

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.

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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.

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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.

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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.

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**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		431,875	470,318

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

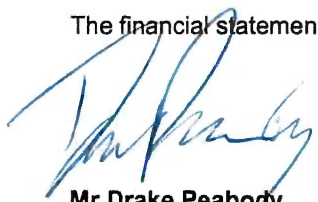
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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
	<hr/> 981,729 <hr/>	<hr/> 490,626 <hr/>	<hr/> 1,472,355 <hr/>

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
	675,768	634,339	1,310,107

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
	141,160	65,374	206,534

	<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
	133,556	54,976	188,532

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	<u>2,500</u>	<u>2,500</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.

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
	<u>368,315</u>	<u>336,352</u>

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	<u>9</u>	<u>9</u>

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Employees	<u>8</u>	<u>8</u>

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
	<u>10,357</u>
At 31 December 2025	<u>10,357</u>
Depreciation	
At 1 January 2025	7,709
Charge for the year	1,197
	<u>8,906</u>
At 31 December 2025	<u>8,906</u>
Net book value	
At 31 December 2025	<u>1,451</u>
At 31 December 2024	<u>2,049</u>

14. Debtors

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

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
	<u>111,657</u>	<u>11,207</u>

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
	<u>430,350</u>	<u>496,469</u>	<u>(434,501)</u>	<u>(169,947)</u>	<u>322,371</u>
Restricted funds					
Zambia	39,968	567,882	(563,766)	55,596	99,680
Mozambique	-	413,847	(518,374)	114,351	9,824
	<u>39,968</u>	<u>981,729</u>	<u>(1,082,140)</u>	<u>169,947</u>	<u>109,504</u>
Total of funds	<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**

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	-
	65,000	1,219,769	(1,259,538)	14,737	39,968
Total of funds	442,027	1,688,308	(1,660,017)	-	470,318

17. Summary of funds

Summary of funds - current year

	<i>Balance at 1 January 2025 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2025 £</i>
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
	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**

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
	<u>358,125</u>	<u>59,638</u>	<u>417,763</u>

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	<u>4,510</u>	<u>-</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.