

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

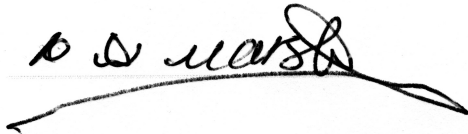
Statement of Trustees' responsibilities

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 extending to the right.

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)
Net operating cash flows before reinvestment in working capital	327,214	91,574
(Increase)/decrease in receivables	(6,605)	(10,783)
Increase in payables	(4,564)	2,415
Net cash flows from operating activities	316,045	83,206
Net cash flows from investing activities		
Purchase of non-current assets	(2,381)	(699)
Bank interest received	2,350	121
Cash (utilised in)/generated from investing activities	(31)	(578)
Increase/(decrease) in cash and cash equivalents	316,014	82,628
Cash and cash equivalents at the beginning of the year	224,091	141,463
Cash and cash equivalents at the end of the year	540,105	224,091

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 (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 4-7.

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
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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	<u>1,193</u>	<u>981</u>

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)
	<u>407,358</u>	<u>127,737</u>	<u>18,000</u>	<u>553,095</u>

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)
	<u>224,724</u>	<u>-</u>	<u>-</u>	<u>224,724</u>

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	<u>224,724</u>	<u>1,591,876</u>	<u>(312,949)</u>	<u>(1,096,293)</u>	<u>407,358</u>
Restricted					
Zambia	-	432,482	(579,915)	275,170	127,737
Mozambique	-	279,038	(1,082,161)	821,123	18,000
Total Restricted Funds	<u>-</u>	<u>711,520</u>	<u>(1,662,076)</u>	<u>1,096,293</u>	<u>145,737</u>
Total Funds	<u>224,724</u>	<u>2,303,396</u>	<u>(1,975,025)</u>	<u>-</u>	<u>553,095</u>

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	<u>117,010</u>	<u>823,214</u>	<u>(259,587)</u>	<u>(455,922)</u>	<u>224,724</u>
Restricted					
Zambia	17,000	214,439	(457,670)	266,231	-
Mozambique	-	164,107	(393,798)	229,691	-
Total Restricted Funds	<u>17,000</u>	<u>378,546</u>	<u>(851,468)</u>	<u>455,922</u>	<u>-</u>
Total Funds	<u>134,010</u>	<u>1,201,760</u>	<u>(1,111,046)</u>	<u>-</u>	<u>224,724</u>

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
	<u>8,050</u>	<u>12,250</u>

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

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