investing activities		
Purchase of non-current assets	(1,604)	(2,381)
Bank interest received	10,234	2,350
	8,630	(31)
Cash (utilised in)/generated from investing activities		
Increase/(decrease) in cash and cash equivalents	(98,297)	316,014
Cash and cash equivalents at the beginning of the year	540,105	224,091
Cash and cash equivalents at the end of the year	441,808	540,105

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023

1) Accounting Policies

General information

Village Water is a private charitable company limited by guarantee, incorporated in England and Wales under Companies' Act, and registered as a charity in England and Wales (1117377) and Scotland (SCO44129).

The charitable company's registered office address is shown on page 3. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 4-8.

Village Water meets the definition of a public benefit entity as defined by FRS 102. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Statement of compliance

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 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared using the historical cost convention. The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pounds sterling (£).

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which is credited in the year in which they are received; and investment income, including bank interest, which is credited in the year in which it is received.

Reserves policy

Village Water, in accordance with recommendations from the Charity Commission, aims to maintain an unrestricted reserve that allows for Village Water to protect against future uncertainties and to provide a secure standing.

- Tier 1 - UK operating costs - £0-90k
- Tier 2 - UK & Partner operating costs - £90k-190k
- Tier 3 - Exchange rate fluctuations - £190-250k
- Tier 4 - Additional UK & Partner operating costs & Future projects - £250k - 890k

VILLAGE WATER LIMITED

Reserves policy (Continued)

The Board remains focused on the need to balance the level of reserves in the charity with the effective delivery of the organisation's strategic objectives.

This reserve is to be invested in an interest-bearing account with the potential to release deposits in a timely fashion if required.

Should the organisation face liquidation, all assets would be distributed to another not-for-profit organisation, working in the same sphere of activity as Village Water to be used for charitable purposes. Should any such assets be restricted to a specific funder, any decision regarding disposal would be discussed and agreed with them before action.

Resources expended

Expenditure is included on an accrual's basis inclusive of VAT, which is not recoverable. Expenditure directly attributable to specific activities has been allocated to those activities.

- Costs of charitable activities in Zambia and Mozambique represent direct expenditure incurred through grants to local partners for their operational activities together with associated support costs to deliver safe water, sanitation and hygiene.
- Fundraising expenses relate to the costs incurred by the charitable company in raising funds for the charitable work.
- Governance costs are those associated with the arrangements relating to the strategic operations of the charitable company as opposed to those costs associated with general running of the charitable company, fundraising or charitable activity. These governance costs include external audit costs, staff and Trustee costs in governance of the organisation.

Fund structure

The funds held by the charitable company fall into the following categories:

Unrestricted funds - represents donations and other incoming resources receivable for the object of the charitable company without further specified purpose and are available as general funds.

Restricted funds - represent funds subject to restrictions on their expenditure as imposed by the donor.

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

Depreciation is charged by annual instalments estimated to write off their cost less any residual value over the expected useful lives which equate to the following rates:

Furniture & equipment

33% per annum on straight line

Receivables

Receivables are recognised at settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank current account balances and are subject to insignificant risk of change in value.

Payables

Payables are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables are normally recognised at their settlement amount.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charitable company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable.

2) Donations

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Community	5,823	4,643	10,466	2,664
Corporate	1,115,456	745,729	1,861,185	1,704,653
Individuals	47,469	15,111	62,580	92,645
Statutory	-	49,500	49,500	44,184
Trusts/ Foundations	102,314	329,029	431,343	449,618
Legacy	10,000	-	10,000	-
Gift aid	12,582	-	12,582	-
Total Donations	1,293,644	1,144,012	2,437,656	2,301,046

3) Interest income

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Bank interest receivable	10,234	-	10,234	2,350	-	2,350

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

4) Analysis of Resources Expended

a) Restricted Resources Expended

Village Water raises donations in the UK to support water, sanitation and hygiene (WASH) activities in Zambia and Mozambique. The monies are remitted to Empowered Communities Helping Others and WATSAN Mozambique, both independent NGOs, who carry out our fieldwork programme.

	2023 £	2022 £
<i>Remittances to Zambia</i>		
Supporting partners to deliver water, sanitation & hygiene	1,204,832	542,335
	<hr/> 1,204,832	<hr/> 542,335
<i>Direct Expenditure in UK on work in Zambia</i>		
Capacity Development	-	3,926
IT, Equipment and Materials		
FCDO (Formerly DFID)	-	6,125
	<hr/> 51,347	<hr/> 27,529
	<hr/> 51,347	<hr/> 37,580
<i>Remittances to Mozambique</i>		
Supporting partners to deliver water, sanitation & hygiene	971,295	1,079,110
<i>Direct Expenditure in UK on work in Mozambique</i>		
	<hr/> 3,768	<hr/> 3,051
Total Expenditure	<hr/> 2,231,242	<hr/> 1,662,076

b) Unrestricted Resources Expended

The charitable company initially identifies all unrestricted expenditure and then apportions the cost between four major expenditure categories:

- Charitable expenditure Zambia - relates to support costs incurred to raise funds for activities in Zambia.
- Charitable expenditure Mozambique - relates to support costs incurred to raise funds for activities in Mozambique.
- Fundraising expenses - relate to the costs incurred by the charitable company in raising funds for the charitable work; and
- Governance - costs are those associated with the governance arrangements relating to the strategic operations of the charitable company.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

4) Analysis of Resources Expended (continued)

b) Unrestricted Resources Expended (continued)

The table below outlines unrestricted expenditure, as apportioned between the four expenditure categories.

Year ended 31 December 2023	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fundraising Expenses £	Governance £	Total 2023 £
Salaries	84,451	77,668	95,361	39,187	296,667
Training	995	1,031	1,105	552	3,683
Travel	911	945	1,013	506	3,375
Volunteers	-	-	-	-	-
Work from home allowance	508	526	564	282	1,880
Events & fundraising	-	-	2,533	-	2,533
Office costs	1,324	1,373	1,472	736	4,905
Insurance	287	298	319	160	1,064
IT expenses	1,496	1,552	1,662	831	5,541
Other governance costs	-	-	-	1,520	1,520
Audit fees	-	-	-	4,882	4,882
Depreciation	421	437	468	234	1,560
Bank charges	-	-	-	106	106
	90,393	83,830	104,497	48,996	327,716

Year ended 31 December 2022	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fundraising Expenses £	Governance £	Total 2022 £
Salaries	110,282	76,919	64,815	35,646	287,662
Training	99	782	993	340	3,106
Travel	624	496	496	220	1,836
Volunteers	5	4	4	2	15
Work from home allowance	292	232	232	103	859
Events & fundraising	-	-	2,641	1,520	4,161
Office costs	1,695	1,346	1,346	1,591	5,978
Insurance	547	435	435	193	1,610
IT expenses	1,069	849	849	377	3,144
Other governance costs	-	-	-	839	839
Audit fees	-	-	-	2,359	2,359
Depreciation	406	322	322	143	1,193
Bank charges	-	-	-	187	187
	115,911	81,385	72,133	43,520	312,949

Salaries, recruitment, training, travel and volunteers' costs are apportioned per capita - i.e., on the number of people employed within an activity.

Events and fundraising, other governance costs, audit fees and bank charges apportionment is based on usage.

Office costs, insurance and IT expenses apportionment is based on floor area occupied by an activity.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

5) Employees and Trustees

The aggregate payroll costs were as follows:	2023 £	2022 £
Salaries	258,830	250,565
Social security costs	19,660	15,955
Pension costs	18,177	21,143
	<u>296,667</u>	<u>287,663</u>

No employee received emoluments above £60,000.

The average number of employees during the year calculated as full-time equivalents was 7 (2022: 8)

The Trustees were not paid any remuneration or received any other benefits from employment with the charitable company in the year (2022: £nil).

Three Trustees were paid expenses of £1,053 (2022: £930) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2022: £nil).

6) Transfers

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £1,152,230 (2022: £1,096,293) were transferred to restricted funds.

7) Movement in funds

Net movement in funds is stated after charging:

	2023 £	2022 £
Depreciation	<u>1,560</u>	<u>1,193</u>

8) Auditor's remuneration

	2023 £	2022 £
Auditor's remuneration - the audit of charitable company' accounts	3,000	1,628
Auditor's remuneration - other services	1,440	700
	<u>4,440</u>	<u>2,328</u>

9) Taxation and charitable status

The Trust is a charitable company within the definition of Section 467 Corporation Tax Act 2010 and is, therefore, able to take advantage of the exemption given by Section 486 of that Act. Accordingly, there is no Corporation Tax charge in these financial statements.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

10) Non-current assets

Furniture & Equipment	2023	2022
	£	£
Cost		
At 1 January	5,884	3,503
Additions	1,604	2,381
Disposals		
At 31 December	<u>7,488</u>	<u>5,884</u>
Depreciation		
At 1 January	4,063	2,870
Charge in the year	1,561	1,193
Released on disposal		
At 31 December	<u>5,624</u>	<u>4,063</u>
Net book value at 31 December	<u>1,864</u>	<u>1,821</u>

11) Receivables

	2023	2022
	£	£
Gift Aid Recoverable	5,143	9,172
Other receivables	-	11,591
Prepayments	1,481	508
	<u>6,624</u>	<u>21,271</u>

12) Cash and cash equivalents

	2023	2022
	£	£
Cash at bank	441,808	540,105
Petty cash	-	
	<u>441,808</u>	<u>540,105</u>

13) Payables: amounts falling due within one year

	2023	2022
	£	£
Other taxes and social security	-	5,074
Other payables	8,269	5,028
	<u>8,269</u>	<u>10,102</u>

14) Pensions scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charitable company to the scheme and amounted to £18,177 (2022: £21,143).

Contributions totalling £1,802 (2022: £2,789) were payable to the scheme at the end of the year and are included in other payables.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

15) Analysis of net assets between fund

Year ended 31 December 2023	Unrestricted		Restricted		Total £
	Funds	Zambia	Mozambique		
	£	£	£		
Property, plant & equipment	1,864	-	-		1,864
Receivables	6,624	-	-		6,624
Cash at Bank	376,808	50,000	15,000		441,808
Payables	(8,269)	-	-		(8,269)
	377,027	50,000	15,000		442,027

Year ended 31 December 2022	Unrestricted		Restricted		Total £
	Funds	Zambia	Mozambique		
	£	£	£		
Property, plant & equipment	1,821	-	-		1,821
Receivables	21,271	-	-		21,271
Cash at Bank	394,368	127,737	18,000		540,105
Payables	(10,102)	-	-		(10,102)
	407,358	127,737	18,000		553,095

16) Movements in funds

	At 1 Jan 2023	Incoming Resources	Outgoing Resources	Transfer between funds	At 31 Dec 2023
	£	£	£	£	£
Unrestricted					
Property, plant & equipment	1,821	1,604	(1,561)	-	1,864
Receivables	21,271	6,624	(21,271)	-	6,624
Cash at Bank	394,368	1,303,919	(314,986)	(1,006,493)	376,809
Payables	(10,102)	(8,269)	10,102	-	(8,269)
Total Unrestricted Funds	407,358	1,303,878	(327,716)	(1,006,493)	377,027
Restricted					
Zambia	127,737	664,490	(1,256,179)	513,952	50,000
Mozambique	18,000	479,522	(975,063)	492,541	15,000
Total Restricted Funds	145,737	1,144,012	(2,231,242)	1,006,493	65,000
Total Funds	553,095	2,447,890	(2,558,958)	-	442,027

	At 1 Jan 2022	Incoming Resources	Outgoing Resources	Transfer between funds	At 31 Dec 2022
	£	£	£	£	£
Unrestricted					
Property, plant & equipment	633	2,381	(1,193)	-	1,821
Receivables	14,666	21,271	(14,666)	-	21,271
Cash at Bank	224,091	1,578,326	(311,756)	(1,096,293)	394,368
Payables	(14,666)	(10,102)	14,666	-	(10,102)
Total Unrestricted Funds	224,724	1,591,876	(312,949)	(1,096,293)	407,358
Restricted					
Zambia	-	432,482	(579,915)	275,170	127,737
Mozambique	-	279,038	(1,082,161)	821,123	18,000
Total Restricted Funds	-	711,520	(1,662,076)	1,096,293	145,737
Total Funds	224,724	3,399,686	(3,071,318)	-	553,095

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

17) Comparatives for Statement of Financial Activities

	Note	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Incoming Resources				
Incoming resources from generated Funds:				
Donations	2	1,589,526	711,520	2,301,046
Investment Income:				
Bank and Other Interest	3	2,350	-	2,350
Total Incoming Resources		1,591,876	711,520	2,303,396
Resources Expended				
Charitable Activities Zambia		115,911	579,915	695,826
Charitable Activities Mozambique		81,385	1,082,161	1,163,546
Fundraising expenses		72,133	-	72,133
Governance		43,520	-	43,520
Total resources expended	4	312,949	1,662,076	1,975,025
Net income/(expenditure) for the year before transfers		1,278,927	(950,556)	328,371
Transfers between funds	6	(1,096,293)	1,096,293	-
Net income/(expenditure) for the year after transfers		182,634	145,737	328,371
Reserves at 1 January 2022		224,724	-	224,724
Reserves at 31 December 2022		407,358	145,737	553,095

18) Lease commitments

Operating Leases

The total of future minimum lease payments is as follows:

	Office premises	
	2023 £	2022 £
No later than one year	4,125	4,200
Between two and five years	-	3,850
	4,125	8,050

19) Company limited by guarantee

The company is a charitable company limited by guarantee and consequently not have share capital. Each of the 10 (2022: 9) members of the charitable company is liable to contribute £10 towards the assets of the charitable company in the event of liquidation.

20) Related party transactions

The charitable company works in partnership with independent local charities Empowered Communities Helping Others (ECHO) in Zambia - WATSAN Mozambique in Mozambique, who share a common purpose. All partners receive funding for their charitable objectives from Village Water and from other donors.

During the year, the charitable company remitted £2,176,127 (2022: £1,620,892 to these partners.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2023 (continued)

21) Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Opinion on financial statements

We have audited the financial statements of Village Water Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' (who are also directors of the charitable company for the purpose of the company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on pages 9), the Trustees, who are Directors for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our cumulative audit knowledge and experience of the charitable company and the knowledge of the charities sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, The Charities (Accounts and Reports) Regulations 2008, The Charities Accounts (Scotland) Regulations 2006, as well as data protection, money laundering and anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

VILLAGE WATER LIMITED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statements to disclosures and underlying supporting documentation.
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with Charities Commission, HMRC and other government bodies, analysing professional services/legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

VILLAGE WATER LIMITED
**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ransford Agyei-Boamah
Senior Statutory Auditor

for and on behalf of:
Shaw Gibbs (Audit) Limited
Statutory Auditors
16 July 2024

Salatin House
19 Cedar Road
Sutton,
Surrey
SM2 5DA

VILLAGE WATER LIMITED

England & Wales - Charity number 1117377

Accounts

VILLAGE WATER LIMITED

VILLAGE WATER

Changing
lives for
good

VILLAGE WATER LIMITED

(A company limited by guarantee)
Report and Financial Statements for the Year
Ended 31 December 2022

Registered charity numbers: 1117377 (England & Wales)
and SCO44129 (Scotland)
Company number: 05970344

Women from Carvalho, Mozambique, celebrate the water flowing once again at their waterpoint!



VILLAGE WATER LIMITED

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Stanley, dreams of being an area pump minder to help his community and others like it keep the water running.

Reference and administrative details

Village Water is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Company Registration number 05970344.

Charity Registration number 1117377 (England & Wales) and SC044129 (Scotland).

Principal and Registered Office:

Room C, URC Offices

Coleham Head

Shrewsbury

Shropshire

SY3 7BJ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4JQ

Trustees:

Mr Hugh Woodhouse (Secretary) (retired 20.04.2023)

Mr Christopher Morley

Mrs Louise Cook

Mr Andrew Picken (Chair)

Mr Geoff Houston (retired 31.12.2022)

Ms Hilary Nithsdale (retired 31.12.2022)

Ms Trina Chakravarti

Mr Paul Marston

Ms Sarah-Jane Docherty

Mr Steven Andre (appointed 20.01.2023)

Mr Martyn Anwyl (appointed 20.01.2023)

Ms Zara Prabhu (appointed 20.01.2023)

Independent Auditor:

Harmer Slater Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2022

The Trustees of Village Water present their annual report and audited financial statements for the year ended 31 December 2022 and confirm that they comply with the requirements of the Companies' Act 2006, the Charities' Act 2001, and Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance, and management

Village Water is a charitable company limited by guarantee incorporated on 18 October 2006 and registered with the Charity Commission on 22 December 2006. The Memorandum and Articles of Association were revised and approved by the Board on 14 April 2016.

The charitable company's Board of Trustees currently comprises nine volunteer members who are responsible for the strategic direction and compliance activities of the charitable company. The Board meets four times a year. Board Management and Finance and Risk Committees meet regularly.

Trustees are appointed as required. When considering new Trustees, the Board will carry out a gap analysis before advertising the position on specialist sites. The Board Management Committee will make recommendations on applicants and selection is by interview. Newly appointed Trustees receive induction in Village Water's background, strategic goals, and financial history. Trustees are expected to join one of the sub-committees and given the opportunity to visit the projects in Africa to better understand the work.

The staff team is led by the director, to whom the Trustees delegate responsibility for ensuring that the charitable company delivers the services specified and that strategic targets are met. The director manages a team of eight staff including fundraising, monitoring and finance functions.

Vision: Better health, education, and opportunity for everyone, through safe water and sanitation.

Principal activities

Since our foundation in 2004, we have focused on water, sanitation and hygiene (WASH) support in villages, schools and clinics in Zambia and Mozambique, reaching nearly 1.4 million people through installation or rehabilitation of water points. This work has directly led to improvements in health through significant reductions in cases of diarrhoea and other water borne disease, in turn providing families greater chances to earn a living, and for their children to stay in school.

One of the key ways we do this is to invest in support and build the resilience of our local partners who are independent, specialist WASH organisations.

Our developmental model is System's Strengthening. Rather than supporting WASH across a scattered geographical area, we have moved towards a more focussed approach investing in a smaller number of districts, supporting the building blocks to work towards sustainable 100% WASH coverage.

This involves working closely with district staff to map existing services, identify local structures such as companies, supply chains, funders and trainers to assess the gaps in services and to develop a realistic budget to reach full coverage, including on-going maintenance, monitoring and support. These activities set the foundations of a District Wide Plan (DWP), that can be used by the councils to apply for funding and provide evidence of progress towards 100% WASH services.

VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2022

Principal activities (continued)

We have been measuring carbon emissions reductions in our projects in Zambia and Mozambique since 2019. Communities no longer need wood to boil their water to make it safe. On average, across our projects, CO2 emissions fall by an estimated 395 tonnes per village each year.

We are scaling up investment in the District Wide Plan (DWP) approach and have added another district in Zambia this year. We aim to help ensure sustainability and 100% coverage of water, hygiene, and sanitation (WASH) in the districts we work in.

Public benefit

Working towards achieving the Sustainable Development Goals' concept 'Leave no-one behind,' the Trustees confirm that they have complied with the duty in the Charities' Act 2011 and consider that the objects of the charitable company, the activities outlined in this report and the charitable company's future plans have a demonstrable benefit to the public.

Risk Management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. The Finance and Risk Committee carries out on-going reviews of the risk matrix to present to the Board at each quarterly meeting. This sets out organisational and programme risks and actions to mitigate these if appropriate.

2022 overview

Over the year we have reached more than 367,103 people with our work in two provinces of Zambia, Western and Central, and in Manica Province in Mozambique.

Income

Our 2022 income increased by 92% on 2021. The increase was largely down to two factors; firstly, we scaled up our carbon emission project with our corporate partner, secondly, we kindly were gifted a large legacy from EJ Spice Charitable Trust. We continue to attract funding from a wide range of supporters, new and long term.

Income streams

Individuals (including gift aid)	£92,645
Community groups	£2,664
Trusts	£449,618
Businesses	£1,704,653
Statutory	£44,184
Gift aid	£7,282
Total	<u>£2,301,046</u>

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2022

Key successes include further strengthened partnership with CO2 Balance and once again increasing the number of rehabilitated boreholes repaired during the year. Conducting a baseline in another district in Zambia to lay the foundations to achieve 100% WASH by 2030 in Mumbwa, Zambia.

We thank those who make regular gifts - your support gives us the security to plan ahead. We could not continue to grow our impact without the many generous donations from individuals, community groups and trusts during the year. We acknowledge among others, too numerous to mention, E J Spice Charitable Trust, The Waterloo Foundation, Wilmslow Wells for Africa, Guernsey Overseas Aid and Development Committee (OA&DC), The Randal Charitable Foundation, Christadelphian Meal a Day Fund, and The Peter Stebbings Memorial Charity.

Expenditure

Expenditure on charitable activities (including governance) was £1,975,025. Unrestricted funds made up 69% (2021: 68%) of our income. Income from Trusts and Foundations significantly bounced back after challenges in 2020 and 2021 due to the global pandemic. We are excited to continue to scale our partnerships with corporates to further grow and expand operations.

Expenditure on charitable activities in 2022 was 94p (2021: 91p) in every pound. Every £1 invested in fundraising brought in £32 (2021: £20).

Fundraising statement

Village Water complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and adhere to the Fundraising Promise and the Code of Fundraising Practice. Village Water is an Organisational Member of the Institute of Fundraising. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received zero requests from this service last year.

All our income came from fundraising. In 2022 we spent £72,133 (2021: £60,713) in support costs for our projects.

Our fundraising activities include applications to trusts, encouraging private donations, and digital appeals. Our income from corporate sectors has grown over the years alongside our profile. We employ a small fundraising team which supports all income generating initiatives. Village Water does not use third-party suppliers for any activities. All our 2022 UK costs are covered by a generous funding partner, so that 100% of donations can support our work in Africa.

Our complaints' policy is publicly available on our website, giving individuals clear means to complain, even anonymously, about something they are unhappy with. There were no complaints made in 2022 (2021: none). Our safeguarding policy is available on our website. All staff are familiar with the procedures and have signed the organisation's Code of Conduct.

Grant making statement

Village Water works through local partners in Zambia and Mozambique, with whom we have Partnership Agreements which define roles, expectations, and obligations of all parties. Each partner signs a Memorandum of Understanding which details specific activities, timeline and budget.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2022

When we identify new partners to work with in-country we carry out due diligence checks including organisational, governance, policies, and financial processes. Partnerships are reviewed annually.

For project progress and impact monitoring we use a mobile to web monitoring system following activity timeline milestones. Financial reports are required by an agreed deadline which, once approved, trigger further transfers made in line with the annual budget. Directors meet bi-monthly and team members from each partner, including Village Water, take part in 'hubs' focusing on, but not limited to communications and marketing, safeguarding, finance and stock control, monitoring, and board support. Staff, Trustees and occasionally volunteers visit the projects to support local partners to develop new projects, gather data, marketing materials, and to carry out 'follow the money' finance checks.

Events after the year end

COVID 19 is still affecting some areas of our work both in the UK and in Africa where illness and absences affect timelines on project activities. Rates of Covid infection have dropped dramatically in 2022 and 2023 in both Zambia and Mozambique, as the vaccine programme is rolled out. An outbreak of Cholera has caused concern in Mozambique, we are working with the local government to help where we can. We completed a risk assessment on travel in 2022 and reinstated UK trips to partner countries, this has continued in 2023. The cost-of-living crisis and the war in Ukraine has resulted in many people going through very tough financial times. This has meant difficulties in raising funds from some streams of income which is likely to continue to affect fundraising activities going into 2023.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2022

Statement of Trustees' responsibilities

The Trustees (who are also directors of Village Water Limited for the purposes of company law) are responsible 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).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Village Water and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP (FRS 102)) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Statement as to disclosure to auditors

The Trustees confirm that they have taken all the required steps to acquaint themselves with any relevant audit information, as defined by Section 418 of the Companies Act 2006 and to ensure that Village Water's auditors are aware of that information.

Going concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Auditors

Harmer Slater Limited is Village Water's auditors. A resolution to reappoint will be put to the AGM.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2022


Statement of Trustees' responsibilities

Small company provisions

The Trustees' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board on 28 July 2023 and signed on its behalf by:

Paul Marston - Trustee

A handwritten signature in black ink, appearing to read "P. Marston", with a long horizontal flourish underneath.

VILLAGE WATER LIMITED
Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year to 31 December 2022

	Note	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Incoming Resources					
Incoming resources from generated Funds:					
Donations	2	1,589,526	711,520	2,301,046	1,201,639
Investment Income:					
Bank and Other Interest	3	2,350	-	2,350	121
Total Incoming Resources		1,591,876	711,520	2,303,396	1,201,760
Resources Expended					
Charitable Activities Zambia		115,911	579,915	695,826	553,013
Charitable Activities Mozambique		81,385	1,082,161	1,163,546	459,705
Fundraising expenses		72,133	-	72,133	60,713
Governance		43,520	-	43,520	37,615
Total resources expended	4	312,949	1,662,076	1,975,025	1,111,046
Net income/(expenditure) for the year before transfers		1,278,927	(950,556)	328,371	90,714
Transfers between funds	6	(1,096,293)	1,096,293	-	-
Net income/(expenditure) for the year after transfers		182,634	145,737	328,371	90,714
Reserves at 1 January 2021		224,724	-	224,724	134,010
Reserves at 31 December 2022		407,358	145,737	553,095	224,724

Notes:

All of the above results are derived from continuing activities. All gains and losses in the year are included above.

The notes on pages 13 to 22 form part of the Financial Statements.

VILLAGE WATER LIMITED

Balance Sheet

(Company no. 05970344)

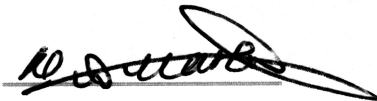
As at 31 December 2022

Total Funds	Note	2022 £	2021 £
Non-current Assets			
Property, plant and equipment	10	1,821	633
Current Assets			
Receivables	11	21,271	14,666
Cash and cash equivalents	12	540,105	224,091
		561,376	238,757
Payables: Amounts falling due within one year	13	(10,102)	(14,666)
Net current assets		551,274	224,091
Net Assets	15	553,095	224,724
Funds			
Unrestricted	16	407,358	224,724
Restricted	16	145,737	
		553,095	224,724

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved and authorised for issue by the Board on 28 July 2023 and signed on its behalf by:

Paul. Marston - Trustee



The notes on pages 13 to 22 form part of the Financial Statements.

VILLAGE WATER LIMITED

Statement of Cashflows
for the year to 31 December 2022

	2022 £	2021 £
Net cash flows from operating activities		
Net income/(expenditure) for the year	328,371	90,714
Adjustments for items not affecting cash flows:		
Depreciation of equipment	1,193	981
Bank interest received	(2,350)	(121)
	<hr/>	<hr/>
Net operating cash flows before reinvestment inworking capital	327,214	91,574
(Increase)/decrease in receivables	(6,605)	(10,783)
Increase in payables	(4,564)	2,415
	<hr/>	<hr/>
Net cash flows from operating activities	316,045	83,206
	<hr/>	<hr/>
Net cash flows from investing activities		
Purchase of non-current assets	(2,381)	(699)
Bank interest received	2,350	121
	<hr/>	<hr/>
Cash (utilised in)/generated from investing activities	(31)	(578)
	<hr/> <hr/>	<hr/> <hr/>
Increase/(decrease) in cash and cash equivalents	316,014	82,628
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	224,091	141,463
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	540,105	224,091
	<hr/> <hr/>	<hr/> <hr/>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022

1) Accounting Policies

General information

Village Water is a private charitable company limited by guarantee, incorporated in England and Wales under Companies' Act, and registered as a charity in England and Wales (1117377) and Scotland (SCO44129).

The charitable company's registered office address is shown on page 3. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 4-7.

Village Water meets the definition of a public benefit entity as defined by FRS 102. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Statement of compliance

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 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared using the historical cost convention. The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pounds sterling (£).

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which is credited in the year in which they are received; and investment income, including bank interest, which is credited in the year in which it is received.

Reserves policy

Village Water, in accordance with recommendations from the Charity Commission, aims to maintain an unrestricted reserve equivalent to a minimum of 3 months, to be reviewed annually. This is in order to:

1. Fulfil any legal obligations should the organisation be obliged to cease its activities.
2. Ensure sufficient funds should any non-routine staffing issues arise such as pregnancy, redundancy, extended sickness, jury service etc.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022

Reserves policy (continued)

3. Offer short-term (up to target of 3 months) security to local partners in Zambia and Mozambique to continue activities in the unlikely event of point 1 occurring.
4. Take advantage of such opportunities which may arise requiring rapid and flexible decision making and funding.

The Board remains focused on the need to balance the level of reserves in the charity with the effective delivery of the organisation's strategic objectives.

Resources expended

Expenditure is included on an accrual's basis inclusive of VAT, which is not recoverable. Expenditure directly attributable to specific activities has been allocated to those activities.

- Costs of charitable activities in Zambia and Mozambique represent direct expenditure incurred through grants to local partners for their operational activities together with associated support costs to deliver safe water, sanitation and hygiene.
- Fundraising expenses relate to the costs incurred by the charitable company in raising funds for the charitable work.
- Governance costs are those associated with the arrangements relating to the strategic operations of the charitable company as opposed to those costs associated with general running of the charitable company, fundraising or charitable activity. These governance costs include external audit costs, staff and Trustee costs in governance of the organisation.

Fund structure

The funds held by the charitable company fall into the following categories:

Unrestricted funds - represents donations and other incoming resources receivable for the object of the charitable company without further specified purpose and are available as general funds.

Restricted funds - represent funds subject to restrictions on their expenditure as imposed by the donor.

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

Depreciation is charged by annual instalments estimated to write off their cost less any residual value over the expected useful lives which equate to the following rates:

Furniture & equipment 33% per annum on straight line

Receivables

Receivables are recognised at settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank current account balances and are subject to insignificant risk of change in value.

Payables

Payables are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables are normally recognised at their settlement amount.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charitable company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable.

2) Donations

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Community	2,664	-	2,664	21,986	4,179	26,165
Corporate	1,424,589	280,064	1,704,653	532,126	114,789	646,915
Individuals	76,644	16,001	92,645	125,669	5,286	130,995
Statutory	4,855	49,039	44,184	-	48,543	48,543
Gift aid	7,282	-	7,282	-	-	-
FCDO	-	-	-	-	101,335	101,335
Trusts/Foundation	83,202	366,416	449,618	143,312	104,414	247,726
Total Donations	1,589,526	711,520	2,301,046	823,093	378,546	1,201,639

3) Interest income

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Bank interest receivable	2,350	-	2,350	121	-	121

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022 (continued)

4) Analysis of Resources Expended

a) Restricted Resources Expended

Village Water raises donations in the UK to support water, sanitation and hygiene (WASH) activities in Zambia and Mozambique. The monies are remitted to Empowered Communities Helping Others and WATSAN Mozambique, both independent NGOs, who carry out our fieldwork programme.

	2022 £	2021 £
<i>Remittances to Zambia</i>		
Supporting partners to deliver water, sanitation & Hygiene	542,335	343,682
FCDO (formerly DFID)	-	78,921
	<u>542,335</u>	<u>422,603</u>
<i>Direct Expenditure in UK on work in Zambia</i>		
Capacity Development	3,926	(325)
IT, Equipment and Materials	27,529	29,193
FCDO (formerly DFID)	6,125	6,199
	<u>37,580</u>	<u>35,067</u>
<i>Remittances to Mozambique</i>		
Supporting partners to deliver water, sanitation & hygiene	1,079,110	371,230
	<u>1,079,110</u>	<u>371,230</u>
<i>Direct Expenditure in UK on work in Mozambique</i>		
	<u>3,051</u>	<u>22,568</u>
Total Expenditure	<u>1,662,076</u>	<u>851,468</u>

b) Unrestricted Resources Expended

The charitable company initially identifies all unrestricted expenditure and then apportions the cost between four major expenditure categories:

- Charitable expenditure Zambia - relates to support costs incurred to raise funds for activities in Zambia.
- Charitable expenditure Mozambique - relates to support costs incurred to raise funds for activities in Mozambique.
- Fundraising expenses - relate to the costs incurred by the charitable company in raising funds for the charitable work; and
- Governance - costs are those associated with the governance arrangements relating to the strategic operations of the charitable company.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022 (continued)

4) Analysis of Resources Expended (continued)

b) Unrestricted Resources Expended (continued)

The table below outlines unrestricted expenditure, as apportioned between the four expenditure categories.

Year ended 31 December 2022	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fundraising Expenses £	Governance £	Total 2022 £
Salaries	110,282	76,919	64,815	35,646	287,662
Training	99	782	993	340	3,106
Travel	624	496	496	220	1,836
Volunteers	5	4	4	2	15
Work from home allowance	292	232	232	103	859
Events & fundraising	-	-	2,641	1,520	4,161
Office costs	1,695	1,346	1,346	1,591	5,978
Insurance	547	435	435	193	1,610
IT expenses	1,069	849	849	377	3,144
Other governance costs	-	-	-	839	839
Audit fees	-	-	-	2,359	2,359
Depreciation	406	322	322	143	1,193
Bank charges	-	-	-	187	187
	115,911	81,385	72,133	43,520	312,949

Year ended 31 December 2021	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fundraising Expenses £	Governance £	Total 2021 £
Salaries	91,535	61,809	51,326	31,860	236,530
Training	9	11	13	5	38
Travel	198	213	251	99	761
Volunteers	-	-	-	-	-
Events & fundraising	-	-	4,557	-	4,557
Office costs	2,052	2,209	2,604	1,026	7,891
Insurance	219	236	279	110	844
IT expenses	1,074	1,154	1,360	536	4,124
Other governance costs	-	-	-	1,404	1,404
Audit fees	-	-	-	2,328	2,328
Depreciation	256	275	323	127	981
Bank charges	-	-	-	120	120
	95,343	65,907	60,713	37,615	259,578

Salaries, recruitment, training, travel and volunteers' costs are apportioned per capita - i.e., on the number of people employed within an activity.

Events and fundraising, other governance costs, audit fees and bank charges apportionment is based on usage.

Office costs, insurance and IT expenses apportionment is based on floor area occupied by an activity.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022 (continued)

5) Employees and Trustees

The aggregate payroll costs were as follows:

	2022 £	2021 £
Salaries	250,565	204,409
Social security costs	15,955	12,522
Pension costs	21,143	19,600
	<u>287,663</u>	<u>236,531</u>

No employee received emoluments above £60,000.

Employee salaries by band: £50,000 - 60,000: 0. £40,000 - £50,000: 1.
£30,000 - £40,000: 4. £20,000 - £30,000: 4.

The average number of employees during the year calculated as full-time equivalents was 8 (2021: 6)

The Trustees were not paid any remuneration or received any other benefits from employment with the charitable company in the year (2021: £nil).

Six Trustees were paid expenses of £1,382 (2021: £930) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2021: £nil).

6) Transfers

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £1,096,293 (2021: £455,922) were transferred to restricted funds.

7) Movement in funds

Net movement in funds is stated after charging:

	2022 £	2021 £
Depreciation	1,193	981

8) Auditor's remuneration

	2022 £	2021 £
Auditor's remuneration - the audit of charitable company's accounts	1,628	1,628
Auditor's remuneration - other services	700	700
	<u>2,328</u>	<u>2,328</u>

9) Taxation and charitable status

The Trust is a charitable company within the definition of Section 467 Corporation Tax Act 2010 and is, therefore, able to take advantage of the exemption given by Section 486 of that Act. Accordingly, there is no Corporation Tax charge in these financial statements.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022 (continued)

10) Non-current assets

Furniture & Equipment	2022 £	2021 £
Cost		
At 1 January	3,503	6,547
Additions	2,381	699
Disposals		(3,743)
At 31 December	<u>5,884</u>	<u>3,503</u>
Depreciation		
At 1 January	2,870	5,632
Charge in the year	1,193	981
Released on disposal		(3,743)
At 31 December	<u>4,063</u>	<u>2,870</u>
Net book value at 31 December	<u>1,821</u>	<u>633</u>

11) Receivables

	2022 £	2021 £
Gift Aid Recoverable	9,172	9,172
Other receivables	11,591	4,855
Prepayments	508	639
	<u>21,271</u>	<u>14,666</u>

12) Cash and cash equivalents

	2022 £	2021 £
Cash at bank	540,105	223,999
Petty cash	-	92
	<u>540,105</u>	<u>224,091</u>

13) Payables: amounts falling due within one year

	2022 £	2021 £
Other taxes and social security	5,074	4,022
Other payables	5,028	10,644
	<u>10,102</u>	<u>14,666</u>

14) Pensions scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charitable company to the scheme and amounted to £21,143 (2021: £19,600).

Contributions totalling £2,789 (2021: £8,509) were payable to the scheme at the end of the year and are included in other payables.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022 (continued)

15) Analysis of net assets between funds

Year ended 31 December 2022	Unrestricted		Restricted		Total
	Funds	Zambia	Mozambique		
	£	£	£	£	
Property, plant & equipment	1,821	-	-	-	1,821
Receivables	21,271	-	-	-	21,271
Cash at Bank	394,368	127,737	18,000	-	540,105
Payables	(10,102)	-	-	-	(10,102)
	407,358	127,737	18,000	-	553,095

Year ended 31 December 2021	Unrestricted		Restricted		Total
	Funds	Zambia	Mozambique		
	£	£	£	£	
Property, plant & equipment	633	-	-	-	633
Receivables	14,666	-	-	-	14,666
Cash at Bank	224,091	-	-	-	224,091
Payables	(14,666)	-	-	-	(14,666)
	224,724	-	-	-	224,724

16) Movements in funds

Year ended 31 December 2022	At 1 Jan 2022	Incoming Resources	Outgoing Resources	Transfers	At 31 Dec 2022
	£	£	£		£
	Unrestricted				
Property, plant & equipment	633	2,381	(1,193)	-	1,821
Receivables	14,666	21,271	(14,666)	-	21,271
Cash at Bank	224,091	1,578,326	(311,756)	(1,096,293)	394,368
Payables	(14,666)	(10,102)	14,666	-	(10,102)
Total Unrestricted Funds	224,724	1,591,876	(312,949)	(1,096,293)	407,358
Restricted					
Zambia	-	432,482	(579,915)	275,170	127,737
Mozambique	-	279,038	(1,082,161)	821,123	18,000
Total Restricted Funds	-	711,520	(1,662,076)	1,096,293	145,737
Total Funds	224,724	2,303,396	(1,975,025)	-	553,095

Year ended 31 December 2021	At 1 Jan 2021	Incoming Resources	Outgoing Resources	Transfers	At 31 Dec 2021
	£	£	£		£
	Unrestricted				
Property, plant & equipment	915	699	(981)	-	633
Receivables	3,883	14,666	(3,883)	-	14,666
Cash at Bank	124,463	822,515	(266,965)	(455,922)	224,091
Payables	(12,251)	(14,666)	12,251	-	(14,666)
Total Unrestricted Funds	117,010	823,214	(259,587)	(455,922)	224,724
Restricted					
Zambia	17,000	214,439	(457,670)	266,231	-
Mozambique	-	164,107	(393,798)	229,691	-
Total Restricted Funds	17,000	378,546	(851,468)	455,922	-
Total Funds	134,010	1,201,760	(1,111,046)	-	224,724

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2022 (continued)

17) Comparatives for Statement of Financial Activities

	Note	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Incoming Resources				
Incoming resources from generated Funds:				
Donations	2	823,093	378,546	1,201,639
Investment Income:				
Bank and Other Interest	3	121	-	121
Total Incoming Resources		823,214	378,546	1,201,760
Resources Expended				
Charitable Activities Zambia		95,343	457,670	553,013
Charitable Activities Mozambique		65,907	393,798	459,705
Fundraising expenses		60,713	-	60,713
Governance		37,615	-	37,615
Total resources expended	4	259,578	851,468	1,111,046
		563,636	(472,922)	90,714
Net income/(expenditure) for the year before transfers				
Transfers between funds	6	(455,922)	455,922	-
Net income/(expenditure) for the year after transfers		107,714	(17,000)	90,714
Reserves at 1 January 2021		117,010	17,000	134,010
Reserves at 31 December 2021		224,724	-	224,724

18) Lease commitments

Operating Leases

The total of future minimum lease payments is as follows:

	Office premises	
	2022	2021
	£	£
No later than one year	4,200	4,200
Between two and five years	3,850	8,050
	8,050	12,250

19) Company limited by guarantee

The company is a charitable company limited by guarantee and consequently not have share capital. Each of the 9 (2021: 9) members of the charitable company is liable to contribute £10 towards the assets of the charitable company in the event of liquidation.

20) Related party transactions

The charitable company works in partnership with independent local charities Empowered Communities Helping Others (ECHO) in Zambia - WATSAN Mozambique in Mozambique, who share a common purpose. All partners receive funding for their charitable objectives from Village Water and from other donors.

During the year, the charitable company remitted £1,620,892 (2021: £793,833 to these partners.

Notes to the financial statements for the year to 31 December 2022 (continued)

21) Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Opinion on financial statements

We have audited the financial statements of Village Water Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' (who are also directors of the charitable company for the purpose of the company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on pages 8 and 9), the Trustees, who are Directors for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our cumulative audit knowledge and experience of the charitable company and the knowledge of the charitable sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, The Charities (Accounts and Reports) Regulations 2008 as well as data protection, money laundering and anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

VILLAGE WATER LIMITED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statements to disclosures and underlying supporting documentation.
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with Charities Commission, HMRC and other government bodies, analysing professional services/legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

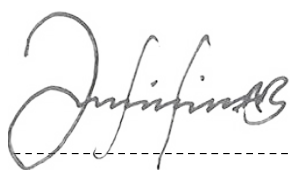
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ransford Agyei-Boamah
Senior Statutory Auditor

for and on behalf of:
HARMER SLATER LIMITED
Chartered Accountants and Statutory
Auditors
28 July 2023

Salatin House
19 Cedar Road
Sutton,
Surrey
SM2 5DA

VILLAGE WATER LIMITED

England & Wales - Charity number 1117377

Accounts

VILLAGE WATER LIMITED

VILLAGE WATER

Changing
lives for
good

VILLAGE WATER LIMITED

(A company limited by guarantee)

Report and Financial Statements for the Year
Ended 31 December 2021

Registered charity numbers: 1117377 (England & Wales)
and SCO44129 (Scotland)
Company number: 05970344



Women from Nhandiro Cruzamento, Mozambique, try out the water at their rehabilitated pump.

VILLAGE WATER LIMITED

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Eunice, in pink, a volunteer community health worker in George Compound, Lusaka, Zambia, shows handwashing techniques as part of the FCDO project under our UK Aid Match project which closed this year.

VILLAGE WATER LIMITED

Reference and administrative details

Village Water is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Company Registration number 05970344.

Charity Registration number 1117377 (England & Wales) and SC044129 (Scotland).

Principal and Registered Office:

Room C, URC Offices

Coleham Head

Shrewsbury

Shropshire

SY3 7BJ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4JQ

Trustees:

Mr Hugh Woodhouse (Secretary)

Mr Christopher Morley

Mrs Louise Cook

Mr Andrew Picken (Chair)

Mr Geoff Houston

Ms Hilary Nithsdale

Ms Trina Chakravarti

Mr Paul Marston

Ms Sarah-Jane Docherty

Independent Auditor:

Harmer Slater Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2021

The Trustees of Village Water present their annual report and audited financial statements for the year ended 31 December 2021 and confirm that they comply with the requirements of the Companies' Act 2006, the Charities' Act 2001, and Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance and management

Village Water is a charitable company limited by guarantee incorporated on 18 October 2006 and registered with the Charity Commission on 22 December 2006. The Memorandum and Articles of Association were revised and approved by the Board on 14 April 2016.

The charitable company's Board of Trustees currently comprises nine volunteer members who are responsible for the strategic direction and compliance activities of the charitable company. The Board meets four times a year. Board Management and Finance and Risk Committees meet regularly.

Trustees are appointed as required. When considering new Trustees, the Board will carry out a gap analysis before advertising the position on specialist sites. The Board Management Committee will make recommendations on applicants and selection is by interview. Newly appointed Trustees receive induction in Village Water's background, strategic goals, and financial history. Trustees are expected to join one of the sub-committees and given the opportunity to visit the projects in Africa to better understand the work.

The staff team is led by the director, to whom the Trustees delegate responsibility for ensuring that the charitable company delivers the services specified and that strategic targets are met. The director manages a team of seven staff including fundraising, monitoring and finance functions.

Vision: Better health, education, and opportunity for everyone, through safe water and sanitation.

Principal activities

Since our foundation in 2004, we have focused on water, sanitation and hygiene (WASH) support in villages, schools and clinics in Zambia and Mozambique, reaching more than 1 million people through installation or rehabilitation of water points. This work has directly led to improvements in health through significant reductions in cases of diarrhoea and other water borne disease, in turn providing families greater chances to earn a living, and for their children to stay in school.

One of the key ways we do this is to invest in, support and build the resilience of our local partners who are independent, specialist WASH organisations.

Our developmental model is System' Strengthening. Rather than supporting WASH across a scattered geographical area, we have moved towards a more focussed approach investing in a smaller number of districts, supporting the building blocks to work towards sustainable 100% WASH coverage.

This involves working closely with district staff to map existing services, identify local structures such as companies, supply chains, funders and trainers to assess the gaps in services and to develop a realistic budget to reach full coverage, including on-going maintenance, monitoring and support.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2021

Principal activities (continued)

In 2020 we began to measure the reduction in carbon emissions once communities no longer need wood to boil their water to make it safe. On average, across our projects in Mozambique and Zambia, CO2 emissions fall by an estimated 395 tonnes per village each year.

We will continue to fill the gap in access to safe water by concentrating our investment to achieve 100% coverage in specific areas of Zambia and Mozambique over the coming years.

Public benefit

Working towards achieving the Sustainable Development Goals' 'Leave no-one behind' concept, the Trustees confirm that they have complied with the duty in the Charities' Act 2011 and consider that the objects of the charitable company, the activities outlined in this report and the charitable company's future plans have a demonstrable benefit to the public.

Risk Management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. At each quarterly meeting, the Board reviews its risk matrix, which sets out organisational and programme risks and actions to mitigate these if appropriate.

2021 overview

Over the year we have reached more than 145,458 people with our work in three provinces of Zambia - Western, Lusaka and Central and in Manica Province in Mozambique.

Village Water took the difficult decision to end its partnership with Village Water Zambia (VWZ) as of 31 December 2021. In recent years we have mainly funded VWZ from restricted project grants for self-supply and from the UK government, which came to an end in 2021. With no secured funding, we have decided to invest in our two remaining partners - ECHO in Zambia and WATSAN in Mozambique, both new organisations at the start of their development. We hope that in the coming years they will move on to directly run projects funded by institutional donors like the EU and UNICEF, just as VWZ has done.

We want to acknowledge the hard work of the VWZ team members and the Trustee Board we have worked with over the years and wish them the very best for their future direction.

Income

Our 2021 income increased by 5.6% on 2020. We continue to attract funding from a wide range of supporters, new and long term.

Income streams

Individuals (including gift aid)	£130,955
Community groups	£26,165
Trusts	£247,726
Businesses	£646,915
Statutory - Guernsey OA&DC	£48,543
Statutory - FCDO formerly DFID	£101,335
Total	£1,201,639

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2021

Key successes include our strengthened partnership with CO2 Balance. We will be working with them for at least the next six years on a carbon emissions reduction programme in Mozambique and Zambia

We thank those who make regular gifts - your support gives us the security to plan ahead. We could not continue to grow our impact without the many generous donations from individuals, community groups and Trusts during the year. Advolly Richmond delivered our Radio 4 Appeal beautifully and is keen to be more involved in our work. We acknowledge among others, too numerous to mention, The Waterloo Foundation, Guernsey Overseas Aid and Development Committee (OA&DC) The Randal Charitable Foundation, Christadelphian Meal a Day Fund, and The Volant Trust.

Expenditure

Expenditure on charitable activities (including governance) was £1,111,046. Unrestricted funds made up 68% (2020: 15%) of our income. This very welcome increase is due to the flexibility of our major partners who are happy to offer unrestricted funding. Income from individuals and trusts bounced back after challenges in 2020 due to the global pandemic, with highlights being the Radio 4 Appeal and successful applications to a number of new grant making trusts.

Expenditure on charitable activities in 2021 was 91p (2020: 93p) in every pound. Every £1 invested in fund raising brought in £20 (2020: £19).

Fundraising statement

Village Water complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and adhere to the Fundraising Promise and the Code of Fundraising Practice. Village Water is an Organisational Member of the Institute of Fundraising. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We actioned zero requests from this service last year.

All our income came from fundraising. In 2021 we spent £61,713 (2020: £61,468) in support costs for our projects.

Our fundraising activities include applications to Trusts, encouraging private donations, and digital appeals. Our income from corporate sectors has grown over the years alongside our profile. We employ a small fundraising team which supports all income generating initiatives. Village Water does not use third-party suppliers for any activities.

Our complaints' policy is publicly available on our website, giving individuals clear means to complain, even anonymously, about something they are unhappy with. There were no complaints made in 2021 (2020: none). Our safeguarding policy is available on demand. All staff are familiar with the procedures and have signed the organisation's Code of Conduct.

Grant making statement

Village Water works through local partners in Zambia and Mozambique, with whom we have Partnership Agreements which define roles, expectations, and obligations of all parties. Each partner signs a Memorandum of Understanding which details specific activities, timeline and budget.

When we identify new partners to work with in-country we carry out due diligence checks including organisational, governance, policies, and

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2021

financial processes. Partnerships are reviewed biennially.

For project progress and impact monitoring we use a mobile to web monitoring system following activity timeline milestones. Financial reports are required by an agreed deadline which, once approved, trigger further transfers made in line with the annual budget. Directors meet bi-monthly and team members from each partner, including Village Water, take part in 'hubs' focussing on, but not limited to communications and marketing, safeguarding, finance and stock control, monitoring, and board support. Staff, Trustees and occasionally volunteers visit the projects to support local partners to develop new projects, gather data, marketing materials, and to carry out 'follow the money' finance checks.

Events after the year end

The global COVID 19 pandemic continued to affect our work and income both in the UK and in Africa where activities were adapted or cancelled due to government restrictions, limiting what could safely take place. Rates of Covid infection have dropped dramatically in 2022 in both Zambia and Mozambique, as the vaccine programme is rolled out. We have completed a risk assessment, guiding us as to when it is safe to resume project visits from the UK.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2021 Statement of Trustees' responsibilities

The Trustees (who are also directors of Village Water Limited for the purposes of company law) are responsible 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).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Village Water and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP (FRS 102)) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Statement as to disclosure to auditors

The Trustees confirm that they have taken all the required steps to acquaint themselves with any relevant audit information, as defined by Section 418 of the Companies Act 2006 and to ensure that Village Water's auditors are aware of that information.

Going concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Auditors

Harmer Slater Limited is Village Water's auditors. A resolution to reappoint will be put to the AGM.

VILLAGE WATER LIMITED

**Trustees' Report for the year ending 31 December 2021 Statement of
Trustees' responsibilities**

Small company provisions

The Trustees' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board on 7 April 2022 and signed on its behalf by:

Paul Marston - Trustee

 P. MARSTON

VILLAGE WATER LIMITED

**Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year to 31 December 2021**

	Note	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Incoming Resources					
Incoming resources from generated Funds:					
Donations	2	823,093	378,546	1,201,639	1,137,040
Investment Income:					
Bank and Other Interest	3	121	-	121	529
Total Incoming Resources		823,214	378,546	1,201,760	1,137,569
Resources Expended					
Charitable Activities Zambia		95,343	457,670	553,013	584,540
Charitable Activities Mozambique		65,907	393,798	459,705	577,991
Fund raising expenses		60,713	-	60,713	61,468
Governance		37,615	-	37,615	30,675
Total resources expended	4	259,578	851,468	1,111,046	1,254,674
Net income/(expenditure) for the year before transfers		563,636	(472,922)	90,714	(117,105)
Transfers between funds	6	(455,922)	455,922	-	-
Net income/(expenditure) for the year after transfers		107,714	(17,000)	90,714	(117,105)
Reserves at 1 January 2021		117,010	17,000	134,010	251,115
Reserves at 31 December 2021		224,724	-	224,724	134,010

Notes:

All of the above results are derived from continuing activities. All gains and losses in the year are included above.

The notes on pages 13 to 22 form part of the Financial Statements.

VILLAGE WATER LIMITED

Balance Sheet
(Company no. 05970344)
As at 31 December 2021

		Total Funds	
	Note	2021 £	2020 £
Non-current Assets			
Property, plant and equipment	10	633	915
Current Assets			
Receivables	11	14,666	3,883
Cash and cash equivalents	12	224,091	141,463
		238,757	145,346
Payables: Amounts falling due within one year	13	(14,666)	(12,251)
Net current assets		224,091	133,095
Net Assets	15	224,724	134,010
Funds			
Unrestricted	16	224,724	117,010
Restricted			
Zambia	16	-	17,000
		224,724	134,010

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and 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 - (Charities SORP (FRS 102)).

These financial statements were approved and authorised for issue by the Board on 7 April 2022 and signed on its behalf by:

Paul Marston - Trustee



The notes on pages 13 to 22 form part of the Financial Statements.

VILLAGE WATER LIMITED

**Statement of Cashflows
for the year to 31 December 2021**

	2021 £	2020 £
Net cash flows from operating activities		
Net income/(expenditure) for the year	90,714	(117,105)
Adjustments for items not affecting cash flows:		
Depreciation of equipment	981	865
Bank interest received	(121)	(529)
	<hr/>	<hr/>
Net operating cash flows before reinvestment in working capital	91,574	(116,769)
(Increase)/decrease in receivables	(10,783)	68,756
Increase in payables	2,415	3,656
	<hr/>	<hr/>
Net cash flows from operating activities	83,206	(44,357)
	<hr/>	<hr/>
Net cash flows from investing activities		
Purchase of non-current assets	(699)	(499)
Bank interest received	121	529
	<hr/>	<hr/>
Cash (utilised in)/generated from investing activities	(578)	30
	<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	82,628	(44,327)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	141,463	185,790
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	224,091	141,463
	<hr/>	<hr/>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021

1. Accounting Policies

General information

Village Water is a private charitable company limited by guarantee, incorporated in England and Wales under Companies' Act and registered as a charity in England and Wales (1117377) and Scotland (SCO44129).

The charitable company's registered office address is shown on page 3. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 4-7.

Village Water meets the definition of a public benefit entity as defined by FRS 102. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Statement of compliance

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 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared using the historical cost convention. The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pounds sterling (£).

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which is credited in the year in which they are received; and investment income, including bank interest, which is credited in the year in which it is received.

Reserves policy

The trustees acknowledge the need to hold unrestricted reserves equal to a minimum three month's UK operating costs in order to:

1. Fulfil any legal obligations should the organisation be obliged to cease activities.
2. Offer short-term security to local partners in Zambia and Mozambique to continue activities in the unlikely event of point 1 happening.
3. Take advantage of such opportunities which may arise requiring rapid and flexible decision making and funding.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021

Reserves policy (continued)

The Board remains focussed on the need to balance the level of reserves in the charity with the effective delivery of the organisation's strategic objectives.

Resources expended

Expenditure is included on an accrual's basis inclusive of VAT, which is not recoverable. Expenditure directly attributable to specific activities has been allocated to those activities.

- Costs of charitable activities in Zambia and Mozambique represent direct expenditure incurred through grants to local partners for their operational activities together with associated support costs to deliver safe water, sanitation and hygiene.
- Fund raising expenses relate to the costs incurred by the charitable company in raising funds for the charitable work.
- Governance costs are those associated with the arrangements relating to the strategic operations of the charitable company as opposed to those costs associated with general running of the charitable company, fundraising or charitable activity. These governance costs include external audit costs, staff and Trustee costs in governance of the organisation.

Fund structure

The funds held by the charitable company fall into the following categories:

Unrestricted funds - represents donations and other incoming resources receivable for the object of the charitable company without further specified purpose and are available as general funds.

Restricted funds - represents funds subject to restrictions on their expenditure as imposed by the donor.

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

Depreciation is charged by annual instalments estimated to write off their cost less any residual value over the expected useful lives which equate to the following rates:

Furniture & equipment	33% per annum on straight line
-----------------------	--------------------------------

Receivables

Receivables are recognised at settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank current account balances and are subject to insignificant risk of change in value.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021

Payables

Payables are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables are normally recognised at their settlement amount.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charitable company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable.

2. Donations

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Community	21,986	4,179	26,165	17,374	12,644	30,018
Corporate	532,126	114,789	646,915	72,143	653,026	725,169
Individuals	125,669	5,286	130,995	32,821	2,939	35,760
Statutory	-	48,543	48,543	-	49,929	49,929
FCDO	-	101,335	101,335	-	102,633	102,633
Trusts/Foundation	143,312	104,414	247,726	45,893	147,638	193,531
Total Donations	823,093	378,546	1,201,639	168,231	968,809	1,137,040

3. Interest income

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Bank interest receivable	121	-	121	529	-	529

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

4. Analysis of Resources Expended

a) Restricted Resources Expended

Village Water raises donations in the UK to support water, sanitation and hygiene (WASH) activities in Zambia and Mozambique. The monies are remitted to Village Water Zambia, Empowered Communities Helping Others and WATSAN Mozambique, all independent NGOs, who carry out our fieldwork programme.

	2021 £	2020 £
<i>Remittances to Zambia</i>		
Supporting partners to deliver water, sanitation & hygiene	343,682	423,733
FCDO (formerly DFID)	78,921	75,290
	<u>422,603</u>	<u>499,023</u>
<i>Direct Expenditure in UK on work in Zambia</i>		
Capacity Development	(325)	325
IT, Equipment and Materials	29,193	1,988
FCDO (formerly DFID)	6,199	18,373
	<u>35,067</u>	<u>20,686</u>
<i>Remittances to Mozambique</i>		
Supporting partners to deliver water, sanitation & hygiene	371,230	511,602
<i>Direct Expenditure in UK on work in Mozambique</i>		
	<u>22,568</u>	<u>345</u>
Total Expenditure	<u>851,468</u>	<u>1,031,656</u>

b) Unrestricted Resources Expended

The charitable company initially identifies all unrestricted expenditure and then apportions the cost between four major expenditure categories:

- Charitable expenditure Zambia - relates to support costs incurred to raise funds for activities in Zambia;
- Charitable expenditure Mozambique - relates to support costs incurred to raise funds for activities in Mozambique;
- Fund raising expenses - relate to the costs incurred by the charitable company in raising funds for the charitable work; and
- Governance - costs are those associated with the governance arrangements relating to the strategic operations of the charitable company.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

4. Analysis of Resources Expended (continued)

b) Unrestricted Resources Expended (continued)

The table below outlines unrestricted expenditure, as apportioned between the four expenditure categories.

Year ended 31 December 2021	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fund Raising Expenses £	Governance £	Total 2021 £
Salaries	91,535	61,809	51,326	31,860	236,530
Training	9	11	13	5	38
Travel	198	213	251	99	761
Volunteers	-	-	-	-	-
Events & fundraising	-	-	4,557	-	4,557
Office costs	2,052	2,209	2,604	1,026	7,891
Insurance	219	236	279	110	844
IT expenses	1,074	1,154	1,360	536	4,124
Other governance costs	-	-	-	1,404	1,404
Audit fees	-	-	-	2,328	2,328
Depreciation	256	275	323	127	981
Bank charges	-	-	-	120	120
	95,343	65,907	60,713	37,615	259,578

Year ended 31 December 2020	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fund Raising Expenses £	Governance £	Total 2020 £
Salaries	61,235	62,171	53,296	26,666	203,368
Training	101	109	129	51	390
Travel	180	194	229	90	693
Volunteers	10	10	12	5	37
Events & fundraising	-	-	3,607	-	3,607
Office costs	1,939	2,089	2,461	970	7,459
Insurance	198	213	252	99	762
IT expenses	943	1,016	1,197	471	3,627
Other governance costs	-	-	-	251	251
Audit fees	-	-	-	1,900	1,900
Depreciation	225	242	285	112	864
Bank charges	-	-	-	60	60
	64,831	66,044	61,468	30,675	223,018

Salaries, recruitment, training, travel and volunteers' costs are apportioned per capita - i.e., on the number of people employed within an activity.

Events and fundraising, other governance costs, audit fees and bank charges apportionment is based on usage.

Office costs, insurance and IT expenses apportionment is based on floor area occupied by an activity.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

5. Employees and Trustees

The aggregate payroll costs were as follows:

	2021 £	2020 £
Salaries	204,409	196,912
Social security costs	12,522	14,438
Pension costs	19,600	12,294
	<u>236,531</u>	<u>233,644</u>

No employee received emoluments above £60,000.

Employee salaries by band: £40,000 to 50,000: 1. £30,000 - £40,000: 3.

£20,000-£30,000: 3.

The average number of employees during the year calculated as full-time equivalents was 6 (2020: 6)

The Trustees were not paid any remuneration or received any other benefits from employment with the charitable company in the year (2020: £nil).

Six Trustees were paid expenses of £930 (2020: £nil) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2020: £nil).

6. Transfers

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £455,922 (2020: £48,405) were transferred to restricted funds.

7. Movement in funds

Net movement in funds is stated after charging:

	2021 £	2020 £
Depreciation	<u>981</u>	<u>865</u>

8. Auditor's remuneration

	2021 £	2020 £
Auditor's remuneration - the audit of charitable company's accounts	1,628	1,300
Auditor's remuneration - other services	700	600
	<u>2,328</u>	<u>1,900</u>

9. Taxation and charitable status

The Trust is a charitable company within the definition of Section 467 Corporation Tax Act 2010 and is, therefore, able to take advantage of the exemption given by Section 486 of that Act. Accordingly, there is no Corporation Tax charge in these financial statements.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

10. Non-current assets

Furniture & Equipment	2021 £	2020 £
Cost		
At 1 January	6,547	6,048
Additions	699	499
Disposals	(3,743)	-
At 31 December	<u>3,503</u>	<u>6,547</u>
Depreciation		
At 1 January	5,632	4,767
Charge in the year	981	865
Released on disposal	(3,743)	-
At 31 December	<u>2,870</u>	<u>5,632</u>
Net book value at 31 December	<u>633</u>	<u>915</u>

11. Receivables

	2021 £	2020 £
Gift Aid Recoverable	9,172	3,529
Other receivables	4,855	-
Prepayments	639	354
	<u>14,666</u>	<u>3,883</u>

12. Cash and cash equivalents

	2021 £	2020 £
Cash at bank	223,999	141,416
Petty cash	92	47
	<u>224,091</u>	<u>141,463</u>

13. Payables: amounts falling due within one year

	2021 £	2020 £
Other taxes and social security	4,022	5,766
Other payables	10,644	6,485
	<u>14,666</u>	<u>12,251</u>

14. Pensions scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charitable company to the scheme and amounted to £19,600 (2020: 12,294).

Contributions totalling £8,509 (2020: £2,782) were payable to the scheme at the end of the year and are included in other payables.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

15. Analysis of net assets between funds

	Unrestricted		Restricted		Total
	Funds	Zambia	Mozambique		
	£	£	£	£	
Year ended 31 December 2021					
Property, plant & equipment	633	-	-	-	633
Receivables	14,666	-	-	-	14,666
Cash at Bank	224,091	-	-	-	224,091
Payables	(14,666)	-	-	-	(14,666)
	<u>224,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,724</u>
Year ended 31 December 2020					
Property, plant & equipment	915	-	-	-	915
Receivables	3,883	-	-	-	3,883
Cash at Bank	124,463	17,000	-	-	141,463
Payables	(12,251)	-	-	-	(12,251)
	<u>117,010</u>	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>134,010</u>

16. Movements in funds

	At 1 Jan 2021	Incoming Resources	Outgoing Resources	At 31 Dec 2021
	£	£	£	£
	Unrestricted			
Property, plant & equipment	915	699	(981)	633
Receivables	3,883	14,666	(3,883)	14,666
Cash at Bank	124,463	822,515	(722,887)	224,091
Payables	(12,251)	(14,666)	12,251	(14,666)
Total Unrestricted Funds	<u>117,010</u>	<u>823,214</u>	<u>(715,500)</u>	<u>224,724</u>
Restricted				
Village Water Zambia	17,000	440,670	(457,670)	-
Mozambique	-	393,798	(393,798)	-
Total Restricted Funds	<u>17,000</u>	<u>834,468</u>	<u>(851,468)</u>	<u>-</u>
Total Funds	<u>134,010</u>	<u>1,657,682</u>	<u>(1,566,968)</u>	<u>224,724</u>
	At 1 Jan 2020	Incoming Resources	Outgoing Resources	At 31 Dec 2020
	£	£	£	£
Unrestricted				
Property, plant & equipment	1,281	499	(865)	915
Receivables	72,659	3,883	(72,659)	3,883
Cash at Bank	154,328	162,907	(192,772)	124,463
Payables	(8,595)	(12,251)	8,595	(12,251)
Total Unrestricted Funds	<u>219,673</u>	<u>155,038</u>	<u>(257,701)</u>	<u>117,010</u>
Restricted				
Village Water Zambia	31,442	505,267	(519,709)	17,000
Mozambique	-	375,952	(375,952)	-
Total Restricted Funds	<u>31,442</u>	<u>881,219</u>	<u>(895,661)</u>	<u>17,000</u>
Total Funds	<u>251,115</u>	<u>1,036,257</u>	<u>(1,153,362)</u>	<u>134,010</u>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

17. Comparatives for Statement of Financial Activities

	Note	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Incoming Resources				
Incoming resources from generated Funds:				
Donations	2	168,231	968,809	1,137,040
Investment Income:				
Bank and Other Interest	3	529	-	529
Total Incoming Resources		168,760	968,809	1,137,569
Resources Expended				
Charitable Activities Zambia		64,831	519,709	584,540
Charitable Activities Mozambique		66,044	511,947	577,991
Fund raising expenses		61,468	-	61,468
Governance		30,675	-	30,675
Total resources expended	4	223,018	1,031,656	1,254,674
Net income/(expenditure) for the year before transfers		(54,258)	(62,847)	(117,105)
Transfers between funds	6	(48,405)	48,405	-
Net income/(expenditure) for the year after transfers		(102,663)	(14,442)	(117,105)
Reserves at 1 January 2021		219,673	31,442	251,115
Reserves at 31 December 2021		117,010	17,000	134,010

18. Lease commitments

Operating Leases

The total of future minimum lease payments is as follows:

	Office premises	
	2021 £	2020 £
No later than one year	4,200	4,200
Between two and five years	8,050	12,250
	12,250	16,450

19. Company limited by guarantee

The company is a charitable company limited by guarantee and consequently does not have share capital. Each of the 9 (2020: 9) members of the charitable company is liable to contribute £10 towards the assets of the charitable company in the event of liquidation.

20. Related party transactions

The charitable company works in partnership with independent local charities: Village Water Zambia and Empowered Communities Helping Others in Zambia - and WATSAN Mozambique in Mozambique, who share a common purpose. All partners receive funding for their charitable objectives from Village Water and from other donors

During the year, the charitable company remitted £793,833 (2020: £1,010,625) to these partners.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2021 (continued)

21. Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.

VILLAGE WATER LIMITED

Report of the Independent Auditors to the Members and Trustees of Village Water Limited

Opinion on financial statements

We have audited the financial statements of Village Water Limited for the year ended 31 December 2021 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' (who are also directors of the charitable company for the purpose of the company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

VILLAGE WATER LIMITED

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the Trustees, who are Directors for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our cumulative audit knowledge and experience of the charitable company and the knowledge of the charitable sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, The Charities (Accounts and Reports) Regulations 2008 as well as data protection, money laundering and anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

VILLAGE WATER LIMITED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statements to disclosures and underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with Charities Commission, HMRC and other government bodies, analysing professional services/legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ransford Agyei-Boamah
Senior Statutory Auditor

for and on behalf of:
HARMER SLATER LIMITED
Chartered Accountants and Statutory Auditors
7 April 2022

Salatin House
19 Cedar Road
Sutton, Surrey
SM2 5DA

VILLAGE WATER LIMITED

England & Wales - Charity number 1117377

Accounts

VILLAGE WATER

Changing
lives for
good

VILLAGE WATER LIMITED

(A company limited by guarantee)
Report and Financial Statements
for the Year Ended
31 December 2020

Registered charity numbers: 1117377 (England & Wales)
and SC044129 (Scotland)
Company number 05970344



The newly repaired waterpoint in Nhaurunharu, Manica Province, Mozambique

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Covid materials being handed over in Zambia.

VILLAGE WATER LIMITED

Reference and administrative details

Village Water is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Company Registration number 05970344.

Charity Registration number 1117377 (England & Wales) and SC044129 (Scotland).

Principal and Registered Office:

Office C, URC, Coleham Head

Shrewsbury

Shropshire SY3 7BJ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4JQ

Trustees:

Mr Hugh Woodhouse (Secretary)

Mr Christopher Morley

Mr Richard Pither (retired 15 October 2020)

Mrs Louise Cook

Mr Andrew Picken (Chair)

Mr Geoff Houston

Ms Hilary Nithsdale

Mr Mahir Sahin (resigned 24 April 2020)

Ms Trina Chakravarti

Mr Paul Marston

Ms Sarah-Jane Docherty

Independent Auditor:

Harmer Slater Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

Trustees' Report for the year ending 31 December 2020

The Trustees of Village Water present their annual report and audited financial statements for the year ended 31 December 2020 and confirm that they comply with the requirements of the Companies' Act 2006, the Charities' Act 2001, and Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance and management

Village Water is a charitable company limited by guarantee incorporated on 18 October 2006 and registered with the Charity Commission on 22 December 2006. The Memorandum and Articles of Association were revised and approved by the Board on 14 April 2016.

The charitable company's Board of Trustees currently comprises nine volunteer members who are responsible for the strategic direction and policy of the charitable company. The Board meets four times a year.

Trustees are appointed as required. When considering new Trustees, the position is advertised on specialist sites. Board members make recommendations on applicants and selection is by interview. Newly appointed Trustees receive induction in Village Water's background, strategic goals, and financial history. Each Trustee is encouraged to join one of the sub-committees and given the opportunity to visit the projects in Africa to better understand the work.

The staff team is led by the director, to whom the Trustees delegate responsibility for ensuring that the charitable company delivers the services specified and that strategic targets are met. The director manages a team of seven, six full-time equivalent, staff including fundraising, monitoring and evaluation and finance functions.

Vision: Better health, education, and opportunity for everyone, through safe water and sanitation.

Ambition: To be a catalyst in supporting the systems needed to achieve 100% water, sanitation and hygiene (WASH) coverage district by district.¹

Principal activities

Since 2004 Village Water has supported the provision of safe water alongside hygiene and sanitation promotion in villages, schools, and clinics in rural Africa, thus improving health, work, and education opportunities for more than 850,000 people.

We work in partnership with local organisations - registered charities and District Councils to deliver our integrated hygiene, sanitation, and safe water programme, encouraging long-term behaviour change. Training local people to service the growing demand for water means technically skilled teams are in the area, reducing the dependency on external agencies, and ensuring that if a pump breaks, it can be fixed quickly.

¹ Systems Change aims to create sustainable WASH coverage at district, provincial & national levels. This comprises research into current WASH coverage, identifying local structures including councils, public & private companies, supply chains, funders, construction teams, pump minders & communities & donors, & assessing how they interact, who can support which elements & where the gaps remain.

Trustees' Report for the year ending 31 December 2020 (continued)

Principal activities (continued)

Since 2011, we have invested in manual well construction as an alternative to mechanical drilling or hand digging. A well can be completed in one day, the technology is safer and cheaper, and the lightweight kit can be used in remote, cut off areas and unstable soils. In 2020 we successfully trialled the technology in North Western Province, Zambia, and there is much interest at both government and private client level for the services of the teams trained.

In 2020 we began to measure the reduction in carbon emissions once communities no longer need wood to boil their water to make it safe. We repaired 1104 broken down pumps in Mozambique and Zambia, reducing CO2 emissions by an estimated 413,257 tonnes per year.

We will continue to fill the gap in access to safe water by concentrating our investment to achieve 100% coverage in specific areas of Zambia and Mozambique over the coming years.

Public benefit

Working towards achieving the Sustainable Development Goals' 'Leave no-one behind' concept, the Trustees confirm that they have complied with the duty in the Charities' Act 2011 and consider that the objects of the charitable company, the activities outlined in this report and the charitable company's future plans have a demonstrable benefit to the public.

Risk Management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. At each quarterly meeting, the Board reviews its risk matrix, which sets out organisational and programme risks and actions to mitigate these if appropriate.

2020 overview

Over the year we have reached more than 558,547 people with our work.

Zambia - Western, North Western, Lusaka and Central Provinces

- 5 new and 304 repaired waterpoints in villages, schools and health centres, reaching 142,036 people with hygiene promotion, improved sanitation and safe water.
- Self-supply project: Four more teams trained in low cost well construction technologies. This included well protection, manual drilling, hydrogeology, marketing and finance. The teams carried out seven public demonstrations to showcase the services they can offer clients to start them on the ladder to improve their own water supply. The teams have now reached 1,569 households helping 13,860 people, with a turnover of 378,125 kwacha (approximately £18,906) for all teams.
- A further 16,300 people were able to benefit from the newly installed pumps in 9 marketplaces as part of the self-supply project.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2020 (continued)

Zambia - Western, North Western, Lusaka and Central Provinces (continued)

- 2020 was the second year of our UKAid Match funded project In George Compound of peri-urban Lusaka with a focus on repeat door-to-door hygiene promotion carried out by volunteer community health workers. Work has begun for the two faecal sludge management teams who are offering latrine emptying services to residents and landlords. Covid 19 restrictions have made things difficult but we have continued support throughout and prepared schools for a safe reopening, with hygiene education. To date the project has reached 71,287 people.
- Estimated reduction in CO2 emissions of 76,600 tonnes.

Mozambique

- Solar water system and permanent latrine blocks in one school, alongside hygiene promotion and girls' clubs, reaching 9,087 pupils and staff.
- Hygiene promotion and the rehabilitation of 800 broken-down pumps to improve access to safe water at household level.
- Estimated reduction in CO2 emissions of 336,657 tonnes.

Income

Our 2020 income increased by 32% on 2019. We continue to attract funding from a wide range of supporters, new and long term.

Income streams

Individuals (including gift aid)	£35,760
Community groups	£30,018
Trusts	£193,531
Businesses	£725,169
Statutory - Guernsey OA&DC	£49,929
Statutory - FCDO formerly DFID	£102,633
Total	£1,137,040

Key successes include our strengthened partnership with CO2 Balance. We will be working with them for the next five years on a carbon emissions reduction programme in Mozambique and Zambia. We also secured our ninth consecutive grant from Guernsey Overseas Aid and Development Committee (OA&DC).

We thank all our supporters for their generous gifts during the year. We acknowledge the on-going assistance of The Waterloo Foundation, The Randal Charitable Foundation, Millichope Foundation and Wilmslow Wells for Africa, among others, too many to mention.

Expenditure

Expenditure on charitable activities (including governance) was £1,193,205 (a 59% increase on 2019). Unrestricted funds made up 15% (2019: 32%) of income from donations. This drop reflects the impact of Covid 19 on traditionally unrestricted income streams including individuals and community groups. These streams will be a focus for improvement in 2021.

Expenditure on charitable activities in 2020 was 93p (2019: 88p) in every pound.

Every £1 invested in fund raising brought in £19 (2019: £11).

Trustees' Report for the year ending 31 December 2020 (continued)

Fundraising Statement

Village Water complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. Village Water is an Organisational Member of the Institute of Fundraising. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We actioned zero requests from this service last year.

All our income came from fundraising. In 2020 we spent £61,468 (2019: £77,700) to run our projects.

Our fundraising activities include applications to Trusts, encouraging private donations, and participation in events – either run by us or by supporters on our behalf.

We employ a small fundraising team which supports all income generating initiatives. Village Water does not use third-party suppliers for any activities.

Our complaints' policy is publicly available on our website, giving individuals clear means to complain, even anonymously, about something they are unhappy with. There were no complaints made in 2020 (2019: none). Our safeguarding policy is available on demand. All staff are familiar with the procedures and have signed the organisation's Code of Conduct.

Grant making statement

Village Water works through local partners in Zambia and Mozambique, with whom we have Partnership Agreements which define roles, expectations, and obligations of all parties. Each partner signs a Memorandum of Understanding which details the specific activities, activity timeline and budget.

When we identify new partners to work with in-country we carry out due diligence checks including organisational, governance, policies, and financial processes. For project progress we use a mobile to web monitoring system following activity timeline milestones. Financial reports are required by an agreed deadline which, once approved, triggers further transfers made in line with the annual budget. Directors meet bi-monthly and team members from each partner, including VW, take part in 'hubs' focussing on, but not limited to communications & marketing, safeguarding, finance and stock control, monitoring, and board support. Staff, Trustees and occasionally volunteers visit the projects to support local partners to develop new projects, gather data, marketing materials, and to carry out 'follow the money' finance checks.

Events after the year end

The COVID 19 virus continues to affect our work and income both in the UK and in Africa where activities have had to be adapted or cancelled due to government restrictions, limiting what could safely take place. The Village Water team and Trustees are continually monitoring developments and assessing the risks arising as a result of the continuing pandemic in the UK and the growing prevalence in Africa.

Trustees' Report for the year ending 31 December 2020 (continued)

Events after the year end (continued)

These include:

- Health and safety of UK staff and our partner staff in Africa
- Cash flow revisions based on assumptions that UK income will fall and activities in Africa may be adapted/curtailed in line with national government measures.
- Supporting local partners in Africa with their own COVID 19 risk management

As the situation is developing, it is difficult to fully assess the final impact of Covid 19 on the organisation. However, both the team and the Trustees remain confident that they will be able to raise funds and deliver much-needed support to the communities in Africa for the foreseeable future.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2020 Statement of Trustees' responsibilities

The Trustees (who are also directors of Village Water Limited for the purposes of company law) are responsible 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).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Village Water and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP (FRS 102)) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Statement as to disclosure to auditors

The Trustees confirm that they have taken all the required steps to acquaint themselves with any relevant audit information, as defined by Section 418 of the Companies Act 2006 and to ensure that Village Water's auditors are aware of that information.

Going concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Auditors

Harmer Slater Limited are Village Water's auditors. A resolution will be put to the AGM that they be reappointed.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2020 (continued)
Statement of Trustees' responsibilities

Small company provisions

The Trustees' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board on 8 April 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Andrew Picken', written in a cursive style.

Andrew Picken - Chair of Trustees

VILLAGE WATER LIMITED

**Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year to 31 December 2020**

	Note	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Incoming Resources							
Incoming resources from generated Funds:							
Donations	2	168,231	968,809	1,137,040	277,464	583,114	860,578
Investment Income:							
Bank and Other Interest	3	529	-	529	1,848	-	1,848
Total Incoming Resources		168,760	968,809	1,137,569	279,312	583,114	862,426
Resources Expended							
Charitable Activities Zambia		64,831	519,709	584,540	69,226	230,153	299,379
Charitable Activities Mozambique		66,044	511,947	577,991	52,612	375,952	428,564
Fund raising expenses		61,468	-	61,468	77,700	-	77,700
Governance		30,675	-	30,675	24,523	-	24,523
Total resources expended	4	223,018	1,031,656	1,254,674	224,061	606,105	830,166
Net income/(expenditure) for the year before transfers		(54,258)	(62,847)	(117,105)	55,251	(22,991)	32,260
Transfers between funds	6	(48,405)	48,405	-	(7,525)	7,525	-
Net income/(expenditure) for the year after transfers		(102,663)	(14,442)	(117,105)	47,726	(15,466)	32,260
Reserves at 1 January 2020		219,673	31,442	251,115	171,947	46,908	218,855
Reserves at 31 December 2020		117,010	17,000	134,010	219,673	31,442	251,115

Notes:

All of the above results are derived from continuing activities.

All gains and losses in the year are included above.

The notes on pages 14 to 22 form part of the Financial Statements.

VILLAGE WATER LIMITED

Balance Sheet
(Company no. 05970344)
As at 31 December 2020

	Note	Total Funds	
		2020	2019
		£	£
Non-current Assets			
Property, plant and equipment	10	<u>915</u>	<u>1,281</u>
Current Assets			
Receivables	11	3,883	72,639
Cash and cash equivalents	12	<u>141,463</u>	<u>185,790</u>
		145,346	258,429
Payables: Amounts falling due within one year	13	<u>(12,251)</u>	<u>(8,595)</u>
Net current assets		<u>133,095</u>	<u>249,834</u>
Net Assets	15	<u>134,010</u>	<u>251,115</u>
Funds			
Unrestricted	16	117,010	219,673
Restricted			
Zambia	16	17,000	31,442
Mozambique	16	-	-
		<u>134,010</u>	<u>251,115</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved and authorised for issue by the Board on 8 April 2021 and signed on its behalf by:



Andrew Picken - Chair of Trustees

The notes on pages 14 to 22 form part of the Financial Statements

VILLAGE WATER LIMITED

**Statement of Cashflows
for the year to 31 December 2020**

	2020 £	2019 £
Net cash flows from operating activities		
Net (expenditure)/income for the year	(117,105)	32,260
Adjustments for items not affecting cash flows:		
Depreciation of equipment	865	695
Bank interest received	(529)	(1,848)
	<hr/>	<hr/>
Net operating cash flows before reinvestment in working capital	(116,769)	31,107
Decrease/(increase) in receivables	68,756	(44,175)
Increase in payables	3,656	1,930
	<hr/>	<hr/>
Net cash flows from operating activities	(44,357)	(11,138)
	<hr/>	<hr/>
Net cash flows from investing activities		
Purchase of non-current assets	(499)	(1,756)
Bank interest received	529	1,848
	<hr/>	<hr/>
Cash generated from investing activities	30	92
	<hr/> <hr/>	<hr/> <hr/>
Decrease in cash and cash equivalents	(44,327)	(11,046)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	185,790	196,836
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	141,463	185,790
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements for the year to 31 December 2020

1. Accounting Policies

General information

Village Water is a private charitable company limited by guarantee, incorporated in England and Wales under Companies' Act and registered as a charity in England and Wales (1117377) and Scotland (SCO44129).

The charitable company's registered office address is shown on page 3. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 4-10.

Village Water meets the definition of a public benefit entity as defined by FRS 102. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The financial statements are drawn up on the going concern basis which assumes Village Water will continue in operational existence for the foreseeable future. The Board has given due consideration to the working capital and cash flow requirements of Village Water. The Board consider Village Water's current and forecast cash resources to be sufficient to cover the working capital requirements of the charitable company for at least 12 months.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Charities Statement of Recommended Practice issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

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

The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pounds sterling (£).

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Incoming resources from donations represent voluntary income, which is credited in the year in which they are received; and investment income, including bank interest, which is credited in the year in which it is received.

Reserves policy

The trustees acknowledge the need to hold unrestricted reserves equal to a minimum three month's UK operating costs in order to:

1. Fulfil any legal obligations should the organisation be obliged to cease activities.
2. Offer short-term security to local partners in Zambia and Mozambique to continue activities in the unlikely event of point 1 happening.
3. Take advantage of such opportunities which may arise requiring rapid and flexible decision making and funding.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2020

Payables

Payables are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables are normally recognised at their settlement amount.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charitable company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable.

2. Donations

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Community	17,374	12,644	30,018	6,587	17,048	23,635
Corporate	72,143	653,026	725,169	15,926	199,680	215,606
Individuals	32,821	2,939	35,760	176,697	17,644	194,341
Statutory	-	49,929	49,929	-	39,338	39,338
FCDO	-	102,633	102,633	-	61,699	61,699
Trusts/Foundations	45,893	147,638	193,531	78,254	247,705	325,959
Total Donations	168,231	968,809	1,137,040	277,464	583,114	860,578

3. Interest income

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Bank interest receivable	529	-	529	1,848	-	1,848

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2020 (continued)

4. Analysis of Resources Expended

a) Restricted Resources Expended

Village Water raises donations in the UK to support water, sanitation and hygiene (WASH) activities in Zambia and Mozambique. The monies are remitted to Village Water Zambia, Empowered Communities Helping Others and WATSAN Mozambique, all independent NGOs, who carry out our fieldwork programme.

	2020 £	2019 £
<i>Remittances to Zambia</i>		
Supporting partners to deliver water, sanitation & hygiene	423,733	145,994
FCDO (formerly DFID)	75,290	65,789
	<u>499,023</u>	<u>211,783</u>
<i>Direct Expenditure in UK on work in Zambia</i>		
Capacity Development	325	3,350
IT, Equipment and Materials	1,988	3,645
FCDO (formerly DFID)	18,373	11,375
	<u>20,686</u>	<u>18,370</u>
<i>Remittances to Mozambique</i>		
Supporting partners to deliver water, sanitation & hygiene	511,602	369,059
	<u>511,602</u>	<u>369,059</u>
<i>Direct Expenditure in UK on work in Mozambique</i>		
	345	6,893
	<u>345</u>	<u>6,893</u>
Total Expenditure	<u>1,031,656</u>	<u>606,105</u>

b) Unrestricted Resources Expended

The charitable company initially identifies all unrestricted expenditure and then apportions the cost between four major expenditure categories:

- Charitable expenditure Zambia - relates to support costs incurred to raise funds for activities in Zambia;
- Charitable expenditure Mozambique - relates to support costs incurred to raise funds for activities in Mozambique;
- Fund raising expenses - relate to the costs incurred by the charitable company in raising funds for the charitable work; and
- Governance - costs are those associated with the governance arrangements relating to the strategic operations of the charitable company.

Notes to the financial statements for the year to 31 December 2020 (continued)

4. Analysis of Resources Expended (continued)

b) Unrestricted Resources Expended (continued)

The table below outlines unrestricted expenditure, as apportioned between the four expenditure categories.

Year ended 31 December 2020	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fund Raising Expenses £	Governance £	Total 2020 £
Salaries	61,235	62,171	53,296	26,666	203,368
Training	101	109	129	51	390
Travel	180	194	229	90	693
Volunteers	10	10	12	5	37
Events & fundraising	-	-	3,607	-	3,607
Office costs	1,939	2,089	2,461	970	7,459
Insurance	198	213	252	99	762
IT expenses	943	1,016	1,197	471	3,627
Other governance costs	-	-	-	251	251
Audit fees	-	-	-	1,900	1,900
Depreciation	225	242	285	112	864
Bank charges	-	-	-	60	60
	64,831	66,044	61,468	30,675	223,018

Year ended 31 December 2019	Charitable Activities Zambia £	Charitable Activities Mozambique £	Fund Raising Expenses £	Governance £	Total 2019 £
Salaries	67,402	50,745	71,233	19,123	208,503
Training	130	130	226	79	565
Travel	698	698	1,214	425	3,035
Volunteers	10	10	18	7	45
Events & fundraising	-	-	3,294	-	3,294
Office costs	749	784	1,305	424	3,262
Insurance	146	152	254	82	634
IT expenses	91	93	156	50	390
Other governance costs	-	-	-	1,778	1,778
Audit fees	-	-	-	1,800	1,800
Depreciation	-	-	-	695	695
Bank charges	-	-	-	60	60
	69,226	52,612	77,700	24,523	224,061

Salaries, recruitment, training, travel and volunteers' costs are apportioned per capita - i.e. on the number of people employed within an activity.

Events and fundraising, other governance costs, audit fees and bank charges apportionment is based on usage.

Office costs, insurance and IT expenses apportionment is based on floor area occupied by an activity.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2020 (continued)

5. Employees and Trustees

The aggregate payroll costs were as follows:

	2020 £	2019 £
Salaries	196,912	186,893
Social security costs	14,438	13,534
Pension costs	12,294	11,102
	<u>223,644</u>	<u>211,529</u>

No employee received emoluments above £60,000.

Employee salaries by band: £40,000 to 50,000: 1. £30,000 - £40,000: 3.

£20,000-£30,000: 3.

The average number of employees during the year calculated as full-time equivalents was 6 (2019: 6)

The Trustees were not paid any remuneration or received any other benefits from employment with the charitable company in the year (2019: £nil).

No Trustees were paid expenses (2019: 4 Trustees £1,194) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2019: £nil).

6. Transfers

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £48,405 (2019: £7,525) were transferred to restricted funds.

7. Movement in funds

Net movement in funds is stated after charging:

	2020 £	2019 £
Depreciation	<u>865</u>	<u>695</u>

8. Auditor's remuneration

	2020 £	2019 £
Auditor's remuneration - the audit of charitable company's accounts	1,300	1,200
Auditor's remuneration - other services	600	600
	<u>1,900</u>	<u>1,800</u>

9. Taxation and charitable status

The Trust is a charitable company within the definition of Section 467 Corporation Tax Act 2010 and is, therefore, able to take advantage of the exemption given by Section 486 of that Act. Accordingly, there is no Corporation Tax charge in these financial statements.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2020 (continued)

10. Non-current assets

Furniture & Equipment	2020	2019
	£	£
Cost		
At 1 January	6,048	4,292
Additions	499	1,756
At 31 December	<u>6,547</u>	<u>6,048</u>
Depreciation		
At 1 January	4,767	4,072
Charge in the year	865	695
At 31 December	<u>5,632</u>	<u>4,767</u>
Net book value at 31 December	<u>915</u>	<u>1,281</u>

11. Receivables

	2020	2019
	£	£
Gift Aid Recoverable	3,529	5,800
Pledged Donations	-	65,847
Prepayments	354	992
	<u>3,883</u>	<u>72,639</u>

There were no pledged donation at 31 December 2020; the pledged donations at 31 December 2019 satisfied the recognition criteria stipulated by SORP FRS 102.

12. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank	141,416	185,765
Petty cash	47	25
	<u>141,463</u>	<u>185,790</u>

13. Payables: amounts falling due within one year

	2020	2019
	£	£
Other taxes and social security	5,766	4,214
Other payables	6,485	4,381
	<u>12,251</u>	<u>8,595</u>

14. Pensions scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charitable company to the scheme and amounted to £12,294 (2019: £11,102).

Contributions totalling £2,782 (2019: £2,045) were payable to the scheme at the end of the year and are included in other payables.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2020 (continued)

15. Analysis of net assets between funds

Year ended 31 December 2020	Unrestricted		Restricted		Total
	Funds	Zambia	Mozambique		
	£	£	£	£	
Property, plant & equipment	915	-	-	915	
Receivables	3,883			3,883	
Cash at Bank	124,463	17,000	-	141,463	
Payables	(12,251)	-	-	(12,251)	
	117,010	17,000	-	134,010	

Year ended 31 December 2019	Unrestricted		Restricted		Total
	Funds	Zambia	Mozambique		
	£	£	£	£	
Property, plant & equipment	1,281	-	-	1,281	
Receivables	72,639			72,639	
Cash at Bank	154,348	31,442	-	185,790	
Payables	(8,595)	-	-	(8,595)	
	219,673	31,442	-	251,115	

16. Movements in funds

	At 1 Jan 2020	Incoming Resources	Outgoing Resources	At 31 Dec 2020
	£	£	£	£
Unrestricted				
Property, plant & equipment	1,281	499	(865)	915
Receivables	72,659	3,883	(72,659)	3,883
Cash at Bank	154,328	162,907	(192,772)	124,463
Payables	(8,595)	(12,251)	8,595	(12,251)
Total Unrestricted Funds	219,673	155,038	(257,701)	117,010
Restricted				
Village Water Zambia	31,442	505,267	(519,709)	17,000
Mozambique	-	375,952	(375,952)	-
Total Restricted Funds	31,442	881,219	(895,661)	17,000
Total Funds	251,115	1,036,257	(1,153,362)	134,010
	At 1 Jan 2019	Incoming Resources	Outgoing Resources	At 31 Dec 2019
	£	£	£	£
Unrestricted				
Property, plant & equipment	220	1,756	(695)	1,281
Receivables	28,464	72,659	(28,464)	72,659
Cash at Bank	149,927	271,786	(267,385)	154,328
Payables	(6,665)	(8,595)	6,665	(8,595)
Total Unrestricted Funds	171,946	337,606	(289,879)	219,673
Restricted				
Village Water Zambia	46,909	214,686	(230,153)	31,442
Mozambique		375,952	(375,952)	-
Total Restricted Funds	46,909	590,638	(606,105)	31,442
Total Funds	218,855	928,244	(895,984)	251,115

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2020 (continued)

17. Lease Commitments

Operating Leases

The total of future minimum lease payments is as follows:

	Office premises	
	2020	2019
	£	£
No later than one year	4,200	-
Between two and five years	12,250	-
	<u>16,450</u>	<u>-</u>

18. Company limited by guarantee

The company is a charitable company limited by guarantee and consequently does not have share capital. Each of the 9 (2019: 12) members of the charitable company is liable to contribute £10 towards the assets of the charitable company in the event of liquidation.

19. Related party transactions

The charitable company works in partnership with independent local charities: Village Water Zambia and Empowered Communities Helping Others in Zambia -and WATSAN Mozambique in Mozambique, who share a common purpose. All partners receive funding for their charitable objectives from Village Water and from other donors

During the year, the charitable company remitted £1,010,625 (2019: £580,842) to these partners.

2022. Events after the financial period

In March 2020, the UK, along with many other countries, entered into forced restrictions related to the spread of Covid 19. The current global situation continues to bring uncertainties for businesses and individuals as the economy suffers significant slowdown. The Trustees will continue to review the situation and its impact on the charitable company's ability to raise funds and deliver projects both in the short and long term. The Trustees are of the opinion that at the time of approval of these financial statements there were no indications suggesting that the charitable company would not be able to continue as a going concern in the foreseeable future and have therefore prepared these financial statements on a going concern basis.

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

Opinion on financial statements

We have audited the financial statements of Village Water Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' (who are also directors of the charitable company for the purpose of the company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the Trustees, who are Directors for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as

VILLAGE WATER LIMITED

Report of the Independent Auditors to the Members and Trustees of Village Water Limited

the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our cumulative audit knowledge and experience of the charitable company and the knowledge of the charitable sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, The Charities (Accounts and Reports) Regulations 2008 as well as data protection, money laundering and anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

VILLAGE WATER LIMITED

**Report of the Independent Auditors
to the Members and Trustees of Village Water Limited**

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statements to disclosures and underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with Charities Commission, HMRC and other government bodies, analysing professional services/legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

VILLAGE WATER LIMITED

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Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ransford Agyei-Boamah
Senior Statutory Auditor

for and on behalf of:
HARMER SLATER LIMITED
Chartered Accountants and Statutory Auditors
8 April 2021

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