

Charity registration number 1169228

Company registration number 10377607 (England and Wales)

CHARITY GLOBAL (UK) LIMITED

CHARITY: WATER

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Patrick Luke Beauchamp Valerie Donati Scott Harrison Samuel Lawson Johnston Onyeije Nwokorie Mara Klemich Eniola Aluko Rachel Manktelow Pierre Mercier (Appointed 6 December 2023)
Secretary	Christopher Barton
Charity number	1169228
Company number	10377607
Registered office	5th Floor 3 Dorset Rise London EC4Y 8EN
Auditor	TC Group 5th Floor 3 Dorset Rise London EC4Y 8EN
Bankers	HSBC UK Bank Plc London Commercial Banking Centre 6th Floor 71 Queen Victoria Street London EC4V 4AY

CHARITY GLOBAL (UK) LIMITED

CHARITY: WATER

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CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

The trustees present their annual report and financial statements for the 9 month period ended 30 September 2023.

The trustees have changed the charitable company's reporting end date to 30 September, so as to be coterminous with the charitable company's parent, hence the annual report and financial statements covers the 9 month period ended 30 September 2023.

The comparative period, in the annual report and financial statements, covers the 12 months ended 31 December 2022. Therefore the comparatives are not entirely comparable.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

charity: water has a vision to reinvent charity, and a mission to bring clean, safe drinking water to every single person on the planet.

Our approach to charity is new and disruptive. 100% of public donations are spent in the developing countries on clean water projects and associated water, sanitation and hygiene (WASH) activities. We do not spend one penny from this pot of donations here in the UK and we prove each of our projects using photos and GPS coordinates.

As a grant making organisation, we raise money for clean water solutions, delivered by local partners in developing countries. Grants relieve poverty and suffering through the improvement of water supplies and sanitation services and the advancement of education in relation to water, sanitation and safe hygiene practices.

The Objects of charity: water are such charitable purposes for the public benefit in any part of the world the trustees determine appropriate, including but without limitation to countries low on the UN's Human Development Index:

- a) the relief of poverty, hunger and related suffering, in particular through the improvement of water supplies and sanitation;
- b) the promotion of health and the relief of sickness and need resulting from preventative disease; and
- c) the advancement of education

Public benefit statement

The trustees confirm that we have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

Achievements and performance - funding clean water

In the 9 month period to 30 September 2023, charity water raised enough funds to bring clean water to 37,166 people. This brings our total impact since 2017, to more than 325,000 people across 19 different countries. Our 2023 funds were used in one grant to Charity Global, Inc. which funded water and sanitation projects. The grant did not fund internal administration costs. The grant, for £1,114,995 for our 1H funding cycle, help fund solutions like drilled wells, tap stands, rainwater harvesting and water filters in 6 countries:

- A. India
- B. Malawi
- C. Nepal
- D. Sierra Leone
- E. Tanzania
- F. Uganda

CHARITY GLOBAL (UK) LIMITED

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

Reflecting on fiscal year 2023's impact

In 2023, the organisation had three strategic focuses: implementing operational changes to ensure more efficient fundraising in future years; preparing for a comprehensive strategic review to structure future growth; continue raising awareness of the water crisis and our role in solving it. The change to our fiscal year is a result of this work.

We also launched a variety of brand and fundraising awareness engagements, like a 'water' stand at a festival, a high-profile event for supporters in central London, and our first partnership to raise funds from the Islamic community. The result? Over £200,000 raised from a new, generous audience segment.

Financial review

The Statement of Financial Activities is set out on page 12 of the financial statements and shows how the charity's incoming resources have been expended in the nine months ended 30 September 2023.

Total incoming resources amount to £2,557,885 (2022: £2,971,906), which comprise donations restricted in full to water projects and water sustainability of £1,576,093 (2022: £2,110,758), unrestricted donations of £270,902 (2022: £272,553) used to fund operations, donated services of £695,120 (2022: £587,743) and net investment income of £15,770 (2022: £852).

Resources expended on charitable activities amounted to £2,039,617 (2022: £3,146,424), of which £1,114,995 (2022: £2,261,694) was defrayed on making grants, £886,109 (2022: £862,114) incurred in pursuit of the charity's charitable objects and £38,513 (2022: £22,616) on governance costs.

The resulting surplus for the period was £518,268 (2022: deficit of £174,518).

The Statement of Financial position is set out on page 13 of the financial statements and shows the financial position of the charity at 30 September 2023.

Total assets less current liabilities amounted to £2,355,205 (2022: £1,836,937), which is represented by the closing balances on the unrestricted funds, share capital and restricted funds of £1,817,170, £1 and £538,034 respectively (2022: £1,760,000, £1 and £76,936 respectively).

Charity: water is committed to using its resources in pursuit of its charitable objects. It is also committed to maintaining a level of reserves that is prudent to meet on-going liabilities, sufficient to ensure that all commitments can be met and to protect the long-term future of its operations. We depend on private donors, foundations and sponsors to cover everything from staff salaries to basic office systems to office rent and supplies. These donors are some of our most dedicated: their investment fuels our long-term mission, our ability to scale as an organisation and our mission to continue using 100% of public donations for water projects. At 30 September 2023, the charitable company had free reserves (as represented by unrestricted net current assets) amounting to £1,817,170. The trustees are satisfied that the current level of reserves are appropriate to its circumstances.

Grant-making policy

1. Public benefit requirement

The trustees will seek to satisfy themselves that each grant is made in furtherance of a charitable purpose that offers an identifiable benefit to the public or a significant section of the public, and that private benefit that may arise to any person or company as a result of a grant is incidental.

The trustees have considered, and will regularly refer to, the Charity Commission's guidance on public benefit to ensure that the public benefit requirement is met.

The trustees do not anticipate any possibility for private benefit arising from their grant making, but shall be mindful of conflicts of interest or loyalty.

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FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

2. Objectives and strategy

The Charity has been established to undertake the specific purposes relating to improvement of water supplies and sanitation, with flexibility for the trustees to support any charitable purpose for the public benefit if they choose as set out in the Objects.

In seeking to further the Objects as effectively as possible, the trustees envisage that the Charity will work closely with Charity Global, Inc. to identify exclusively charitable projects capable of being supported for the public benefit, including to identify what projects are in particular need of funding and where the need is greatest.

Despite the Charity's intended close working relationship with Charity Global, Inc., the trustees are keenly aware of the importance of the Charity being operated independently of Charity Global, Inc. The trustees understand and acknowledge that:

- A. under no circumstances may the trustees fetter their absolute discretion in all decision-making; and
- B. all grants will be approved by the trustees, exercising their independent thought and bringing their personal skills and expertise to decision-making.

The trustees may take non-binding recommendations from donors as to charitable projects to be supported but shall not accept a gift that is restricted from a legal perspective without carefully considering whether the Charity can, and should, make a grant to support such restricted purposes.

3. Due Diligence

The trustees are responsible for ensuring that every grant is a proper application of the Charity's assets and that it is in the best interests of the Charity to make the grant. They retain ultimate responsibility for the decision to award grants. Accordingly, the trustees will approve all grants collectively in compliance with the Charity's Articles of Association (whether in a meeting or in writing).

As there are no particular due diligence steps that the trustees are required to take (except in the case of payments abroad which are addressed below), it will be their policy to make whatever enquiries allow them to reasonably take a view that:

- A. making the grant is in the best interests of the Charity; and
- B. the grant will be used for purposes that fall within the Charity's Objects. To assist their assessment of suitability, the trustees may seek some or all of the following information from proposed grantees:

To assist their assessment of suitability, the trustees may seek some or all of the following information from proposed grantees:

- A. a description of the purpose and activities for which the grant will be used;
- B. a financial plan setting out how the grant will be used, including who will benefit, the timescale, and any other funding options the applicant may have;
- C. if the applicant is an organisation:
 - i. its charity registration number, where applicable, or other documents establishing its status; and
 - ii. a copy of the organisation's most recent financial report and accounts, where available.

The trustees may require further information when considering any application. A visit or interview may also be arranged in order to gain a greater feel for the proposed use of the grant.

4. The trustees' criteria

There are many considerations for the trustees to take into account when evaluating whether a proposed grant is a suitable one for the Charity to make. The trustees will consider, as appropriate in the circumstances:

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FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

A. The amount of the proposed grant – is the grant size appropriate bearing in mind the Charity's other proposals or obligations? Is the grant appropriate to the proposed grantee organisation's need?

B. The proposed use of the grant – is it clear to the trustees what the grant will be used for and that it will be exclusively used for an eligible charitable purpose?

C. The nature and status of the grantee – is the grantee known to the trustees, for example as a 'household name' (eg Charity Global, Inc., trading as charity: water), or registered with any local regulators of non-profits, including the Charity Commission for England and Wales or similar regulator?

D. Is the proposed grantee financially sound? - The trustees should be confident that the grant will not be paid to an insolvent organisation;

E. Other risk factors – is the grantee based in a high-risk jurisdiction for such issues as corruption or terrorism?

F. Trustee involvement - Is the grant proposed to be made to any organisation in which one of the Charity's trustees is involved? If yes, how?

G. Suitability of the project – is the project proposed an effective way of furthering the objects of the Charity? What is the intended impact of the project?

The trustees are not bound to consider every point listed above for each and every grant.

5. Grant conditions

The trustees may attach conditions to grants made by the Charity. These will vary depending on the individual circumstances and the recipient, with the intention that they are sufficient in each case to satisfy the trustees that the funds will be applied for the purposes for which they were given.

Where a grant is made to a UK registered charity, the trustees will:

- A. identify the project to be funded by the grant, or that the grant is expendable for the grantee's general charitable purposes; and
- B. require acknowledgement of receipt of the grant.

Otherwise, the trustees will impose conditions on grants that are appropriate to the circumstances of the grant (with reference to section 'Payments abroad' below, if relevant), including for example:

- A. a requirement that the grant be used for a specified project that is charitable under the law of England and Wales;
- B. a requirement that reimbursement is made if funds are misused or the grant conditions are not complied with;
- C. specific conditions to be met before the funding is made;
- D. ongoing performance conditions, if the grant is to be made in instalments;
- E. conditions as to attribution or naming;
- F. a timeframe for the use of the grant;
- G. an accounting and reporting requirement;
- H. permission for the trustees to inspect any documents or premises should they wish to examine how funds are being used; and
- I. a requirement that surplus funds be returned.

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6. Payments abroad

In advancing the Charity's purposes, the trustees are likely to make payments outside the UK, particularly to Charity Global, Inc. in the USA, and understand that every grant that is made to an organisation established outside the UK will be a payment to an overseas body for the purposes of UK taxation.

The trustees of the Charity will therefore approach each grant overseas so that they may be comfortable that the Charity can '*clearly demonstrate to the Commissioners for HMRC that it has taken steps that the Commissioners consider are reasonable in the circumstances to ensure that the payment is applied for charitable purposes under the law of England and Wales*'. The consequence of failing to take such steps could be loss of charitable tax relief in respect of income or gains equal to the amount of the grant in question, so the trustees have identified compliance as a priority.

The trustees will impose written conditions on the grantees of all overseas grants that are appropriate to the circumstances of the grant.

The trustees will aim, in relation to each grant, to have adequate records demonstrating the Charity's knowledge of the overseas grantee, its previous relations with the overseas grantee and the past history of the overseas grantee. These records will additionally include the following, as appropriate:

- A. the organisations to which the grant was paid;
- B. the purpose for which it was given;
- C. what assurances were given to the Charity that the grant would be properly applied;
- D. what steps the trustees took to ensure that payment would in fact be properly applied; and
- E. what follow up action the trustees took to confirm payments were properly applied.

The trustees will consider imposing more restrictive (and onerous) conditions on grantees on a risk and proportionality basis in particular circumstances.

The trustees have formulated this policy with the requirements of UK tax law on 'non-charitable' expenditure in mind, and having considered the Charity Commission's publication *Charities: how to manage risks when working internationally* and the HMRC Guidance on Payments to overseas bodies.

The trustees may also need to consider requirements of the local jurisdiction into which the grant is being made since some jurisdictions restrict foreign funding, or require it to be channelled to particular government-approved organisations.

7. Record Keeping

The trustees will arrange for adequate records of all grants to be maintained. Such records will include any:

- A. information and documentation gathered as part of a due diligence exercise;
- B. trustees' resolutions approving grants;
- C. grant agreements;
- D. reports received from grantees; and
- E. other correspondence with grantees.

8. Review

This policy will be reviewed annually by the trustees, including a review of the Charity's position under the Common Reporting Standard.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)
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Structure, governance and management

charity: water is a company limited by shares with company registration number 10377607 and we are governed by our Memorandum and Articles of Association. We are also a registered charity in accordance with the provisions of the Charities Act of 2011 with charity registration number 1169228.

The trustees, who are also the directors for the purpose of company law, and who served during the 9 month period were:

Patrick Luke Beauchamp

Valerie Donati

Scott Harrison

Samuel Lawson Johnston

Onyeije Nwokorie

Mara Klemich

Eniola Aluko

Rachel Manktelow

Pierre Mercier

(Appointed 6 December 2023)

All trustees are expected to identify their training needs and to take measures to ensure that these needs are met.

The Board may from time to time, appoint any person as a member of the Board either to fill a vacancy or by way of addition to the Board, subject to the provisions of the Articles of Association.

Our day to day activities were administered by Hannah Bellamy, Managing Director, who reports to the UK Board of trustees. Subsequent to the date of this report Hannah Bellamy is transitioning out of this role. Charity Global (UK) Limited are actively searching for a replacement. In the interim, Hannah Bellamy continues to assist the Board whilst a replacement is sought.

Charity Global, Inc., a US based charity, is the sole shareholder of Charity Global (UK) Limited.

Fundraising Statement

The Charity's fundraising activities include public appeals through paid media outlets, including the Charity's own website and social media, as well as focussing on existing relationships with a small number of individual donors and businesses. Any direct approaches by the Charity to members of the public are limited. The Charity has not engaged with any professional fundraisers to raise funds. No complaints were received in relation to the Charity's fundraising activities.

Plans for the Future

Our focus is to invest in a robust, sustainable organisation with the right processes, systems and structures for future growth. We'll continue to increase brand awareness to drive a digital-first donor experience, scaling water and operations revenue. Specifically, during October 2023 to September 2024 we plan to:

- Implement a comprehensive strategic review, including market research to guide ongoing team structure and inform growth opportunities. We'll structure the team and future investments accordingly.
- Execute the fiscal year change to enable better forecasting and to align with Charity Global Inc.
- Expand partnerships with businesses and brands that are values aligned to grow awareness amongst target audiences while driving water revenue.
- Double down on brand awareness raising activities by collaborating with artists, creating more localized content and launching a new socials engagement strategy.

Risk Statement

We have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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Principal risks and uncertainties

We recognise that there are risks inherent in delivering our charitable objectives, and we as trustees are responsible to identify, assess and manage risk and uncertainties. We regularly assess risk and uncertainties, and review during our trustee meetings. Risks identified and mitigated include receiving fewer public donations to fund water projects and/or private donations to fund operations, damage to our reputation, and possible data protection outcomes. Throughout the nine months to 30 September 2023, we reviewed risks to our organisation and assessed their possible impact. We confirm that with our strong organisational policies and processes in place, and our regular evaluation and documentation of possible risks and uncertainties, we have identified and mitigated any possible risks to the organisation in 2023 and for the foreseeable future. We will continue to identify and review any risks to the organisation and review in our trustee meetings to ensure all risks and uncertainties are properly mitigated.

Statement of trustees' responsibilities

The trustees, who are also the directors of Charity Global (UK) Limited for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 9 month 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable 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 trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Patrick Luke Beauchamp

Trustee

Dated: 24 June 2024

CHARITY GLOBAL (UK) LIMITED

CHARITY: WATER

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CHARITY GLOBAL (UK) LIMITED

Opinion

We have audited the financial statements of Charity Global (UK) Limited (the 'charitable company') for the 9 month period ended 30 September 2023 which comprise the statement of financial activities, the statement of financial position, 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 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 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure, for the 9 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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' 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.

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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF CHARITY GLOBAL (UK) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial period for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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, the trustees, who are also the directors of the charitable company for the purpose 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.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF CHARITY GLOBAL (UK) LIMITED

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (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 (FRS102)), the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the charitable company is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and correspondence with regulatory bodies.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested specific transactions reconciling to source documentation, ensuring appropriate authorisation of the transactions, and that the income was applied in accordance with the charitable company's Memorandum and Articles of Association and any donor imposed restrictions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of grants payable, review of legal and professional expenses and review of board meeting minutes.
- The charitable company is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedule 1, 100% Model, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with ISAs (UK). In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF CHARITY GLOBAL (UK) LIMITED

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

Hannah Sibley FCA (Senior Statutory Auditor)
for and on behalf of TC Group

25 June 2024

Statutory Auditor

5th Floor
3 Dorset Rise
London
EC4Y 8EN

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

		Unrestricted funds	Restricted funds	Total	Total
					Year ended 31 December
		2023	2023	2023	2022
	Notes	£	£	£	£
<u>Income from:</u>					
Donations	3	966,022	1,576,093	2,542,115	2,971,054
Net investment income	4	15,770	-	15,770	852
Total income		<u>981,792</u>	<u>1,576,093</u>	<u>2,557,885</u>	<u>2,971,906</u>
<u>Expenditure on:</u>					
Charitable activities	5	<u>924,622</u>	<u>1,114,995</u>	<u>2,039,617</u>	<u>3,146,424</u>
Net income/(expenditure) for the period/ Net movement in funds		57,170	461,098	518,268	(174,518)
Fund balances at 1 January 2023		<u>1,760,001</u>	<u>76,936</u>	<u>1,836,937</u>	<u>2,011,455</u>
Fund balances at 30 September 2023		<u>1,817,171</u>	<u>538,034</u>	<u>2,355,205</u>	<u>1,836,937</u>

The statement of financial activities includes all gains and losses recognised in the 9 month period (2022 - 12 month period).

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

		30 September 2023		31 December 2022	
	Notes	£	£	£	£
Current assets					
Receivables falling due after one year	11	38,618		39,190	
Receivables falling due within one year	11	155,635		471,160	
Cash at bank and in hand		2,179,734		2,425,232	
		<u>2,373,987</u>		<u>2,935,582</u>	
Current liabilities	12	(18,782)		(1,098,645)	
Net current assets			2,355,205		1,836,937
			<u><u>2,355,205</u></u>		<u><u>1,836,937</u></u>
Income funds					
Restricted funds	15		538,034		76,936
Unrestricted funds		1,817,170		1,760,000	
Share capital	15	1		1	
		<u>1,817,171</u>		<u>1,760,001</u>	
			2,355,205		1,836,937
			<u><u>2,355,205</u></u>		<u><u>1,836,937</u></u>

The financial statements were approved by the Trustees on 24 June 2024

Patrick Luke Beauchamp
Trustee

Company Registration No. 10377607

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
STATEMENT OF CASH FLOWS

FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

		2023		31 December 2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20	(261,268)		537,124	
Investing activities					
Net investment income received		15,770		852	
Net cash generated from investing activities		15,770		852	
Financing activities					
Repayment of borrowings		-		(50,000)	
Net cash used in financing activities		-		(50,000)	
Net (decrease)/increase in cash and cash equivalents		(245,498)		487,976	
Cash and cash equivalents at beginning of period		2,425,232		1,937,256	
Cash and cash equivalents at end of period		2,179,734		2,425,232	

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

Charity Global (UK) Limited is a private company limited by shares incorporated in England and Wales. Charity Global (UK) Limited is also a registered charity in accordance with the Charities Act 2011, with charity registration number 1169228. The registered office is 5th Floor, 3 Dorset Rise, London, EC4Y 8EN.

The nature of the charitable company's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Reporting period

The trustees have changed the charitable company's reporting end date to 30 September, so as to be coterminous with the charitable company's parent.

Accordingly, the current reporting period covers the 9 month period to 30 September 2023. The comparative period covers the 12 months ended 31 December 2022. Therefore the comparatives are not entirely comparable.

The Trustees have legal authority to change the reporting period, in accordance with the charitable company's Memorandum and Articles of Association.

1.3 Going concern

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

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Donated services are recognised in income at their fair value when their economic benefit is probable and it can be measured reliably. Fair value is determined on the basis of the value of the gift to the charitable company. For example the amount the charitable company would be willing to pay in the open market for such services. A corresponding amount is recognised in expenditure.

Investment income is recognised on a receivable basis.

1.6 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure on charitable activities comprises expenses incurred in pursuance of the charitable company's principal activities.

VAT is charged against the expenditure heading for which it was incurred.

Governance costs, which are included in expenditure on charitable activities, are those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from the parent undertaking are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

1 Accounting policies **(Continued)**

1.9 Taxation

No liability arises as the charitable company's activities are exempt from corporation tax.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Donated Services

Included in donations and expenditure on charitable activities is an estimate for the costs incurred by Charity Global Inc, the parent charity, based in the USA. The estimate includes actual amounts incurred on professional services and travelling expenditure as well as a proportion of the US employees' salaries based on best estimates of their time spent on UK charity matters.

Also included in donated services are consultancy and advertising services performed by third parties, on a pro-bono basis. In such cases the donated service has been measured and recognised as the third parties' best estimate of the cost of the services provided.

Therefore, there is an inevitable degree of judgement involved in calculating these estimates.

3 Donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Donations and gifts	270,902	1,576,093	1,846,995	2,383,311
Donated services	695,120	-	695,120	587,743
	<u>966,022</u>	<u>1,576,093</u>	<u>2,542,115</u>	<u>2,971,054</u>
For the year ended 31 December 2022	<u>860,296</u>	<u>2,110,758</u>		<u>2,971,054</u>

Donated services

Donated services consist of operating costs incurred by Charity Global, Inc. of £334,313 (2022: £539,102), who incurred these on behalf of the charitable company and consultancy and other services of £360,807 (2022: £48,641), provided by third parties to assist the charitable company in its charitable objectives.

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

4 Net investment income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Net investment income	15,770	852

5 Charitable activities

	2023	2022
	£	£
Wages and salaries	284,079	339,624
Social security costs	9,683	13,690
Pension costs	6,283	7,347
Advertising, events and marketing	538,392	435,979
Insurance	4,655	7,264
Travelling	10,183	15,074
Printing, postage and stationery	1,641	1,230
Other expenses	3,233	3,539
Computer running costs	292	954
Service provider costs	25,533	34,106
Subscriptions	2,135	3,307
	886,109	862,114
Grant funding of activities (see note 6)	1,114,995	2,261,694
Support and governance costs (see note 7)	38,513	22,616
	2,039,617	3,146,424
Analysis by fund		
Unrestricted funds	924,622	884,730
Restricted funds	1,114,995	2,261,694
	2,039,617	3,146,424

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

6 Grants payable

	2023	2022
	£	£
Grants to institutions:		
Charity Global, Inc.	1,114,995	2,261,694
	<u> </u>	<u> </u>

7 Support and governance costs

	2023	2022
	£	£
Audit fees	11,640	11,400
Legal and professional fees	23,542	6,357
Accountancy fees	2,220	3,582
Bank charges	1,111	1,277
	<u> </u>	<u> </u>
	38,513	22,616
	<u> </u>	<u> </u>

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditor:	2023	2022
	£	£
Audit of the charitable company's annual accounts	11,640	11,400
	<u> </u>	<u> </u>
Non-audit services		
All other non-audit services	4,500	5,388
	<u> </u>	<u> </u>

9 Employees

The average monthly number of employees during the period, excluding the directors was:

	2023	2022
	Number	Number
Charitable activities and fundraising	3	2
	<u> </u>	<u> </u>

Wages and salaries of £284,079 (2022: £339,624) (see note 5) includes £155,844 (2022: £191,258) which relates to employees of the parent charity, the costs of which formed part of donated services (see note 3).

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

9 Employees

(Continued)

The number of employees whose remuneration, for the reporting period, was more than £60,000 is as follows:

	2023	2022
	Number	Number
£70,000 - £80,000	1	-
£100,000 - £110,000	-	1
	<u> </u>	<u> </u>

10 Trustees and key management personnel remuneration

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the 9 month period.

Included within donated services are costs incurred by Charity Global, Inc. in relation to the salary and reimbursed expenditure for travel and subsistence, of £4,404 (2022: £5,943), for Scott Harrison, a trustee of the charitable company who is also an employee of the US parent. A provision included in the UK charitable company's governing document permits remuneration to be paid to trustees through a related entity. The UK charitable company made no payment in relation to these costs.

During the 9 month period, key management personnel received total compensation of £77,065 (2022: £104,294).

11 Other receivables

	2023	2022
	£	£
Amounts falling due within one year:		
Pledges receivable	146,848	466,350
Prepayments	8,787	4,810
	<u>155,635</u>	<u>471,160</u>
	2023	2022
Amounts falling due after more than one year:	£	£
Pledges receivable	38,618	39,190
	<u> </u>	<u> </u>
Total debtors	<u>194,253</u>	<u>510,350</u>

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

12 Current liabilities

	2023	2022
	£	£
Grants payable	-	1,080,701
Other payables	5,282	3,466
Accruals and deferred income	13,500	14,478
	<u>18,782</u>	<u>1,098,645</u>

13 Called up share capital

	2023	2022
	£	£
Issued and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

14 Unrestricted funds

	At 1 January 2023	Incoming resources	Resources expended	At 30 September 2023
	£	£	£	£
General funds	<u>1,760,000</u>	<u>981,792</u>	<u>(924,622)</u>	<u>1,817,170</u>
Previous year:				
	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	<u>1,783,582</u>	<u>861,148</u>	<u>(884,730)</u>	<u>1,760,000</u>

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2023	Movement in funds Incoming resources	Resources expended	Balance at 30 September 2023
	£	£	£	£
Water projects	<u>76,936</u>	<u>1,576,093</u>	<u>(1,114,995)</u>	<u>538,034</u>

100% of the money raised through charity: water's public fundraising campaigns is restricted to directly fund water projects in developing countries.

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2023

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Share capital £	Total £
Fund balances at 30 September 2023 are represented by:				
Net current assets	1,817,170	538,034	1	2,355,205

17 Related party transactions

During the period under review, the charitable company had the following transactions with Charity Global, Inc., a US based charity and the 100% parent entity of Charity Global (UK) Limited:

Services donated by Charity Global, Inc.: £334,313 (2022: £539,102).

Grants payable in the period to Charity Global, Inc. amounted to £1,114,995 (2022: £2,261,694). No amounts were outstanding at the period end (2022: £1,080,701 was outstanding).

During the period, £88,953 (2022: £24,554) of donations were received from trustees.

18 Ultimate controlling party

The charitable company is 100% owned by Charity Global, Inc., a charitable company incorporated in New York, USA. It is a non-profit organisation bringing clean and safe drinking water to people in developing nations. Charity Global, Inc.'s place of business is PO Box 5026, Hagerstown, MD 21741-5026. The public can obtain the consolidated accounts that include the subsidiary charity's accounts from charity: water's website (<https://www.charitywater.org/>).

19 Analysis of changes in net funds

The charitable company had no debt during the period.

20 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the period	518,268	(174,518)
Adjustments for:		
Net investment income	(15,770)	(852)
Movements in working capital:		
Decrease in other receivables	316,097	651,847
(Decrease)/Increase in other payables	(1,079,863)	60,647
Cash (absorbed by)/generated from operations	(261,268)	537,124