

**Charity Registration No. 1169228**

**Company Registration No. 10377607 (England and Wales)**

**CHARITY GLOBAL (UK) LIMITED**

**CHARITY: WATER**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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<b>Trustees</b>	Patrick Luke Beauchamp Valerie Donati Alexander Gordon Scott Harrison Samuel Lawson Johnston Onyeije Nwokorie Mara Klemich	(Appointed 26 February 2020)
<b>Secretary</b>	Christopher Barton	
<b>Charity number</b>	1169228	
<b>Company number</b>	10377607	
<b>Registered office</b>	Devonshire House 1 Devonshire Street London W1W 5DR	
<b>Auditor</b>	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR	
<b>Bankers</b>	HSBC UK Bank Plc London Commercial Banking Centre 6th Floor 71 Queen Victoria Street London EC4V 4AY	
<b>Solicitors</b>	Withers LLP 16 Old Bailey London EC4M 7EG	

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# CHARITY GLOBAL (UK) LIMITED

## CHARITY: WATER

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**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The trustees present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

**Objectives and activities**

charity: water is a non-profit organisation. Our vision is to reinvent charity, and our mission is to bring clean and safe drinking water to people in developing countries. 100% of all public donations fund water projects and we prove our projects using photos and GPS coordinates.

We operate as a grant-making charity. Grants relieve poverty and suffering through the improvement of water supplies and sanitation services and the advancement of education in relation to water, sanitation and safe hygiene practices.

The Objects of charity: water are such charitable purposes for the public benefit in any part of the world as the trustees in their absolute discretion determine, including but without limitation:

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

**Public benefit statement**

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

**Achievements and performance - funding clean water and leading in sustainability**

In 2019, charity: water raised enough funds to bring clean water to 52,753 people in the developing world. This brings our total impact, since 2017, to more than 93,000 people across 13 different countries. Our 2019 funds were used in two grants to Charity Global, Inc, both of which only funded water and sanitation projects. Neither funded internal administration costs.

These two grants were:

- 1. £328,749 to fund solutions like drilled wells, tap stands, rainwater harvesting and water filters in three countries:
  - A. Ethiopia
  - B. India
  - C. Malawi
- 2. £990,085 to fund solutions like drilled wells, tap stands, rainwater harvesting and water filters in nine countries:
  - A. Ethiopia
  - B. Cambodia
  - C. Malawi
  - D. Madagascar
  - E. Rwanda
  - F. India
  - G. Uganda
  - H. Bangladesh
  - I. Sierra Leone

**CHARITY GLOBAL (UK) LIMITED**  
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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Leading on sustainability**

Keeping water flowing is critical to our mission. In 2019, we sought additional funding to contribute to water project sustainability, specifically the development of comprehensive remote monitoring tools for water projects. These tools use cutting-edge IoT (Internet of Things) sensors and cloud computing technology to equip local leaders in the countries we work with real-time data on water system performance. These sensors are being designed and tested to advance the efficacy of the entire WASH sector.

In 2019, we raised £2,107,000 from one funder, specifically for research and development of this technology. We granted £847,000 to Charity Global, Inc, for this development work. We expect to receive and grant the remainder for this purpose over the next two years.

**Reflecting on 2019's growth**

In 2018's report, we pledged that in 2019 we would:

1. Grow our monthly giving community, The Spring, to over 2,000 members.
2. Recruit another full-time employee.
3. Raise enough funds to bring clean water to 40,000 people.

Against these targets, we:

1. Grew our monthly giving community, The Spring, to over 2,100 members. Collectively, they donated funding to bring clean water to 13,400 people .
2. Ended 2019 with three full-time employees: a Managing Director, Brand Experience Specialist and Senior Key Relationships Officer. This was one more than in 2018 and a slightly different structure to focus on new funding streams.
3. Raised enough funds to bring clean water to over 52,000 people.

In addition, in 2019 we:

- Introduced our innovative MyCW fundraising platform, which tracks every donation to the exact location it is spent and the community impacted. Launched in June, 2019 fundraisers raised over £228,000 to bring clean water to more than 9,100 people.
- Launched partnerships with a number of brands, including Aveda and Uniqlo.

**Financial review**

The Statement of Financial Activities set out on page 12 of the financial statements shows how the charity's incoming resources have been expended in the year ended 31 December 2019.

Total incoming resources amount to £4,394,584 (2018: £1,538,617), which comprise donations restricted in full to water projects and water sustainability of £3,627,756 (2018: £660,887), unrestricted donations of £337,494 (2018: £516,776) used to fund operations, donated services of £429,191 (2018: £360,613) and net investment income of £143 (2018: £341).

Resources expended on charitable activities amounted to £2,960,721 (2018: £1,342,439), of which £2,165,834 (2018: £710,889) was defrayed on making grants, £767,823 (2018: £576,474) incurred in pursuit of the charity's charitable objects and £27,064 on governance costs (2018: £55,706).

The surplus for the year was £1,433,863 (2018: £196,178).

**CHARITY GLOBAL (UK) LIMITED**  
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The Statement of Financial position set out on page 13 of the financial statements shows the financial position of the charity at 31 December 2019.

Total assets less current liabilities amounted to £1,813,020 (2018: £379,157), which is represented by the closing balances on the unrestricted funds, share capital and restricted funds of £350,557, £1 and £1,462,462 respectively (2018: £378,838, £1 and £318 respectively).

charity: water is committed to using its resources in pursuit of its charitable objects. It is also committed to maintaining a level of reserves that is prudent to meet on-going liabilities, sufficient to ensure that all commitments can be met and to protect the long-term future of its operations. We depend on private donors, foundations and sponsors to cover everything from staff salaries to basic office systems to office rent and supplies. These donors are some of our most dedicated: their investment fuels our long-term mission, our ability to scale as an organisation and our mission to continue using 100% of public donations for water projects. At 31 December 2019, the charitable company had free reserves (as represented by unrestricted net current assets) amounting to £350,557. The trustees are satisfied that the current level of reserves are appropriate to its circumstances.

**Grant-making policy**

**1. Public benefit requirement**

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

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

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

**2. Objectives and strategy**

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

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

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

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

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

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. Due Diligence**

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

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

- A. making the grant is in the best interests of the Charity; and
- B. the grant will be used for purposes that fall within the Charity's Objects.

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

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

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

**4. The trustees' criteria**

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

- A. The amount of the proposed grant – is the grant size appropriate bearing in mind the Charity's other proposals or obligations? Is the grant appropriate to the proposed grantee organisation's need?
- B. The proposed use of the grant – is it clear to the trustees what the grant will be used for and that it will be exclusively used for an eligible charitable purpose?
- C. The nature and status of the grantee – is the grantee known to the trustees, for example as a 'household name' (eg Charity Global, Inc., trading as charity: water), or registered with any local regulators of non-profits, including the Charity Commission for England and Wales or similar regulator?
- D. Is the proposed grantee financially sound? - The trustees should be confident that the grant will not be paid to an insolvent organisation;
- E. Other risk factors – is the grantee based in a high-risk jurisdiction for such issues as corruption or terrorism?
- F. Trustee involvement - Is the grant proposed to be made to any organisation in which one of the Charity's trustees is involved? If yes, how?
- G. Suitability of the project – is the project proposed an effective way of furthering the objects of the Charity? What is the intended impact of the project?

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

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**CHARITY: WATER**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**5. Grant conditions**

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

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

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

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

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

**6. Payments abroad**

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

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

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



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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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

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

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

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

#### **7. Record Keeping**

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

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

#### **8. Review**

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

#### **Structure, governance and management**

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

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

Patrick Luke Beauchamp

Valerie Donati

Alexander Gordon

Scott Harrison

Samuel Lawson Johnston

Onyeije Nwokorie

Michael Wilkerson

(Resigned 20 June 2019)

Mara Klemich

(Appointed 26 February 2020)

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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

Our day to day activities were administered by Hannah Bellamy, Managing Director, who reports to the UK Board of trustees.

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

**Plans for the Future**

charity: water has a vision to reinvent charity, and a mission to bring clean, safe drinking water to every single person on the planet. As a grant making organisation, we raise money for clean water solutions, delivered by local partners in developing countries.

Our approach to charity is new and disruptive and we will continue to innovate. 100% of public donations are spent in the developing countries and on the clean water projects. We do not spend one penny from this pot of donations here in the UK. Instead, generous individuals and families opt in to fund our operating costs. We call this group of generous investors, The Well.

At the time of writing this report, the world is experiencing a pandemic, as declared by the World Health Organization on March 11, 2020. Along with many other charitable organisations and businesses, we are seeing a direct impact on our business. Now more than ever, there is a new level of urgency for clean water in the developing world.

We have adapted to meet these challenges by:

- Reducing our overhead costs, such as office rent, travel and headcount.
- Communicating the need for clean water in tackling the Coronavirus and raising funds specifically to support this work.
- Adapting how our funding can be used by local partners. To provide emergency repairs, handwashing facilities for communities and health centres, and PPE for their teams.

Much about the future is uncertain. But our objective remains constant - to continue fundraising for clean water. To achieve this, we will fundraise in efficient, repeatable ways and improve user-flow to increase the proportion of donors claiming Gift Aid. Above all, we will prioritise the health and safety of our team and partners around the world throughout this challenging time.

**Risk Statement**

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

**Principal risks and uncertainties**

We recognise that there are risks inherent in delivering our charitable objectives, and we as trustees are responsible to identify, assess and manage risk and uncertainties. We regularly assess risk and uncertainties, and review during our trustee meetings. Risks identified and mitigated include receiving fewer public donations to fund water projects and/or private donations to fund operations, damage to our reputation, and possible data protection outcomes. Throughout 2019, we reviewed risks to our organisation and assessed their possible impact. We confirm that with our strong organisational policies and processes in place, and our regular evaluation and documentation of possible risks and uncertainties, we have identified and mitigated any possible risks to the organisation in 2019 and for the foreseeable future. We will continue to identify and review any risks to the organisation and review in our trustee meetings to ensure all risks and uncertainties are properly mitigated.

**CHARITY GLOBAL (UK) LIMITED**  
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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Coronavirus**

The World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020. The pandemic, and the measures to control its human impact, have resulted in disruptions to economic activity and business operations worldwide, the effect of which is considered in Note 17 of the financial statements.

**Statement of trustees' responsibilities**

The trustees, who are also the directors of Charity Global (UK) Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

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

**Patrick Luke Beauchamp**

Trustee

Dated: 14 September 2020

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF CHARITY GLOBAL (UK) LIMITED**

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**Opinion**

We have audited the financial statements of Charity Global (UK) Limited (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 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.

**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**

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' 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 charitable company's 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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF CHARITY GLOBAL (UK) LIMITED**

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**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' Report, 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 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF CHARITY GLOBAL (UK) LIMITED**

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**Other matter**

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Marc Levy FCA (Senior Statutory Auditor)**  
**for and on behalf of Citroen Wells**

15 September 2020

**Chartered Accountants**  
**Statutory Auditor**

Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Donations	3	766,685	3,627,756	4,394,441	1,538,276
Net investment income/(loss)	4	(79)	222	143	341
<b>Total income</b>		<u>766,606</u>	<u>3,627,978</u>	<u>4,394,584</u>	<u>1,538,617</u>
<b><u>Expenditure on:</u></b>					
Charitable activities	5	794,887	2,165,834	2,960,721	1,342,439
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(28,281)	1,462,144	1,433,863	196,178
Fund balances at 1 January 2019		378,839	318	379,157	182,979
<b>Fund balances at 31 December 2019</b>		<u>350,558</u>	<u>1,462,462</u>	<u>1,813,020</u>	<u>379,157</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Trade and other receivables	11	2,816,112		219,359	
Cash at bank and in hand		911,015		880,010	
		<u>3,727,127</u>		<u>1,099,369</u>	
<b>Current liabilities</b>	<b>13</b>	<u>(1,914,107)</u>		<u>(720,212)</u>	
Net current assets			<u>1,813,020</u>		<u>379,157</u>
<b>Income funds</b>					
Restricted funds	15		1,462,462		318
Unrestricted funds		350,557		378,838	
Share capital		1		1	
		<u>350,558</u>		<u>378,839</u>	
			<u>1,813,020</u>		<u>379,157</u>

The financial statements were approved by the Trustees on 14 September 2020

Patrick Luke Beauchamp  
**Trustee**

**Company Registration No. 10377607**



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

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		30,862		592,803
<b>Investing activities</b>					
Interest received		143		341	
<b>Net cash generated from investing activities</b>					
			143		341
<b>Financing activities</b>					
Proceeds from borrowings		-		50,000	
<b>Net cash generated from financing activities</b>					
			-		50,000
<b>Net increase in cash and cash equivalents</b>					
			31,005		643,144
Cash and cash equivalents at beginning of year					
			880,010		236,866
<b>Cash and cash equivalents at end of year</b>					
			911,015		880,010

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Charity information**

Charity Global (UK) Limited is a private company limited by shares incorporated in England and Wales. Charity Global (UK) Limited is also a registered charity in accordance with the Charities Act 2011, with charity registration number 1169228. The registered office is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

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

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

**1.2 Going concern**

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

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

**1.4 Incoming resources**

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

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

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

Investment income is recognised on a receivable basis.

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies** **(Continued)**

**1.5 Resources expended**

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

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

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

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

**1.6 Cash and cash equivalents**

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

**1.7 Financial instruments**

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

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

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

***Basic financial assets***

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

***Basic financial liabilities***

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

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

**1.8 Taxation**

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

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**2 Critical accounting estimates and judgements**

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

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

**Donated Services**

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

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

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

**3 Donations**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Donations and gifts	337,494	3,627,756	3,965,250	1,177,663
Donated services	429,191	-	429,191	360,613
<b>For the year ended 31 December 2018</b>	<u>877,389</u>	<u>660,887</u>		<u>1,538,276</u>

**Donated services**

Donated services consist of operating costs incurred by Charity Global, Inc. of £273,391 (2018: £360,613), who incurred these on behalf of the charitable company as they continue to set up their own operations and consultancy services, of £155,800 (2018: £nil), provided by third parties to assist the entity in its charitable objectives.

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**4 Net investment income/(loss)**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Net investment income/(loss)	(79)	222	143	341
<b>For the year ended 31 December 2018</b>	<b>96</b>	<b>245</b>		<b>341</b>

**5 Charitable activities**

	2019 £	2018 £
Wages and salaries	374,061	420,725
Social security costs	11,298	9,746
Pension costs	6,155	5,225
Rent	16,420	12,110
Advertising, events and marketing	125,110	40,441
Insurance	23,405	17,794
Travelling	35,249	43,661
Recruitment fees	10,800	6,000
Printing, postage and stationery	12,389	2,800
Other expenses	2,846	9,876
Computer running costs	311	1,443
Service provider costs	11,479	3,810
Telephone	432	752
Subscriptions	668	2,091
Consultancy fees	137,200	-
	<u>767,823</u>	<u>576,474</u>
Grant funding of activities (see note 6)	2,165,834	710,889
Share of governance costs (see note 7)	27,064	55,076
	<u>2,960,721</u>	<u>1,342,439</u>
<b>Analysis by fund</b>		
Unrestricted funds	794,887	631,550
Restricted funds	2,165,834	710,889
	<u>2,960,721</u>	<u>1,342,439</u>

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**6 Grants payable**

	<b>2019</b>	<b>2018</b>
	£	£
Grants to institutions: Charity Global, Inc.	2,165,834	710,889
	<u>2,165,834</u>	<u>710,889</u>

**7 Governance costs**

	<b>2019</b>	<b>2018</b>
	£	£
Audit fees	9,720	7,200
Legal and Professional fees	7,601	47,276
Accountancy fees	8,186	519
Bank charges	1,557	81
	<u>27,064</u>	<u>55,076</u>

**8 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

<b>Fees payable to the charitable company's auditor and associates:</b>	<b>2019</b>	<b>2018</b>
	£	£
Audit of the charitable company's annual accounts	9,720	7,200
	<u>9,720</u>	<u>7,200</u>
<b>Non-audit services</b>		
All other non-audit services	8,186	519
	<u>8,186</u>	<u>519</u>

**9 Trustees and key management personnel remuneration**

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

Included within donated services are costs incurred by Charity Global Inc in relation to salary and reimbursed expenditure for travel and subsistence, of £14,153 (2018: £4,336) for one of the UK trustees (2018: 1 trustee), who is an employee of the US parent. The UK charitable company made no payment in relation to these costs.

During the year, key management personnel received total compensation of £87,791 (2018: £71,513).

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Charitable activities and fundraising	3	2

Wages and salaries of £374,061 (2018: £420,725) (see note 5) includes £247,000 (2018: £293,058) which relates to employees of the parent charity, the costs of which formed part of donated services (see note 3).

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-

**11 Other receivables**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Pledges receivable	2,014,047	122,300
Amount due from parent undertaking	5,559	-
Other receivables	11,062	3,524
Prepayments	3,869	4,588
	<u>2,034,537</u>	<u>130,412</u>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Pledges receivable	781,575	88,947
	<u>781,575</u>	<u>88,947</u>
<b>Total debtors</b>	<u>2,816,112</u>	<u>219,359</u>

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>12 Borrowings</b>		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Loans from parent undertaking		50,000	50,000
		<u>50,000</u>	<u>50,000</u>
Payable within one year		50,000	50,000
		<u>50,000</u>	<u>50,000</u>
<b>13 Current liabilities</b>		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Borrowings		50,000	50,000
Grants payable		1,837,085	658,514
Other payables		6,009	-
Accruals and deferred income		21,013	11,698
		<u>1,914,107</u>	<u>720,212</u>
<b>14 Called up share capital</b>		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>			
1 Ordinary share of £1		1	1
		<u>1</u>	<u>1</u>

**15 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	<b>Balance at 1 January 2019</b>	<b>Movement in funds</b>		<b>Balance at 31 December 2019</b>
	<b>£</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>£</b>
		<b>£</b>	<b>£</b>	
Water projects	318	3,627,978	(2,165,834)	1,462,462
	<u>318</u>	<u>3,627,978</u>	<u>(2,165,834)</u>	<u>1,462,462</u>

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



**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**16 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Share capital £	Total £
Fund balances at 31 December 2019 are represented by:				
Current assets/(liabilities)	350,557	1,462,462	1	1,813,020
	<u>350,557</u>	<u>1,462,462</u>	<u>1</u>	<u>1,813,020</u>

**17 Events after the reporting date**

The World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices. This could potentially have a financial impact on the charitable company, depending on factors such as the duration and continued spread of the outbreak, the level of restrictions and advisories from governments worldwide, and the effects on the economy overall. The outcome of all these factors is highly uncertain.

The UK government has announced a large range of initiatives to support businesses which could mitigate the short-term effects of the projected financial and economic downturn. The charitable company is actively assessing all of these initiatives, as details become available.

The charitable company has undertaken an assessment of its operations, as part of its continuity and contingency planning, and the trustees believe it is well placed financially and operationally to withstand the uncertainties ahead. At the date of approval of the financial statements, the charitable company is unable to determine a reliable estimate of the financial impact of COVID-19 on its fundraising, liquidity and financial position. The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

However, the scale and duration of this pandemic for both the charitable company and its donors remains uncertain but ultimately may impact its activities, cash flows and financial condition.

**CHARITY GLOBAL (UK) LIMITED**  
**CHARITY: WATER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**18 Related party transactions**

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

Services donated by Charity Global, Inc.: £273,391 (2018: £360,613).

Grants payable in the period to Charity Global, Inc. amounted to £2,165,834 (2018: £710,889) of which £1,837,085 (2018: £658,514) was outstanding at the year end.

Charity Global Inc provided a loan of £50,000 to the charitable company in the prior year to help it fund its operations. This loan is repayable on demand, but it not required to be re-paid until such time as the charitable company can fund its own operating costs and has surplus resources to re-pay the loan.

As at the year end the charitable company was owed £5,559 by Charity Global, Inc. (2018: £nil).

During the year, £1,290 (2018: £395) of donations were received from trustees (2018: £395).

**19 Ultimate controlling party**

The charitable company is 100% owned by Charity Global, Inc., a charitable company incorporated in New York, USA. It is a non-profit organisation bringing clean and safe drinking water to people in developing nations. Charity Global, Inc.'s place of business is 40 Worth Street, Suite 330, New York, NY 10013. The public can obtain the consolidated accounts that include the subsidiary charity's accounts from charity: water's website (<https://www.charitywater.org/>).

<b>20 Cash generated from operations</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Surplus for the year	1,433,863	196,178
Adjustments for:		
Investment income recognised in statement of financial activities	(143)	(341)
Movements in working capital:		
(Increase) in other receivables	(2,596,753)	(43,008)
Increase in trade and other payables	1,193,895	439,974
<b>Cash generated from operations</b>	<b>30,862</b>	<b>592,803</b>