VILLAGE WATER LIMITED

(A company limited by guarantee)

Report and Financial Statements
for the Year Ended
31 December 2013

Company number: 05970344

Registered charity number: 1117377

Regina from Saanda Village helps her mother with the water collection from the new well.
VILLAGE WATER LIMITED

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</table>

Lumbundu Pelekelo washing her hands at a tippy tap during hygiene and sanitation training in Kalabo.
VILLAGE WATER LIMITED

Trustees’ Report for the year ending 31 December 2013

The Trustees present their annual report and audited financial statements for the year ended 31 December 2013 and confirm that they comply with the requirements of the Companies’ Act 2006, the Charities’ Act 2011 and the Charities’ SORP 2005.

1 Reference and Administrative Information

Village Water is a charitable company limited by guarantee, incorporated on 18 October 2006. The company has no share capital. Each member guarantee is limited to £10.

Company registration number: 5970344
Charity registration number: 1117377

Trustees
Mr David Dixon
Mr John Irwin (Chair)
Mr Hugh Woodhouse
Mrs Jane Thurnell-Read
Mr Guy Hudson
Mr Christopher Morley
Mr Richard Pither (Appointed 26 February 2013)
Mrs Louise Cook (Appointed 10 December 2013)

Secretary
Mr Hugh Woodhouse

Registered Office
9 College Hill
Shrewsbury
SY1 1LZ
Shropshire

Auditors
Harmer Slater Limited
Salatin House
19 Cedar Road
Sutton
Surrey SM2 5DA

For further information please contact:-
Village Water
9 College Hill
Shrewsbury
Shropshire SY1 1LZ

Telephone: +44 (0) 1743 241563
Website: www.vilagewater.org
E-mail: info@vilagewater.org
2 Structure, governance and management

Governing Document
Village Water has been incorporated as a charitable company limited by guarantee and constituted by Memorandum and Articles of Association since 18 October 2006. The company has been registered with the Charity Commission (1117377) since 22 December 2006.

Recruitment and Training of Trustees
Trustees are appointed as and when the board feels this is needed. Potential trustees are recommended by existing trustees and selection is by interview.

Any newly appointed trustees receive induction in Village Water’s strategic goals, method of operation and financial activities. Each trustee also visits our projects in Zambia, to understand our work. Visits are generally part of a monitoring and evaluation activity or to accompany high value donors.

Risk Management
The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls to identify financial and other risks and to take appropriate measures to manage them.

Over the last two years the charity has been able to reduce its dependency on grants from Trusts and Foundations. The current funding base includes trusts, corporate support, individual givers and events.

Health and safety procedures are in place.

Organisational Structure
The Charity’s Board of Trustees should a minimum of 3 individual members who meet four times a year and are responsible for the strategic direction and policy of the charity. At present the Board has eight members.

The staff team comprises a full time director, responsible for ensuring that the Charity delivers the services specified and that targets are met. She manages one full time fundraiser and a part time (40%) finance assistant as well as small group of volunteers and ensures that they continue to develop their skills and working practices. She attends Board meetings but has no voting rights.

Public Benefit
The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Significant activities undertaken during the year that demonstrate public benefit are set out on the following pages.
VILLAGE WATER LIMITED

Trustees’ Report for the year ending 31 December 2013 (continued)

3 Objectives and Activities

Village Water puts lasting safe water, sanitation and hygiene education at the heart of community development in Africa.

The Village Water Way allows us to be flexible to needs as they present themselves and it is this that sets us apart from other organisations.

- **Integration.** Village Water solutions always reflect our integrated approach to water, sanitation and hygiene education.
- **Partnership.** Village Water always works with local partners to find local solutions.
- **Lasting benefits.** Village Water’s integrated approach, delivered through local partners, gives lasting benefits that lead to further community development.

Our core work of water, sanitation and hygiene (WASH) in rural communities and schools in Zambia, supports approximately 20,000 people each year.

There are five steps to the activities carried out in each village we work with:

- **Water committee set up to oversee, monitor & encourage behaviour change. Maintenance fund started**
- **Hygiene & sanitation training sessions. Demonstration facilities, including a latrine constructed**
- **Well and hand pump built. Village contributes gravel, sand & labour**
- **Each household builds its own latrine, bath shelter, pot rack, mortar stand & rubbish pit**
- **2 villagers trained to maintain & repair the water point. Follow up visits help sustain the benefits**

**Achievements**

In 2013 we supported hygiene, sanitation and safe water provision in 116 communities and 5 schools. We also worked in 11 communities to improve their livelihoods through small livestock production. More than 19,500 people directly benefited from our support.

166 follow-up visits were made to communities and schools Village Water supported between 2004 and 2010 to check pump functionality and hygiene status. 95% of water points are
VILLAGE WATER LIMITED

Trustees’ Report for the year ending 31 December 2013 (continued)

working well and most villages are maintaining good practices. Where necessary, support will be
given to improve further.

Over the last three years we have invested in manual drilling of wells, where possible, as a
safer, more cost effective and quicker alternative to manual digging. There are now six local
teams trained in Western Province, offering their services to a wide range of clients from
individuals to international organisations including Danida and Unicef. We will continue to
support these teams to ensure they have the skills to establish viable local businesses.

Our local partner, Village Water Zambia, continues to grow in size and reputation. The team
now numbers 20 including the Director, Provincial Manager, 2 finance staff and 9 field officers
who deliver and oversee the project activities on the ground. Towards the end of the year they
entered into funding agreements with Oxfam and with Unicef which they hope will lead to long
term partnerships.

We continued to develop our monitoring systems and all Village Water Zambia field staff have
received training in recording, analysing and reporting on project impacts in order to identify
any gaps and areas for further development.

4 Financial Review

Overview
2013 saw a modest increase in income of 5.3% with the most significant gains from individual
and corporate fundraising streams.

For every £1 invested in fundraising we raised £17.65. We spent 92 pence in every £1 on
charitable activities, 6 pence on fundraising and 2 pence on governance.

We continue to enjoy the support of V Festival, and the Big Give Campaign. Grants from
Charitable Foundations include The Waterloo Foundation, Wilmslow Wells for Africa, The
Houston Charitable Trust, The SDL Foundation and The Peter Stebbings Memorial Charity as
well as multi-year grants from The Body Shop Foundation and the Sainsbury Family Charitable
Trust.

We were also successful in securing a further grant from Guernsey Overseas Aid Commission.

Unrestricted income accounted for 48% of our total income, which allows us to meet co-funding
requirements in conjunction with other matching grants from trusts.

Our charitable expenditure grew by 16.6%, with a significant increase in remittances to Zambia.
This enabled us to work with 116 communities supporting hygiene, sanitation and water
activities, 11 communities supporting livelihood activities, and 5 schools supporting hygiene
education and safe water provision.

In addition we purchased two reconditioned Land Rover Defenders and supported the training
and development of six manual drilling teams.

Village Water Zambia also received funds directly from Simavi, Unicef, Danida and Oxfam.
Principal Funding Sources

a. Grant making Trusts and Foundations
Income from grant making trusts accounts for approximately 47% of our income in 2013. 51% of this was unrestricted.

b. Corporate supporters
Corporate support remains strong, representing almost 24% of our income, thanks to continued support from Bank of America Merrill Lynch.

c. Individuals
Individual giving now represents just under 20% of our income. This is particularly useful as it is almost all unrestricted; allowing us to allocate it where the need is greatest, which in 2013 was for vehicle support.

d. Rotary International of Great Britain and Ireland ("RIBI")
Our work is endorsed as one of RIBI’s Opportunities to Serve projects. A variety of Rotary Clubs across the UK raised almost £21,000 for activities in both schools and in communities.

e. Thank you
We would like to acknowledge the support of our loyal band of office volunteers, Alan Martin, Dan Lloyd and Ian Stone, who take on so many different duties to help us move forward. We are also grateful to our auditors, Harmer Slater Limited, for their continued support.

Reserves policy
It is the trustees’ policy to ensure that we maintain a readily realisable reserve sufficient to cover three months of overhead costs. As at 31 December 2013 the charity had free reserves of £24,470.

Investment policy
Given the level of funds held, the trustees do not feel it necessary to have an investment policy. This will be reviewed annually. Surplus funds are retained in a deposit account at the best rate possible whilst retaining instant access to the deposits as required.
5 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; and
- 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 the charitable company 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 (issued in March 2005) 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
Each of the Trustees has confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the required steps as trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors
A resolution for the reappointment of Harmer Slater Limited as auditors to the charitable company has been approved by the trustees.
VILLAGE WATER LIMITED

Trustees' Report for the year ending 31 December 2013 (continued)

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 trustees on 8 April 2014 and signed on their behalf by:

[Signature]

John Irwin – Chair of Trustees
VILLAGE WATER LIMITED

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year to 31 December 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted 2013</th>
<th>Restricted 2013</th>
<th>Total 2013</th>
<th>Total 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Incoming resources

Incoming resources from generated funds:
Donations
  2  233,762  256,353  490,115  465,380

Investment income:
Bank and other interest
  99 - 99  129

Total incoming resources
  233,861  256,353  490,214  465,509

Resources expended

Charitable activities Zambia
  3  17,647  371,003  388,650  326,776
Charitable Activities UK
  Project development & monitoring
    New Country R&D
      -  12,436  12,436
  Fund raising expenses
    27,765  -  27,765  32,375
Governance
  12,566  -  12,566  9,004

Total resources expended
  84,464  404,881  489,345  415,962

Net income/(expenditure) for the year before transfers
  149,397  (148,528)  869  49,547

Transfers between funds
  5 (164,592)  164,592  -

Net income/(expenditure) for the year after transfers
  (15,195)  16,064  869  49,547

Balance at 1 January brought forward
  39,665  15,900  55,565  6,018

Closing reserves
  24,470  31,964  56,434  55,565

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 12 to 17 form part of the accounts.
VILLAGE WATER LIMITED

Balance Sheet
(Company no. 05970344)
As at 31 December 2013

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>8</td>
<td>593</td>
<td>348</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>9</td>
<td>38,367</td>
<td>2,031</td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>22,800</td>
<td>101,348</td>
</tr>
<tr>
<td>Cash in hand</td>
<td></td>
<td>138</td>
<td>178</td>
</tr>
<tr>
<td></td>
<td></td>
<td>61,305</td>
<td>103,557</td>
</tr>
<tr>
<td><strong>Creditors:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due</td>
<td></td>
<td>(5,464)</td>
<td>(48,340)</td>
</tr>
<tr>
<td>within one year</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>55,841</td>
<td>55,217</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>56,434</td>
<td>55,565</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>12</td>
<td>24,470</td>
<td>39,665</td>
</tr>
<tr>
<td>Restricted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Village Water Zambia</td>
<td>12</td>
<td>12,377</td>
<td>250</td>
</tr>
<tr>
<td>Lessons for Life</td>
<td></td>
<td>12,023</td>
<td>5,650</td>
</tr>
<tr>
<td>LIFE</td>
<td></td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>New Country - Mozambique</td>
<td></td>
<td>7,564</td>
<td>-</td>
</tr>
<tr>
<td>HCD Memorial Fund</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>56,434</td>
<td>55,565</td>
</tr>
</tbody>
</table>

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 the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved and authorised for issue by the Board on 8 April 2014 and signed on its behalf by:

[Signature]
John Irwin – Chair of Trustees

The notes on pages 12 to 17 form part of the accounts
VILLAGE WATER LIMITED

Notes to the accounts
for the year to 31 December 2013

1. Accounting policies

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 have 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 charity for at least 12 months.

Basis of accounting
The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, with the applicable requirements of the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2005)” issued by the Charity Commission in March 2005, the Charities Act 2011 and the Companies Act 2006, and under the historical cost accounting rules.

A summary of the significant accounting policies which have been consistently applied in the current and preceding period is set out below.

Exemption from preparing a cash flow statement
The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard for Smaller Entities (effective April 2008).

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

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 Zambia represents direct expenditure incurred through grants to Village Water Zambia for its operational activities together with associated support costs to deliver safe water, sanitation and hygiene.

Fund raising expenses relate to the costs incurred by the charity in raising funds for the charitable work.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the charity as opposed to those costs associated with general running of the charity, fundraising or charitable activity. These governance costs include external audit costs, trustee costs in governance of the organisation.

Fund accounting
Unrestricted funds are donations and other incoming resources receivable for the object of the charity without further specified purpose and are available as general funds.

Restricted funds are subjected to restrictions on their expenditure as imposed by the donor.
1. Accounting policies - continued

Fixed Assets
Tangible fixed assets are stated at historical cost less depreciation where appropriate. Cost 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 and Equipment 33% per annum

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 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

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2013 Total</th>
<th>2012 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>11,435</td>
<td>14,151</td>
<td>25,586</td>
<td>39,594</td>
</tr>
<tr>
<td>Corporate</td>
<td>15,927</td>
<td>100,319</td>
<td>116,246</td>
<td>102,710</td>
</tr>
<tr>
<td>Individuals</td>
<td>87,319</td>
<td>6,913</td>
<td>94,232</td>
<td>71,025</td>
</tr>
<tr>
<td>Statutory (GOAC)</td>
<td>-</td>
<td>22,000</td>
<td>22,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Trusts/Foundations</td>
<td>119,081</td>
<td>112,970</td>
<td>232,051</td>
<td>222,051</td>
</tr>
<tr>
<td></td>
<td><strong>233,762</strong></td>
<td><strong>256,353</strong></td>
<td><strong>490,115</strong></td>
<td><strong>465,380</strong></td>
</tr>
</tbody>
</table>
3. Charitable activities

Village Water UK raises donations in the UK to support water, sanitation and hygiene (WASH) activities in four districts in Zambia's Western Province. The monies are remitted to Village Water Zambia, an independent Zambian NGO, which carries out the fieldwork.

Restricted expenditure was spent as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Remittances to Zambia</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting partners to deliver water, sanitation &amp; hygiene</td>
<td>334,984</td>
<td>237,927</td>
</tr>
<tr>
<td>Lessons for Life</td>
<td>16,843</td>
<td>6,600</td>
</tr>
<tr>
<td>LIFE</td>
<td>20,435</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>372,262</td>
<td>264,527</td>
</tr>
<tr>
<td><strong>Contributions to Direct Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>(1,126)</td>
<td>-</td>
</tr>
<tr>
<td>Water Testing/Equipment</td>
<td>(3,985)</td>
<td>-</td>
</tr>
<tr>
<td>Contribution to Offices (Build IT)</td>
<td>(1,400)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(5,511)</td>
<td>(1,400)</td>
</tr>
<tr>
<td><strong>Direct Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>-</td>
<td>45,952</td>
</tr>
<tr>
<td>Water Testing/Equipment</td>
<td>-</td>
<td>8,478</td>
</tr>
<tr>
<td>Travel</td>
<td>2,370</td>
<td>1,280</td>
</tr>
<tr>
<td>IT, Equipment and Materials</td>
<td>1,482</td>
<td>593</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,852</td>
<td>56,303</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>371,003</td>
<td>319,430</td>
</tr>
</tbody>
</table>

4. Employees and trustees

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>79,940</td>
<td>63,067</td>
</tr>
<tr>
<td>Social security costs</td>
<td>7,739</td>
<td>6,343</td>
</tr>
<tr>
<td>Pension costs</td>
<td>2,949</td>
<td>2,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>90,628</td>
<td>72,210</td>
</tr>
</tbody>
</table>

No employee received remunements above £60,000.

The average number of employees employed during the year calculated as full time equivalents was 2.80 (2012: 2.09).

No trustees received remuneration in connection with their position. Trustee monitoring and evaluation travel costs to Zambia amounting to £1,392 (2012: £1,240) were incurred. Three trustees were paid expenses of £546 (2012 two trustee £494) for travelling to UK Trustees' meetings but donated their reimbursements to Village Water. No trustee attended a paid training course in 2013.

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 £2,949 (2012: £2,800). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.
5. **Transfers**

In accordance with a standing Board resolution to support expenditure in Zambia with unrestricted funds and maintain a positive balance on restricted funds, unrestricted funds of £164,592 (2012 £148,000) were transferred to restricted funds.

6. **Net incoming resources before transfers**

This is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>644</td>
<td>347</td>
</tr>
<tr>
<td>Auditor's remuneration – the audit of charity’s annual account</td>
<td>1,680</td>
<td>1,680</td>
</tr>
</tbody>
</table>

7. **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 accounts.

8. **Fixed assets**

<table>
<thead>
<tr>
<th></th>
<th>Furniture &amp; Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
</tr>
<tr>
<td>Cost:</td>
<td></td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>2,344</td>
</tr>
<tr>
<td>Additions in year</td>
<td>889</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>3,233</td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>1,996</td>
</tr>
<tr>
<td>Charge in year</td>
<td>644</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>2,640</td>
</tr>
<tr>
<td>Net book value at 31 December 2013</td>
<td>593</td>
</tr>
<tr>
<td>Net book value at 31 December 2012</td>
<td>348</td>
</tr>
</tbody>
</table>

9. **Debtors**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift Aid recoverable</td>
<td>3,062</td>
<td>366</td>
</tr>
<tr>
<td>Pledged donations</td>
<td>29,850</td>
<td>-</td>
</tr>
<tr>
<td>Other Debtors</td>
<td>3,401</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,054</td>
<td>1,665</td>
</tr>
<tr>
<td></td>
<td>38,367</td>
<td>2,031</td>
</tr>
</tbody>
</table>

The Pledged donations at 31 December 2013 satisfied the recognition criteria stipulated by SORP 2005.
VILLAGE WATER LIMITED

Notes to the accounts - continued
for the year to 31 December 2013

10. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other taxes and social security</td>
<td>1,984</td>
<td>1,647</td>
</tr>
<tr>
<td>Other Creditors</td>
<td>3,480</td>
<td>46,693</td>
</tr>
<tr>
<td></td>
<td>5,464</td>
<td>48,340</td>
</tr>
</tbody>
</table>

11. Analysis of net assets

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Village Water Zambia</td>
<td>Lessons for Life</td>
<td>New Country R&amp;D</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>593</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debtors</td>
<td>32,213</td>
<td>5,029</td>
<td>1,125</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>(2,872)</td>
<td>7,348</td>
<td>10,898</td>
</tr>
<tr>
<td>Creditors</td>
<td>(5,464)</td>
<td>-</td>
<td>7,564</td>
</tr>
<tr>
<td></td>
<td>24,470</td>
<td>12,377</td>
<td>12,023</td>
</tr>
</tbody>
</table>

12. Movements in funds

<table>
<thead>
<tr>
<th></th>
<th>At 1 Jan 2013</th>
<th>Incoming resources</th>
<th>Outgoing resources</th>
<th>At 31 Dec 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>348</td>
<td>889</td>
<td>(644)</td>
<td>593</td>
</tr>
<tr>
<td>Debtors</td>
<td>2,031</td>
<td>30,183</td>
<td>-</td>
<td>32,213</td>
</tr>
<tr>
<td>Cash</td>
<td>40,626</td>
<td>58,556</td>
<td>(102,055)</td>
<td>(2,872)</td>
</tr>
<tr>
<td>Creditors</td>
<td>(3,340)</td>
<td>-</td>
<td>(2,124)</td>
<td>(5,464)</td>
</tr>
<tr>
<td>Total Unrestricted Funds</td>
<td>39,665</td>
<td>89,628</td>
<td>(104,822)</td>
<td>24,470</td>
</tr>
</tbody>
</table>

| Restricted           |               |                    |                    |                 |
| Village Water Zambia | 250           | 431,973            | (419,846)          | 12,377          |
| Lessons for Life     | 5,650         | 23,216             | (16,843)           | 12,023          |
| LIFE                 | 10,000        | 10,435             | (20,435)           | -               |
| Mozambique           | -             | 20,000             | (12,436)           | 7,564           |
| Total Restricted Funds | 15,900      | 485,624            | (469,560)          | 31,964          |

| Total Funds          | 55,565        | 575,252            | (574,383)          | 56,434          |
VILLAGE WATER LIMITED

Notes to the accounts - continued
for the year to 31 December 2013

13. Company limited by guarantee

The liability of 8 (2012: 6) members of the charity is limited by guarantee of £10 each.

14. Related party transactions

The charity works in partnership with Village Water Zambia, an independent Zambian Non Governmental Organisation. The charity and Village Water Zambia share a common purpose. Village Water Zambia receives funding for its charitable objectives from the charity and from other donors.

During the year the charity remitted £371,003 (2012: £319,430) to Village Water Zambia.
VILLAGE WATER LIMITED

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

We have audited the financial statements of Village Water Limited for the year ended 31 December 2013 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable to law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report, including the opinions, has been prepared for and only for the Charitable Company’s members and Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies’ Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Respective responsibilities of Trustees and auditors
As explained more fully in the Trustees’ Responsibilities Statement set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees’ Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Trustees’ Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006
requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns
  adequate for our audit have not been received from branches not visited by us; or
- the charitable company’s financial statements are not in agreement with the accounting
  records or 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small
  companies regime and take advantage of the small companies exemption in preparing the
  Trustees’ Annual Report.

..............................................................
Ransford Agyei-Boamah
Senior Statutory Auditor

for and on behalf of:
HARMER SLATER LIMITED
Chartered Accountants and Statutory Auditors
8 April 2014

Salatin House
19 Cedar Road
Sutton, Surrey
SM2 5DA