

VILLAGE WATER LIMITED

VILLAGE WATER

Changing
lives for
good

VILLAGE WATER LIMITED

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

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



Filomena Giraldo washing her face, Mozambique.

VILLAGE WATER LIMITED

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Regina Fazenda at a hygiene and sanitation training in Mozambique



Reference and administrative details

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

Company Registration number 05970344.

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

Principal and Registered Office:

Room C, URC Offices

Coleham Head

Shrewsbury

Shropshire

SY3 7BJ

Telephone: +44 (0) 1743 241563

Website: www.villagewater.org

E-mail: info@villagewater.org

Bankers:

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4JQ

Trustees:

Mr Hugh Woodhouse (Secretary) (retired 20.04.2023)

Mr Christopher Morley (retired 12.10.2023)

Mrs Louise Cook

Mr Andrew Picken (Chair)

Ms Trina Chakravarti

Mr Paul Marston

Ms Sarah-Jane Docherty

Mr Steven Andre (appointed 20.01.2023)

Mr Martyn Anwyl (appointed 20.01.2023)

Ms Zara Prabhu (appointed 20.01.2023)

Mr Drake Peabody (appointed 25.01.2024)

Mr Martin Rickard (appointed 18.04.2024)

Independent Auditor:

Shaw Gibbs (Audit) Limited

Statutory Auditor

Salatin House

19 Cedar Road

Sutton

Surrey SM2 5DA

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

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

Structure, governance, and management

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

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

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

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

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

Principal activities

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

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

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

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

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

Principal activities (continued)

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

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

Public benefit

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

Risk Management

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

2023 Overview:

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

Zambia:

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

VILLAGE WATER LIMITED

2023 Overview (continued)

Mozambique:

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

Income

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

Income streams

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

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

Key Successes

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

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

Expenditure

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

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

Fundraising statement

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

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

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

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

Grant making statement

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

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

Grant making statement(continued)

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

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

Events after the year end

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

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

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

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

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

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

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

Statement as to disclosure to auditors

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

Going concern

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

Auditors

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

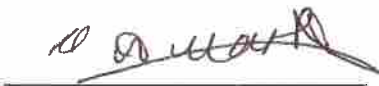
VILLAGE WATER LIMITED
Trustees' Report for the year ending 31 December 2023
Statement of Trustees' responsibilities

Small company provisions

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

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

Paul Marston - Trustee



P. MARSTON

16.7.2024

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

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

Notes:

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

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

VILLAGE WATER LIMITED

Amended

Balance Sheet

(Company no. 05970344)

As at 31 December 2023

Total Funds

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

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

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

Paul. Marston - Trustee



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

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

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

VILLAGE WATER LIMITED

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

1) Accounting Policies

General information

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

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

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

Going Concern

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

Statement of compliance

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

Basis of preparation

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

Incoming resources

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

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

Reserves policy

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

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

VILLAGE WATER LIMITED

Reserves policy (Continued)

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

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

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

Resources expended

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

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

Fund structure

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

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

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

Property, plant and equipment

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

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

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

Furniture & equipment

33% per annum on straight line

Receivables

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

VILLAGE WATER LIMITED

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

Cash and cash equivalents

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

Payables

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

Financial instruments

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

Pensions

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

2) Donations

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

3) Interest income

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

VILLAGE WATER LIMITED

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

4) Analysis of Resources Expended

a) Restricted Resources Expended

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

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

b) Unrestricted Resources Expended

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

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

VILLAGE WATER LIMITED

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

4) Analysis of Resources Expended (continued)

b) Unrestricted Resources Expended (continued)

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

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

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

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

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

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

VILLAGE WATER LIMITED

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

5) Employees and Trustees

The aggregate payroll costs were as follows:

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

No employee received emoluments above £60,000.

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

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

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

6) Transfers

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

7) Movement in funds

Net movement in funds is stated after charging:

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

8) Auditor's remuneration

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

9) Taxation and charitable status

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

VILLAGE WATER LIMITED

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

10) Non-current assets

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

11) Receivables

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

12) Cash and cash equivalents

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

13) Payables: amounts falling due within one year

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

14) Pensions scheme

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

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

VILLAGE WATER LIMITED

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

15) Analysis of net assets between fund

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

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

16) Movements in funds

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

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

VILLAGE WATER LIMITED

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

17) Comparatives for Statement of Financial Activities

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

18) Lease commitments

Operating Leases

The total of future minimum lease payments is as follows:

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

19) Company limited by guarantee

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

20) Related party transactions

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

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

VILLAGE WATER LIMITED

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

21) Events after the financial period

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

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

Opinion on financial statements

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

VILLAGE WATER LIMITED

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

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

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

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

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

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

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

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

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

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

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

Use of the audit report

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



Ransford Agyei-Boamah
Senior Statutory Auditor

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

Salatin House
19 Cedar Road
Sutton,
Surrey
SM2 5DA