



VILLAGE WATER LIMITED

(A company limited by guarantee)

Report and Financial Statements
for the Year Ended
31 December 2017

Registered charity number: 1117377 (England & Wales) SCO44129 (Scotland)

Company number: 05970344



Maseka Village, Mongu District, Zambia.

VILLAGE WATER LIMITED

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Chinete Village, Macate District, Mozambique

VILLAGE WATER LIMITED

General Information

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

Company Registration number 05970344.

Charity Registration number 1117377 (England & Wales) and SCO44129 (Scotland).

Principal and Registered Office:

8a College Hill

Shrewsbury

Shropshire SY1 1LZ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent

ME19 4JQ

Trustees:

Mr David Dixon

Mr John Irwin (Chair)

Mr Hugh Woodhouse (Secretary)

Mr Guy Hudson (resigned 24 March 2017)

Mr Christopher Morley

Mr Richard Pither

Mrs Louise Cook

Mrs Beauty Kaluba (resigned 15 June 2017)

Mr Andrew Picken

Mr Geoff Houston (appointed 5 December 2017)

Ms Hilary Nithsdale (appointed 5 December 2017)

Mr Mahir Sahin (appointed 5 December 2017)

Ms Trina Chakravarti (appointed 5 December 2017)

Independent Auditor:

Harmer Slater Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2017

The Trustees of Village Water present their annual report and audited financial statements for the year ended 31 December 2017 and confirm that they comply with the requirements of the Companies' Act 2006, the Charities' Act 2001, and Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)).

Structure, governance and management

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

The charitable company's Board of Trustees currently comprises eleven individual members who are responsible for the strategic direction and policy of the charitable company. The Board meets four times a year.

Trustees are appointed as required. When considering new Trustees, the board members make recommendations and selection is by interview. Newly appointed Trustees receive induction in Village Water's history, strategic goals and financial activities. Each Trustee is given the opportunity to visit the projects in Africa as part of monitoring activity, to accompany high value donors and to better understand the work.

The staff team is led by the director, responsible for ensuring that the charitable company delivers the services specified and that targets are met. The part-time (90%) director manages a team of five including full-time fundraising and monitoring and evaluation officers and a part time (60%) financial officer. A small team of volunteers supports various functions within Village Water.

Village Water works through local partners in Zambia and Mozambique, with whom they have Partnership Agreements which define roles, expectations and obligations of all parties.

Public benefit

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 demonstrate public benefit.

Risk Management

The Trustees have overall responsibility for ensuring that the charitable company has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them. At each quarterly meeting the board reviews its risk matrix.

Vision and Mission

Our vision is a world where no-one suffers from diseases caused by poor water and sanitation.

Our mission is to build the ability of local partners in Africa, including NGOs, Government bodies and private sector to develop lasting, appropriate solutions to the lack of water, sanitation and hygiene provision in vulnerable communities.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2017 (continued)

Reserves policy

It is the Trustees' policy to ensure that Village Water maintains a readily realisable unrestricted reserve sufficient to cover 3 months of overhead costs. Bearing in mind the changing nature of funding patterns and cash flow, and in order not to jeopardise programme activities in Africa, from time to time this reserve may be used when pending funding is certain in the form of committed grants and monthly regular giving.

Investment policy

Given the level of funds currently held, the Trustees agreed to retain surplus funds in a deposit account at the best rate possible whilst retaining instant access to the deposits as required. This will be reviewed annually.

Principal activities

Since 2004 Village Water has supported the provision of safe water alongside hygiene & sanitation promotion in more than 1000 villages and schools in rural Africa, thus improving health, which brings opportunities for work and education for hundreds of thousands of people. Our work goes further than just installing pumps. We support in-country partners to deliver our integrated hygiene and sanitation projects, encouraging long-term behaviour change. Training local people to service the growing demand for water means technically skilled teams are in the area, reducing the dependency on external agencies, and ensuring that if a pump breaks, it can be fixed quickly.

Since 2011, we have invested in manual drilling as an alternative to mechanical drilling or hand digging. A well can be completed in one day, the technology is safer and cheaper, and the lightweight kit can be used in cut off areas and unstable soils. We will continue to trial the technology in new locations to advocate for its use to reach the Sustainable Development Goal 6: clean water & sanitation for all.

In 2017, Village Water helped to transform life for more than 19,500 people in 39 villages, 15 schools, and 2 rural health centres in Zambia. We continued our support for 3,500 people in Mozambique.

Financial review

The net incoming resources (surplus) for the ordinary activities for the year amounted to £11,715 (2016: £55,993).

For every £1 invested in fundraising we raised £9.40 and we spent 86 pence in every £1 on charitable activities, 11 pence on fundraising and 3 pence on governance.

The Trustees consider the above results satisfactory.

VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2017 (continued) Statement of Trustees' responsibilities

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

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

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

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

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

Statement as to disclosure to auditors

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

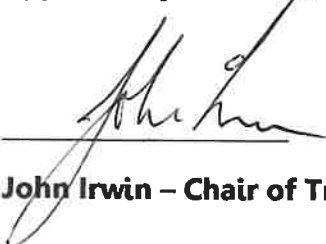
Auditors

The Trustees have agreed that Harmer Slater Limited be approved once again as auditors.

Small company provisions

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

Approved by the Board on 17 April 2018 and signed on their behalf by:



John Irwin – Chair of Trustees

VILLAGE WATER LIMITED

Statement of Financial Activities

(incorporating an Income and Expenditure account)
for the year to 31 December 2017

	Note	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Incoming Resources					
Incoming resources from generated Funds:					
Donations	2	328,439	178,260	506,699	525,268
Investment Income:					
Bank and Other Interest	3	<u>298</u>	<u>-</u>	<u>298</u>	<u>717</u>
Total Incoming Resources		<u>328,737</u>	<u>178,260</u>	<u>506,997</u>	<u>525,985</u>
Resources Expended					
Charitable Activities Zambia		46,887	279,245	326,132	343,817
Charitable Activities Mozambique		38,292	60,311	98,603	57,528
Fund raising expenses		53,733	-	53,733	52,176
Governance		<u>16,814</u>	<u>-</u>	<u>16,814</u>	<u>16,471</u>
Total resources expended	4	<u>155,726</u>	<u>339,556</u>	<u>495,282</u>	<u>469,992</u>
Net income/(expenditure) for the year before transfers		173,011	(161,296)	11,715	55,993
Transfers between funds	6	<u>(148,243)</u>	<u>148,243</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year after transfers		24,768	(13,053)	11,715	55,993
Reserves at 1 January 2017		<u>125,030</u>	<u>49,796</u>	<u>174,826</u>	<u>118,833</u>
Reserves at 31 December 2017		<u>149,798</u>	<u>36,743</u>	<u>186,541</u>	<u>174,826</u>

Notes:

All of the above results are derived from continuing activities.

All gains and losses in the year are included above.

The notes on pages 11 to 19 form part of the Financial Statements.

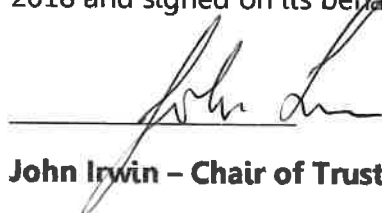
VILLAGE WATER LIMITED

Balance Sheet (Company no. 05970344) As at 31 December 2017

	Note	Total Funds	
		2017 £	2016 £
Non-current Assets			
Property, plant and equipment	10	<u>243</u>	<u>486</u>
Current Assets			
Receivables	11	49,876	49,124
Cash and cash equivalents	12	<u>141,821</u>	<u>130,072</u>
		191,697	179,196
Payables: Amounts falling due within one year	13	(<u>5,399</u>)	(<u>4,856</u>)
Net current assets		<u>186,298</u>	<u>174,340</u>
Net Assets	15	<u>186,541</u>	<u>174,826</u>
Funds			
Unrestricted	16	149,798	125,030
Restricted	16		
Zambia		13,800	20,853
Mozambique		<u>22,943</u>	<u>28,943</u>
		<u>186,541</u>	<u>174,826</u>

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

These financial statements were approved and authorised for issue by the Board on 17 April 2018 and signed on its behalf by:



John Irwin – Chair of Trustees

The notes on pages 11 to 19 form part of the Financial Statements

VILLAGE WATER LIMITED

Statement of Cash Flows for the year to 31 December 2017

	2017	2016
	£	£
Net cash flows from operating activities		
Net income for the year	11,715	55,993
Adjustments for items not affecting cash flows:		
Depreciation of equipment	243	243
Bank interest received	(298)	(717)
Net operating cash flows before reinvestment in working capital	11,660	55,519
Increase in receivables	(752)	(24,046)
Increase in payables	<u>543</u>	<u>812</u>
Net cash flows from operating activities	<u>11,451</u>	<u>32,285</u>
Net cash flows from investing activities		
Purchase of non-current assets	-	(729)
Bank interest received	<u>298</u>	<u>717</u>
Cash generated from/(used in) investing activities	<u>298</u>	<u>(12)</u>
Increase in cash and cash equivalents	<u>11,749</u>	<u>32,273</u>
Cash and cash equivalents at the beginning of the year	<u>130,072</u>	<u>97,799</u>
Cash and cash equivalents at the end of the year	<u>141,821</u>	<u>130,072</u>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017

1. Accounting policies

General information

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

The company's registered office address is shown on page 3. The nature of the charitable company's operations and its principal activities are set out in the Trustees' Report on pages 4 - 6.

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

Going Concern

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

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Charities Statement of Recommended Practice issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared using the historical cost convention.

The functional currency of the charity is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which it operates. The financial statements are presented in pound sterling (£).

Incoming resources

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

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

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

Resources expended

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

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

Fund structure

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

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

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

Property, plant and equipment

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

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

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

Furniture & equipment	33% per annum on straight line
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Receivables

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

Cash and cash equivalents

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

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

Payables

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

Financial instruments

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

Foreign exchange

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the Statement of Financial Activities.

Pensions

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

2. Donations

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Community	19,731	9,998	29,729	15,470
Corporate	76,159	13,800	89,959	15,281
Individuals	109,718	7,416	117,134	107,928
Statutory (GOADC & DFID)	-	25,000	25,000	139,462
Trusts/Foundations	<u>122,831</u>	<u>122,046</u>	<u>244,877</u>	<u>247,127</u>
Total Donations	<u>328,439</u>	<u>178,260</u>	<u>506,699</u>	<u>525,268</u>

Income from donations in 2016 was made up of £246,099 in unrestricted funds and £279,169 in restricted funds.

3. Interest income

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Bank interest receivable	<u>298</u>	<u>-</u>	<u>298</u>	<u>717</u>

In 2016 investment income was all unrestricted.

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

4. Analysis of Resources Expended

a) Restricted Resources Expended

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

	2017 £	2016 £
Remittances to Zambia		
Supporting partners to deliver water, sanitation & hygiene	272,441	157,269
Other Projects	-	20,134
DFID	-	<u>103,695</u>
	<u>272,441</u>	<u>281,098</u>
Direct Expenditure in UK on work in Zambia		
Capacity Development	1,874	3,114
Vehicles	2,864	-
IT, Equipment and Materials	2,066	2,613
DFID	-	<u>9,346</u>
	<u>6,804</u>	<u>15,073</u>
Direct Expenditure in UK and Mozambique		
Supporting partners to deliver water, sanitation & hygiene	<u>60,311</u>	<u>23,714</u>
Total Expenditure	<u>339,556</u>	<u>319,885</u>

b) Unrestricted Resources Expended

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

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

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

b) Unrestricted Resources Expended (continued)

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

	Charitable Activities Zambia	Charitable Activities Mozambique	Fund Raising Expenses	Governance	Total 2017	Total 2016
	£	£	£	£	£	£
Salaries	42,732	35,547	46,369	13,312	137,960	129,346
Recruitment	122	79	158	36	395	225
Training	146	95	189	43	473	320
Travel	960	623	1,246	285	3,114	3,228
Volunteers	196	128	256	59	639	1,650
Events & fundraising	-	-	1,957	-	1,957	3,613
Office costs	2,138	1,387	2,774	636	6,935	7,250
Insurance	221	143	286	66	716	775
IT expenses	159	103	401	47	710	797
Other	213	187	97	234	731	1,213
governance costs						
Audit fees	-	-	-	1,920	1,920	1,680
Bank charges	-	-	-	176	176	10
	<u>46,887</u>	<u>38,292</u>	<u>53,733</u>	<u>16,814</u>	<u>155,726</u>	<u>150,107</u>

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

Events & 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.

5. Employees and Trustees

The aggregate payroll costs were as follows:

	2017 £	2016 £
Salaries	121,994	118,015
Social security costs	8,214	7,977
Pension costs	7,752	6,848
	<u>137,960</u>	<u>132,840</u>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

5. Employees and Trustees (continued)

No employee received emoluments above £60,000.

The average number of employees during the year calculated as full-time equivalents was 4.5 (2016: 4.3).

The Trustees were not paid any remuneration or received any other benefits from employment with the charitable company in the year (2016: £nil).

2 Trustees were paid expenses of £246 (2016: 6 Trustees £751) for travelling to UK Trustees' meetings. No charity Trustee received payment for professional or other services supplied to the charity (2016: £nil).

6. Transfers

In accordance with a standing Board resolution to support expenditure in Africa with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £148,243 (2016: £67,075) were transferred to restricted funds.

7. Movement in funds

Net movement in funds is stated after charging:

	2017 £	2016 £
Depreciation	<u>243</u>	<u>243</u>

8. Auditor's remuneration

	2017 £	2016 £
Auditor's remuneration – the audit of charitable company's accounts	<u>1,920</u>	<u>1,680</u>

9. Taxation and charitable status

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

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

10. Non-current assets

	Furniture & Equipment £
Cost	
At 1 January and 31 December 2017	<u>3,962</u>
Depreciation	
At 1 January 2017	3,476
Charge in the year	<u>243</u>
At 31 December 2017	<u>3,719</u>
Net book value at 31 December 2017	<u>243</u>
Net book value at 31 December 2016	<u>486</u>

11. Receivables

	2017 £	2016 £
Gift Aid Recoverable	11,078	6,992
Pledged Donations	37,668	40,220
Other Receivables	283	1,090
Prepayments	<u>847</u>	<u>822</u>
	<u>49,876</u>	<u>49,124</u>

The pledged donations at 31 December 2017 satisfied the recognition criteria stipulated by SORP FRS 102.

12. Cash and cash equivalents

	2017 £	2016 £
Cash at bank	141,591	129,886
Petty cash	<u>230</u>	<u>186</u>
	<u>141,821</u>	<u>130,072</u>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

13. Payables: amounts falling due within one year

	2017 £	2016 £
Other taxes and social security	2,902	2,683
Other payables	<u>2,497</u>	<u>2,173</u>
	<u>5,399</u>	<u>4,856</u>

14. Pensions scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £7,752 (2016: £6,848).

Contributions totalling £530 (2016: £493) were payable to the scheme at the end of the year and are included in payables.

15. Analysis of net assets between funds

Year ended 31 December 2017	Unrestricted Funds £	Restricted		Total £
		Zambia	Mozambique	
		£	£	
Property, plant & equipment	243	-	-	243
Receivables	36,076	13,800	-	49,876
Cash at Bank	118,878	-	22,943	141,821
Payables	(5,399)	-	-	(5,399)
	<u>149,798</u>	<u>13,800</u>	<u>22,943</u>	<u>186,541</u>

Year ended 31 December 2016	Unrestricted Funds £	Restricted		Total £
		Zambia	Mozambique	
		£	£	
Property, plant & equipment	486	-	-	486
Receivables	39,937	9,187	-	49,124
Cash at Bank	89,463	11,666	28,943	130,072
Payables	(4,856)	-	-	(4,856)
	<u>125,030</u>	<u>20,853</u>	<u>28,943</u>	<u>174,826</u>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

16. Movements in funds

	At 1 Jan 2017 £	Incoming Resources £	Outgoing Resources £	At 31 Dec 2017 £
Unrestricted				
Property, plant & equipment	486	-	(243)	243
Receivables	39,937	36,076	(39,937)	36,076
Cash at Bank	89,463	194,018	(164,603)	118,878
Payables	(4,856)	(5,399)	4,856	(5,399)
Total Unrestricted Funds	<u>125,030</u>	<u>224,695</u>	<u>(199,927)</u>	<u>149,798</u>
Restricted				
Village Water Zambia	20,853	281,379	(288,432)	13,800
Mozambique	<u>28,943</u>	<u>54,900</u>	<u>(60,900)</u>	<u>22,943</u>
Total Restricted Funds	<u>49,796</u>	<u>336,278</u>	<u>(349,332)</u>	<u>36,743</u>
Total Funds	<u>174,826</u>	<u>560,974</u>	<u>(549,259)</u>	<u>186,541</u>

	At 1 Jan 2016 £	Incoming Resources £	Outgoing Resources £	At 31 Dec 2016 £
Unrestricted				
Property, plant & equipment	-		486	486
Receivables	25,037	39,937	(25,037)	39,937
Cash at Bank	74,403	179,136	(164,076)	89,463
Payables	(4,044)	(4,856)	4,044	(4,856)
Total Unrestricted Funds	<u>95,396</u>	<u>214,217</u>	<u>(184,583)</u>	<u>125,030</u>
Restricted				
Village Water Zambia	9,577	174,425	(163,149)	20,853
Other Projects	-	20,134	(20,134)	-
DFID	13,860	99,181	(113,041)	-
Mozambique	<u>-</u>	<u>52,658</u>	<u>(23,715)</u>	<u>28,943</u>
Total Restricted Funds	<u>23,437</u>	<u>346,397</u>	<u>(320,039)</u>	<u>49,796</u>
Total Funds	<u>118,833</u>	<u>560,614</u>	<u>(504,622)</u>	<u>174,826</u>

VILLAGE WATER LIMITED

Notes to the financial statements for the year to 31 December 2017 (continued)

17. Other commitments

The charitable company had annual commitments at the year-end under operating leases expiring as follows:

	Land and buildings	
	2017	2016
	£	£
Within one year	4,800	4,800
Within two and five years	<u>6,400</u>	<u>11,200</u>
	<u>11,200</u>	<u>16,000</u>

At 31 December 2017, the charitable company had no contractual capital commitment (2016: £nil).

18. Company limited by guarantee

The company is a charitable company limited by guarantee and consequently does not have share capital. Each of the 11 (2016: 9) members of the charitable company is liable to contribute £10 towards the assets of the company in the event of liquidation.

19. Related party transactions

The charitable company works in partnership with independent local charities in Zambia and 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 £272,441 (2016: £281,098) to these partners.

20. Events after the financial period

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

VILLAGE WATER LIMITED

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

Opinion on financial statements

We have audited the financial statements of Village Water Limited for the year ended 31 December 2017 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Who are we reporting to

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' (who are also directors of the charitable company for the purpose of the company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

VILLAGE WATER LIMITED

Report of the Independent Auditors to the Members and Trustees of Village Water Limited (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

VILLAGE WATER LIMITED

Report of the Independent Auditors to the Members and Trustees of Village Water Limited (continued)

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the Trustees, who are Directors for the purpose of the company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the 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 Governors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/>. This description forms part of our auditor's report.



Ransford Agyei-Boamah
Senior Statutory Auditor

for and on behalf of:
HARMER SLATER LIMITED
Chartered Accountants and Statutory Auditors
17 April 2018

Salatin House
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