



A Company Limited by Guarantee and not having a Share Capital

# Trustees' Report and Financial Statements

## For the year ended 31<sup>st</sup> March 2020

REGISTERED CHARITY NUMBER: 1077889

REGISTERED COMPANY NUMBER: 03661446 (England & Wales)



[www.pumpaid.org](http://www.pumpaid.org)



@PumpAid



Pump Aid

<b>CONTENTS</b>	<b>PAGE</b>
Delivering Lasting Change	2
Legal and Administrative Information	3
Chairman's Introduction	4
Trustees' Report	
Structure, governance and management	5
Vision, mission and values	6
Charitable purpose	6
Risk Management	7
Going Concern	7
Achievements in 2019/20	7
Objectives for 2020/21	9
Financial review of 2019/20	10
Reserves policy	11
Auditors	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report	14
Financial Statements	
Statement of Financial Activities	17
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21
Glossary of terms and abbreviations	29

## DELIVERING LASTING CHANGE

***“The water is safe to drink, so much easier to collect and best of all it’s really convenient”***

Elizabeth Tsumba, household pump purchaser



***“I have never felt so proud as to be able to provide for my family”***

Selina Phiri, newly trained area mechanic



***“Now I don’t have to go to the farm early, I am able to plan my chores evenly and prepare my grandchildren for school”***

Luwiza Nkhata, irrigation pump purchaser



***“I now understand business and understand the value of customer service and repeat business”***

James Banda, area mechanic  
previously trained by government and retrained by Pump Aid



***“We thank Pump Aid for giving us these sanitary facilities because it will change the lives of the children forever”***

The Management Committee of Fanuel CBCC



***“Thirsty Planet is about inspiring positive action. We partner with Pump Aid, because they are the best at what they do”***

James Cain, Chief Executive of Harrogate Spring Water and Thirsty Planet



***“There is clear evidence of strong strategic thinking to sustain impact beyond the life of the project. The project has been scored as an A+”***

Sarah Donachie, Deputy Fund Director, UK Aid Direct on the performance of Pump Aid’s FCDO funded enterprise programme



## LEGAL AND ADMINISTRATIVE INFORMATION

### Trustees

Prof Stefan Allesch-Taylor CBE (Chairman) - Appointed February 2011  
Megan Bingham-Walker - Appointed May 2003  
Alan Duerden - Appointed July 2016, Resigned October 2019  
Ashley Lopez - Appointed January 2016  
Spencer Mahony - Appointed July 2016  
Ben Nealon OBE - Appointed November 1998  
Gerard Tyler - Appointed July 2016  
Dave Waller - Appointed July 2016

### Company Secretary

Matthew Gill

### Charity Number

1077889

### Company Number

03661446

### Registered office and principal address

3<sup>rd</sup> Floor, 86-90 Paul Street, London, EC2A 4NE

### Bankers

Barclays Bank	Standard Bank
1-7 King Street	Capital City
London, EC2V 8AU	Lilongwe, Malawi

### Statutory Auditors

HW Fisher  
Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom

### Local Auditors

Audit Consult  
Vanguard Life Insurance House, Mandala Road, Lilongwe 3, Malawi

## CHAIRMAN'S INTRODUCTION

As I approach the 10th anniversary of my appointment, it seems appropriate to reflect on how much Pump Aid and the WASH sector in which it operates has changed. Nine years ago I joined a charity with a proud heritage, but an uncertain future. The ideals of its founders, which had looked so fresh and dynamic twelve years previously, had become dated and Pump Aid had begun to resemble the traditional NGO it had been created to challenge. How things have changed.

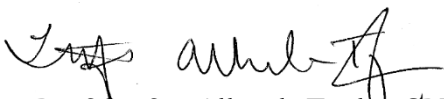
I have described in previous reports how, building on the success of its award winning self-supply programme, Pump Aid has been steadily repositioning itself away from that of a traditional water NGO towards a more customer-focussed, more economically aware, social impact business that is now creating and sustaining small, locally based enterprises delivering clean safe water to some of Malawi's most impoverished and underserved communities.

Our business-led approach, endorsed and supported by UKAID among many others, has proven beyond doubt that we can achieve radically increased rates of pump functionality and transform access to water for consumption and irrigation at a fraction of the cost of a traditional NGO and also in a fraction of the time and, for the second consecutive year, our FCDO grant manager has awarded our FCDO funded enterprise programme a performance rating of A+.

Though our repositioning was primarily driven by our belief that traditional approaches were not working for Malawi's small and remote rural communities, the delivery structure it led us to create has proved itself able to react swiftly to events and be responsive to consumer demand and this has perfectly positioned Pump Aid to respond to the needs of these communities as they try to stave off the threat of Covid19. Malawi has an understandably weak healthcare system (just 23 ICU beds for a population of 18 million), so prevention is Malawi's only feasible strategy and hand-washing is its principal weapon, both of which are massively hampered by high rates of community water point non-functionality.

Pump Aid has launched an emergency COVID19 response programme which, between June this year and March next, aims to repair up to 1,000 broken community water points in the districts in which we operate. Using our network of trained area mechanics and redeploying staff from other activities, we have already made significant progress and I am extraordinarily grateful to those funders who have allowed their previously given grants to be reallocated to this vital work and to those new funders who have so rapidly agreed to come on board. While this programme alone will not stop the tide of the pandemic, it can significantly increase the resilience of Malawi's rural population and help ease the pressure on other parts of its healthcare system.

Whatever country we are living in, Covid19 has challenged every aspect of how we live and work and has compelled organisations to adapt at speeds few would have felt possible. Inevitably, some charities have struggled; some have coped; and a few have excelled and I am delighted to report that Pump Aid has demonstrated it is one of those few. But this would have been impossible without the support of our many friends and funders and I am grateful to every organisation and individual that has given us their support this year. I would also like to express my own thanks and the gratitude of my Board to all our staff and many volunteers. It is their achievements that drive Pump Aid's success and it is their commitment that will secure its future.



**Prof Stefan Allesch-Taylor CBE**  
Chairman  
20<sup>th</sup> October 2020

## TRUSTEES' REPORT

The Board of Trustees are pleased to present their Trustees' Annual Report and Financial Statements for the year ending 31<sup>st</sup> March 2020.

The Trustees' Annual Report contains a Directors' Report as required by company law. The Trustees' Report and Financial Statements comply with the requirements of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (effective 1<sup>st</sup> January 2019).

### STRUCTURE, GOVERNANCE AND MANAGEMENT

Pump Aid is a company limited by guarantee incorporated on 4<sup>th</sup> November 1998. The Company was registered as a Charity with the Charity Commission on 21<sup>st</sup> October 1999. The Company's governing document, its Memorandum and Articles of Association, was revised and approved at the Annual General Meeting held on 13<sup>th</sup> October 2014.

Pump Aid's Trustees are responsible for the general control and management of the Charity and serve for a period of three years, after which they may offer themselves for re-election. The Trustee Board is responsible for setting the organisation's strategy, assessing risk and reviewing and adopting the Charity's annual budget and quarterly financial reports. The Trustee Board meets five times per year and one of their meetings is combined with an annual strategy day with senior staff.

Except as stated in note 9 to the Financial Statements, Trustees have no beneficial interest in the activities of the Charity. All Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Day to day management of the Charity is vested in a senior management team comprising Michael Chuter, the Chief Executive, and Duncan Marsh, the Director of Programmes.

### APPOINTMENT AND TRAINING OF TRUSTEES

The Board conducts a biennial skills audit and, if necessary, new trustees are sought to ensure the Board maintains a mix of skills and expertise appropriate to the current and developing needs of the organisation. New Trustees are provided with sufficient information to ensure that they understand the purposes of Pump Aid, its financial position and the key issues it faces. Trustees are also given copies of the Memorandum and Articles of Association, policies and procedures on issues such as delegated authority, recruitment, equal opportunities, and guidance on conflicts of interest. Additional training is provided in line with the identified needs of the Board.

The Trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report, are set out on page 3.

## **VISION, MISSION AND VALUES**

### **Vision**

Pump Aid is committed to the delivery of the UN's Sustainable Development Goals and the total eradication of water poverty by 2030. But our ultimate goal is to transform the lives and life chances of poor and disadvantaged communities, so that they reach a point of resilience and self-reliance where they no longer need the support of us or anyone else.

### **Mission**

Pump Aid's mission is to achieve lasting positive change in poor and disadvantaged communities by improving the quality, availability and use of water and sanitation and, by harnessing the power of the community, local businesses and partners in other sectors, provide access to affordable, innovative and sustainable solutions.

### **Values**

At the heart of everything we do is the central belief that fulfilling the basic human right to safe water and sanitation is the vital first step to better life expectancy, improved educational attainment and increased social and economic independence.

## **CHARITABLE PURPOSE**

The Charity Commission's guidance on public benefit, as required by section 17 of the Charities Act, 2011, sets out two key principles: the organisation must have an identifiable benefit and the benefit must be to the public or to a section of the public.

Trustees have reviewed the vision and mission of the Charity in the light of this guidance and have been mindful of it when setting the objectives for the current year. They have also noted the emphasis on water and sanitation in the UN Sustainable Development Goals of which SDG6 requires the achievement of universal and equitable access to safe and affordable drinking water, access to adequate and equitable sanitation and an ending of open defecation. SDG6 also requires action to improve water quality by reducing pollution, increased water-use efficiency, the elimination of water poverty, the protection of water-related ecosystems and support to strengthen the participation of local communities in improving water and sanitation management.

Pump Aid is engaged in activities that support all of these objectives and Trustees believe the activities of Pump Aid, as detailed in this report, demonstrate that the Charity fully meets both of the Charity Commission's public benefit requirements.

## **CRITERIA FOR MEASURING SUCCESS**

Pump Aid has developed a detailed framework for measuring its impact. Using an activity based framework, qualitative and quantitative indicators are collected from beneficiaries, installations are independently tested and verified and case studies and questionnaires are used to determine the effectiveness and appropriateness of all of Pump Aid's interventions. Pump Aid uses this data for the compilation of its reports to funders and its restricted programmes are often subject to additional external and independent evaluations as and when required by funders.

## RISK MANAGEMENT

All significant activities are subject to a risk review as part of the initial activity assessment and implementation. The senior management team ranks all risks in terms of their potential impact and likelihood and, where possible, puts in place appropriate mitigation.

Major risks for this purpose, are those that may have a significant impact on:

- Operational performance, including risks to personnel and programme beneficiaries;
- Financial sustainability, including predictability and security of income; and
- Meeting the expectations of beneficiaries, funders and supporters.

Trustees annually assess the major risks, both positive and negative, to which the Charity is exposed, particularly those related to its finances, operations and reputation, and ensure that adequate systems are in place to:

- Provide early warning of opportunities and risks;
- Ensure that any significant opportunities are not overlooked; and
- As far as possible, ensure that any foreseeable risks are adequately mitigated.

A risk review forms part of the Board's annual planning process.

## GOING CONCERN

As stated in note 1 to the Financial Statements, Trustees have reviewed the income projections for 2020/21 and 2021/22, have assessed the economic climate and its potential impact on the Charity and have considered a report on the financial sustainability of the organisation prepared by the Senior Management Team. They have also taken specific account of the impact Covid19 has had and could have on the finances of the Charity and its working practices. Pump Aid staff have shown themselves to be incredibly flexible in their response to the pandemic; all UK based staff have been working from home since March and Malawi staff continue to deliver the all Charity's field activities (albeit with social distancing and enhanced hygiene measures).

With access to water of critical importance in Malawi's fight against Covid19, Trustees have also noted a willingness of funders to allow previously given grants to be reallocated to the Charity's community water point repair and maintenance programmes and/or allocate additional funding towards this vital work. The reputation of the Charity's network of trained area mechanics is also leading potential funders to approach the charity with requests for applications (as opposed to the Charity approaching the funder) as more funders become aware of Pump Aid's sustainable interventions and want to fund the innovative approaches that it is pioneering.

Taking this into account, Trustees believe it is reasonable to expect that Pump Aid will generate sufficient resources to finance its operations for the foreseeable future and there are no material uncertainties that call into doubt the Charity's ability to continue. In addition, if necessary, the Charity is able to access a secured overdraft facility guaranteed by its Chairman. Accordingly, the financial statements have been prepared on the basis that the Charity is a going concern

## ACHIEVEMENTS IN 2019/20

Pump Aid's charitable activities are delivered entirely in Malawi, one of the ten poorest countries in the world. At least 9 million Malawians presently lack access to even 'basic' community



improved water and, while 85% of the population is almost totally reliant on subsistence farming, only 11% of small-scale farmers use any form of effective irrigation, which severely limits farm yields and increases the vulnerability of farm livelihoods.

Pump Aid seeks to address these issues through two separate but integrated workstreams:

1. Enterprise for WASH and agriculture
2. WASH for vulnerable populations

In 2017 we were successful in securing funding from FCDO for a three-year programme combining both these workstreams, which in turn allowed us to access a significant amount of match-funding. 2019/20 was the second full year of this programme, which will conclude in December 2020.

### 1. Enterprise for WASH and agriculture

During the first year of our FCDO programme it became evident that, while there was clear demand for our household pump in peri-urban settings, the entry price was a challenge for many in the farming community. This led to the development of a cheaper pump which could be used to increase farm productivity, increase farm incomes and, ultimately, increase the demand for household pumps.

The second year has seen us invest heavily in promoting our irrigation pumps to individual farmers and farmers' groups and selling them via a dedicated sales team and a network of sales agents. We have also developed a variety of credit, rental and payment options to enable farmers with fewer resources to benefit from improved irrigation. Of these, our Try Before You Buy (TBUB) option where, for a 10% down payment, a farmer can use a pump for a season and pay for it from the proceeds of their first additional harvest has proved particularly popular.

As well as supporting our growing network of entrepreneurs to repair and maintain community water points and developing the agricultural market for irrigation pumps, we have also entered into partnerships with other Malawian NGOs and have been using their networks to increase the sales of irrigation pumps. Encouraging farmers to invest in themselves (rather than relying on handouts) creates a sense of ownership, allows individuals to build their own resilience and makes them more likely, in future years, to invest in more advanced irrigation technology as well in other necessities to improving wellbeing like healthcare, education and housing.

FCDO's second year review of this programme was highly complementary and observed that many of the programmes targets had been significantly exceeded, including:

- The number of water points repaired by our entrepreneurs was 46% above target;
- The number of wells dug, deepened or lined by our entrepreneurs in the year was 98% above target;
- The number of irrigation pumps sold to farmers in the year was 605% above target;
- The number of entrepreneurs successfully running their businesses twelve months after their training was 28% above target;
- The number of entrepreneurs reporting higher incomes this year than the income they generated last year was 27% above target; and
- The number of customers who had bought a pump and who had subsequently declared themselves satisfied with their investment exceeded 95%.

Through efficient repair and improved servicing, this programme has so far secured access to reliable water at over **500 community water points**, benefitting more than **113,900 people**.

For this achievement, as well as our performance in other operational areas, FCDO's assessor awarded our programme an **A+** rating for 2019/20.

## 2. WASH for vulnerable populations

Drawing on our experience in the delivery of community-based water and sanitation services, this workstream gives rural nurseries (CBCCs) access to child-friendly latrines and a full range of WASH facilities, as well as using improvements at the CBCC as a catalyst to drive improved hygiene and sanitation in the surrounding community.

In the course of 2019/20 a further 18 CBCCs were provided with access to safe water, hygienic toilets and convenient handwashing facilities (12 of which were part of our FCDO programme) and the total number of CBCCs to which we have so far given improved access to water and sanitation to now stands at 73, massively improving the lives and life chances of the more than **10,000 children** that will benefit from them.

As a result of community campaigns delivered as part of our FCDO programme and the increased awareness of the kitchen gardens at the CBCCs, a total of 2,617 households have additionally created kitchen gardens around their homes, all of which will increase the availability of food for the children and, when surplus crops are sold, will also provide an additional source of income for some of Malawi's poorest households.

In addition our hygiene and sanitation training in the communities surrounding the CBCCs saw 4,572 households improve their access to safe sanitation and 2,635 households demonstrate use of improved handwashing techniques.

As a result of this programme, the number of individual households benefiting from latrines and access to improved sanitation facilities now exceeds **18,000 households**.

## OBJECTIVES FOR 2020/21

In 2020/21 we will continue to deliver activities under our two principal workstreams, though the ending of our current FCDO programme presents us with the need to create a new programme to take this work forward. We have developed a new proposal that combines all of the components necessary to transform the sustainability of community water points, to bring water closer to people's homes for convenience and hygienic uses and to increase the use of irrigation amongst Malawi's small-scale farmers.

Poor levels of community water point functionality have been an issue in Malawi for decades and the decentralised community managed rural water supply model is seen as widely failing. Despite local government being responsible for monitoring and supporting local water point committees and circa 90% pump coverage (JMP 2018), over 55% of Malawi's rural water points are classified as non-functional (UpGro/DFID 2020) leading to serious health and equity issues, with the burden falling especially on women, girls and vulnerable groups (UNICEF 2018). Improved levels of pump functionality can only be sustained if they are supported by affordable preventative maintenance delivered by professional, highly trained and properly organised and motivated contractors so that per capita costs reduce through economies of scale (UNICEF, Reach 2020).

To address this and to deliver water improvements that are sustainable for the long-term, Pump Aid plans to establish a professionalised preventative repair and maintenance service organisation using highly trained and incentivised mechanics and entrepreneurs, licensed and regulated by District Water Officers while, simultaneously, building the management and financial capacity of water point committees to guarantee the functionality of community water points in six districts of Central Malawi and secure reliable access to water for at least 450,000 people.

The six districts we have chosen have been food insecure for three of the last four years (MVAC) and less than 10% of their rural households have an improved water source within five minutes of their home. As a result, daily water consumption is low (around 20 litres per person), which is enough for basic consumption, but not for hygienic (handwashing) purposes, which the COVID19 pandemic makes even more critical. Small scale farmers are similarly inhibited from investing in their own irrigation and benefitting from increased yields, because of a lack of access to affordable reliable irrigation and appropriate repayment terms (ODI 2018).

Over the three years of this programme, Pump Aid will not only deliver improved access to water to at least **450,000 people**, but a further **80,000 rural families** will secure access to convenient household water and **60,000 farmers** will improve their food productivity through irrigation.

But, arguably, Malawi has an even more immediate need than any of these and that is how to respond to COVID19. With access to water in rural areas at best patchy and the practice of safe hygiene far from universal, the Malawi Ministry of Health predicted at least 50,000 COVID deaths within the first 12 months of the virus' arrival. More recent analysis by WHO predicted a slower transmission rate, because of a more youthful population, but Malawi has a very weak health system (just 23 ICU beds and 28 nurses/2 doctors per 100,000 people). There is therefore a very high risk that, whatever the spread of COVID19, the health system will be overwhelmed and the inevitable redirection of scarce resources will surely lead to increased mortality rates for entirely treatable diseases. Prevention is therefore Malawi's only feasible strategy and increased hand-washing its principal weapon, both of which will be massively hampered without a significant improvement in community water point functionality.

Pump Aid has, therefore, launched an emergency COVID19 response programme which, between June 2020 and March 2021, aims to identify and repair up to 1,000 community water points in the districts in which Pump Aid operates. Using its already trained network of area mechanics and entrepreneurs and redeploying staff from activities that COVID19 restrictions make impractical, Pump Aid has already made significant progress and is grateful to those funders who have allowed their previously given grants to be reallocated to this programme and those new funders who have so rapidly agreed to provide new funds. While this programme alone will not stop the tide of the pandemic, it can significantly increase the resilience of Malawi's rural population and help ease the pressure on other parts of its health system. It is also a very practical demonstration of the flexibility and adaptiveness of the entrepreneurial approach that Pump Aid has been championing.

As stated in note 20 to the Financial Statements, to accelerate the development of its household and irrigation pump businesses and to support the creation of a Malawi based preventative repair and maintenance service, the Charity has registered two trading subsidiaries, one in the UK and one in Malawi. Trading under the name Beyond Water, these subsidiaries will enable Pump Aid to secure commercial contracts and to access funding unavailable to charities and help it to take its small business entrepreneurs and area mechanics closer to a point of resilience and self-reliance, where they no longer need the support of the Charity or anyone else.

## FINANCIAL REVIEW OF 2019/20

### INCOME

Total income in 2019/20 was £1,370,321 (a 13% increase on the previous year). The breakdown of income in the table below evidences the change in our direction and shows how we have moved away from the simple installation of community pumps towards the creation of sustainable water networks and how funding for enterprise has risen from 10% of total income to more than 50%.

	2015/16	2016/17	2017/18	2018/19	2019/20
Community water, hygiene and sanitation	81.3%	64.3%	41.6%	38.2%	31.9%
Enterprise for WASH and agriculture	10.0%	4.3%	39.5%	43.0%	54.3%
WASH for vulnerable populations (CBCCs)	1.8%	16.3%	14.3%	18.3%	13.8%
Urban WASH and entrepreneurship	6.9%	15.1%	4.6%	0.5%	-
<b>TOTAL INCOME</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Key fundraising successes, in the year, included securing in-country funding from Malawi for the first time since 2016, which was for a two-year programme being overseen in Malawi by Concern Worldwide, to which we are contributing our experience of training and supporting entrepreneurs. The widespread popularity of our entrepreneurial approach among statutory funders, charitable foundations, corporate donors and staff groups alike, means we have both been able to attract new funding and continue to enjoy the support of UKAid, the Medicor, Vitol, Waterloo and Vibrant Village Foundations, Thirsty Planet, Waiakea (whose founder visited Malawi this year), Aspect Capital (whose staff chose us as their charity of the year) Rotork plc and Fairwater Connections (whose founder also visited Malawi) among many others, for which we are extremely grateful.

## EXPENDITURE

As detailed in note 5 to the Financial Statements, restricted income essentially falls into three programme categories; Community water, hygiene and sanitation, Enterprise for WASH and agriculture and WASH for vulnerable populations and, as far as is possible, we try to spend all our restricted funding in the year of receipt, indeed it is a condition of our FCDO grant that it is spent entirely in the year of receipt. In the final week of 2019/20 we received a large payment from Concern Worldwide for work only partly completed and the proportion relating to future work has been carried forward as restricted funds. The amounts carried forward at the end of the last three financial years are analysed by programme category in note 16 to the Financial Statements.

Expenditure on charitable activities in the year was £1,270,260 (a 15% increase on the previous year). The deficit on unrestricted funds was caused primarily by losses in Malawi where, in order to support our entrepreneurs and grow their businesses, we are subsidising the sales of household and 'Try Before You Buy' irrigation pumps, which are currently being sold well below their cost of manufacture. Where pumps have been sold on credit, we have also taken a very cautious view of repayment rates and part of Malawi's losses relate to prudent provisions for defaults.

Pump Aid continues to operate with an extremely small UK central office (just 4.7 FTEs including the Senior Management Team) and we are pleased to note that direct programme expenditure in 2019/20 constituted 91 pence of every pound we spent. This is an astonishing achievement for a charity of our size, particularly when compared to the 75 pence in the pound and less achieved by some of the larger charities in the UK water sector.

## RESERVES POLICY

Trustees believe unrestricted reserves are necessary for three reasons:

- To support innovative projects which need a period of testing and development and whose outcome may support future funding bids

- To support the strategic direction of the charity and, where necessary, to underwrite the costs of strategic change
- To cover support costs and unplanned expenditure in periods when these are not covered by grants and donations.

Trustees acknowledge that Covid19 may have an impact on the Charity's income and expenditure in the coming years and they have considered how the Charity might react to that impact and what mitigating actions they might take. They are confident that the Charity has the resources and operational flexibility to cope with whatever impacts can be reasonably expected. Trustees have previously set a minimum unrestricted reserves target of £150,000 and an optimum target of £250,000 or the equivalent of three months direct operating expenses and they believe this remains an adequate level of reserves for the Charity to retain.

### **CURRENT RESERVES**

The unrestricted reserves figure of £268,046 at March 2020 exceeds Trustees' optimum target and is the equivalent of more than twelve months of unrestricted operating expenses.

### **ASSET COVER FOR FUNDS**

Note 15 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

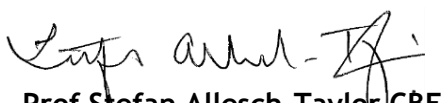
Each of the Directors has confirmed there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of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

### **AUDITORS**

Audit Consult, a Malawi based independent auditor, was appointed during the year to assist with oversight of Malawi operations. They have conducted an audit of the local operations of Pump Aid in Malawi and they will assist with other internal audit assignments in the future.

HW Fisher (the Charity's statutory auditor) have indicated their willingness to continue as auditors to Pump Aid and, in accordance with section 485 of the Companies Act 2006, a resolution proposing they be re-appointed will be put to the Annual General Meeting.

For and on behalf of the board of Trustees

  
**Prof Stefan Allesch-Taylor** CBE  
Chairman  
20<sup>th</sup> October 2020

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's trustees (who are also the directors of Pump Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure of the Charity for that period.

In preparing these financial statements, Trustees are required to:

- Select suitable accounting policies and 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 presume that the Charity will continue in operation.

Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Charity 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 Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Pump Aid**

#### **Opinion**

We have audited the financial statements of Pump Aid (the 'charity') for the year ended 31<sup>st</sup> March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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<sup>st</sup> March 2020 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 charity 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 charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

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.

### **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 charity 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 charity 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 directors 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 charity'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 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.

### **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.



**Sailesh Mehta (Senior Statutory Auditor)**

For and behalf of **HW Fisher**  
Chartered Accountants  
Statutory Auditor  
Acre House  
11-15 William Road  
London, NW1 3ER

Date: 3<sup>rd</sup> December 2020

## STATEMENT OF FINANCIAL ACTIVITIES incorporating an Income and Expenditure Account for the year ended 31<sup>st</sup> March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>INCOME</b>					
<b>Voluntary income</b>					
Grants and donations	2	64,984	14,144	79,128	210,161
Gifts and services in kind	3	2,800	-	2,800	5,400
Charitable activities	4	309,003	978,839	1,287,842	999,384
Bank interest receivable		551	-	551	873
<b>TOTAL INCOME</b>	<b>5</b>	<b>377,338</b>	<b>992,983</b>	<b>1,370,321</b>	<b>1,215,818</b>
<b>EXPENDITURE</b>					
<b>Costs of raising funds</b>					
Costs of generating voluntary income and income from charitable activities		60,014	25,720	85,734	90,138
<b>Charitable activities</b>					
Malawi programme		184,946	1,085,314	1,270,260	1,106,365
<b>TOTAL EXPENDITURE</b>	<b>6</b>	<b>244,960</b>	<b>1,111,034</b>	<b>1,355,994</b>	<b>1,196,503</b>
Transfers between funds	17	(162,459)	162,459	-	-
Net income/(expenditure) and net movement in funds		(30,081)	44,408	14,327	19,315
<b>Reconciliation of funds</b>					
Total funds brought forward		298,127	-	298,127	278,812
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>16</b>	<b>268,046</b>	<b>44,408</b>	<b>312,454</b>	<b>298,127</b>

All income and expenditure is derived from continuing activities.

**STATEMENT OF FINANCIAL ACTIVITIES**  
**incorporating an Income and Expenditure Account**  
**for the year ended 31<sup>st</sup> March 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>INCOME</b>					
<b>Voluntary income</b>					
Grants and donations	2	101,949	108,212	210,161	161,147
Gifts and services in kind	3	5,400	-	5,400	26,697
Charitable activities	4	288,080	711,304	999,384	899,779
Net profit on disposal of assets		-	-	-	24,304
Bank interest receivable		873	-	873	233
<b>TOTAL INCOME</b>	<b>5</b>	<b>396,302</b>	<b>819,516</b>	<b>1,215,818</b>	<b>1,112,160</b>
<b>EXPENDITURE</b>					
<b>Costs of raising funds</b>					
Costs of generating voluntary income and income from charitable activities		90,138	-	90,138	114,331
<b>Charitable activities</b>					
Malawi programme		198,657	907,708	1,106,365	939,316
<b>TOTAL EXPENDITURE</b>	<b>6</b>	<b>288,795</b>	<b>907,708</b>	<b>1,196,503</b>	<b>1,053,647</b>
Net income/ (expenditure) and net movement in funds		107,507	(88,192)	19,315	58,513
<b>Reconciliation of funds</b>					
Total funds brought forward		190,620	88,192	278,812	220,299
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>16</b>	<b>298,127</b>	<b>-</b>	<b>298,127</b>	<b>278,812</b>

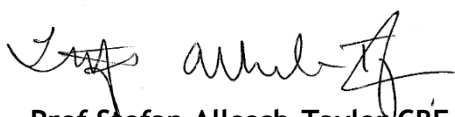
All income and expenditure is derived from continuing activities.

## BALANCE SHEET AT 31<sup>st</sup> March 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	11	26,825	13,198
		<u>26,825</u>	<u>13,198</u>
<b>CURRENT ASSETS</b>			
Stocks	12	43,598	17,374
Debtors	13	48,165	74,225
Cash at bank and in hand		218,815	227,489
		<u>310,578</u>	<u>319,088</u>
<b>Less: CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	14	(24,949)	(34,159)
<b>NET CURRENT ASSETS</b>		<u>285,629</u>	<u>284,929</u>
<b>NET ASSETS</b>			
Total assets less total liabilities		<u>312,454</u>	<u>298,127</u>
<b>Represented by:</b>			
Restricted funds		44,408	-
Unrestricted funds		268,046	298,127
<b>TOTAL FUNDS CARRIED FORWARD</b>	15	<u>312,454</u>	<u>298,127</u>

The notes on pages 21 to 28 form part of these Financial Statements, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Financial Statements were approved for issue by the Trustees on 20<sup>th</sup> October 2020 and signed on their behalf by:



**Prof Stefan Allesch-Taylor CBE**  
Chairman

## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March 2020

	2020 £	2019 £
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	14,327	19,315
Bank interest	(551)	(873)
Depreciation	15,028	19,862
Loss on the disposal of fixed assets	4,339	188
(Increase)/decrease in stock	(26,224)	4,128
Decrease/(increase) in debtors	26,060	(14,355)
(Decrease) in creditors	(9,210)	(1,038)
<b>Net cash provided by/(used in) operating activities</b>	<b>23,769</b>	<b>27,227</b>
<b>Cash flows from investing activities</b>		
Bank interest received	551	873
Proceeds from the disposal of fixed assets	-	8,048
Payments to acquire fixed assets	(32,994)	(7,275)
<b>Net cash (used in) investing</b>	<b>(32,443)</b>	<b>1,646</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(8,674)</b>	<b>28,873</b>
Cash and cash equivalents at the beginning of the year	227,489	198,616
<b>Cash and cash equivalents at the end of the year</b>	<b>218,815</b>	<b>227,489</b>
<b>Cash balances are held in the following locations</b>		
United Kingdom	77,267	137,280
Overseas	141,548	90,209
<b>CASH BALANCES AT 31<sup>st</sup> MARCH 2020</b>	<b>218,815</b>	<b>227,489</b>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31<sup>st</sup> March 2020

#### 1. ACCOUNTING POLICIES

##### **Legal status of the Charity**

Pump Aid is a company limited by guarantee incorporated on 4<sup>th</sup> November 1998. Its registered office is at 3<sup>rd</sup> Floor, 86-90 Paul Street, London, EC2A 4NE.

##### **Basis of accounting**

The financial statements have been prepared in accordance with the company's Memorandum & Articles of Association, 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) (effective 1<sup>st</sup> January 2019)".

The Company meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Pump Aid operates in Malawi as a registered NGO under the name Pump Aid Malawi. Results of this operation have been consolidated into Pump Aid's financial statements on a line by line basis.

The accounting policies of the Charity have not changed during the period.

##### **Preparation of the financial statements on a going concern basis**

As stated on page 7 of the Trustees' Report, Trustees believe there are no material uncertainties that call into doubt the Charity's ability to continue as a going concern and the financial statements have therefore been prepared on the basis that the Charity is a going concern.

In reaching this conclusion, Trustees have considered the effect of Covid19 on the Charity which, to date, has been largely positive. Pump Aid's reputation for flexibility and its ability to deliver whatever the circumstances has led to DFID UK, DFID Malawi and a number of UK and US foundations to permit the Charity to reallocate previously given grants towards its community water point repair programmes and/or allocate additional funding towards this vital work. This has enabled the Charity to redeploy staff from activities the pandemic has made impossible onto programmes that are both deliverable and fundable and, as a result, the Charity's income may well be higher in 2020/21 than previously thought. Because Pump Aid's future income projections are much less dependent on government funding than some of the larger NGOs, the outlook for 2021/22 is also better for Pump Aid than it is for many others. In fact the Charity has started to receive requests from funders to apply for funds, as its reputation spreads and more funders want to fund the innovative approaches it is pioneering.

The Charity has continued to employ all its staff on a full-time basis and believes it can comfortably continue to underwrite its existing and future programme commitments. The pandemic has given its staff the opportunity to demonstrate their flexibility and willingness to adapt their working practices, which has enabled the Charity to adapt its delivery models and, over time, it believes that all of its current programmes can be realigned to operate in a post Covid19 world. Pump Aid considers the well-being of its staff an absolute priority and it is a key component of its Covid19 strategy and the way its field teams have adopted new health and safety measures has contributed to a greater awareness of hygiene and sanitation within the communities with which the Charity works.

While the pandemic has undoubtedly caused some disruption to the Charity's fundraising and delivery, Trustees are confident that Pump Aid can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements and have full expectations that the Charity will have adequate resources to continue in operation for the foreseeable future.

##### **Functional currency**

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

##### **Income**

Income is recognised when the Charity is entitled to the funds, any requirements attached to the income have been met, it is probable the income will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- Grants and donations are included on a receivable basis
- Income from charitable activities (which includes grants and contract income) is included on a receivable basis, except where the donor specifies that the income must be used in a particular year or imposes conditions which have to be fulfilled before the charity becomes entitled to it.
- Gifts of labour are valued at the cost of a comparable commercial service and gifts of materials are valued at the prevailing market rate.
- Investment income comprises income on short term deposits and is included when received.

### **Expenditure**

Expenditure is accounted on an accruals basis and has been classified under headings that aggregate all the costs related to a category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Expenditure is recognised once there is an obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of generating funds comprise the costs of attracting voluntary income, meeting any donor imposed reporting requirements and the costs of fundraising
- Expenditure on charitable activities includes the direct and indirect costs of activities and services delivered for the Charity's beneficiaries
- Governance costs are those associated with the governance of the Charity, compliance with statutory obligations and costs relating to the Charity's strategic management.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Almost all costs are directly attributable to programmes and are recovered either by direct recharge or by apportionment. Unlike larger charities with substantial UK and overseas offices, Pump Aid has a very small central team which both develops and delivers programmes and, aside from the proportion charged to fundraising and governance, the payroll and occupancy costs of the central team are charged to the programmes they deliver.

### **Critical accounting judgements and estimation uncertainty**

In the application of the charity's accounting policies, 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 on-going 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. Trustees do not consider there to be any critical accounting estimates of judgements in preparing these financial statements.

### **Pension costs**

In Malawi, the Charity contributes to a defined contribution pension scheme and, in the UK, the Charity contributes to any personal scheme which meets its obligations under auto enrolment. The amounts charged in the financial statements are the employer's contributions payable in the financial year.

### **Operating leases**

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the life of the lease.

### **Tangible fixed assets**

Fixed assets are stated at cost less depreciation. They are depreciated at rates intended to reduce their cost to their residual value over their estimated useful life (currently 33.3% on a straight-line basis). Any asset costing less than £500 (2019: £250) is fully depreciated in the year of acquisition. All assets are inspected regularly for any impairment and any defects fixed to maintain their value and usefulness.

### **Financial instruments**

The Charity 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. The charity has elected to apply the provisions of Section 11 'Basic

Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

### Stock

Stocks are stated at lower of cost or net realisable value.

### Debtors and prepayments

Trade and other debtors are recognised at the settlement amount after any provision for bad and doubtful debts. Prepayments are valued at the amount prepaid.

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation 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. Creditors and provisions are recognised at their settlement amount.

### Foreign currency translation

Transactions in foreign currencies are translated into sterling at the average rate of exchange pertaining to the relevant accounting period. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are recognised through the Statement of Financial Activities.

### Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Generic Pump installation, repair or maintenance and CBCC sponsorship is included in unrestricted income because, in sponsoring a pump or a CBCC, a donor is neither buying a pump nor paying for a specific CBCC. Though the Charity may, at some future date, ascribe a specific pump or CBCC to a donor this is solely for the purposes of acknowledging their support and maintaining their interest and in no way conveys ownership or accountability.

Restricted funds are donations which the donor has specified are to be solely used for specific projects or for specific aspects of the Charity's work to be delivered in specific locations.

## 2. GRANTS AND DONATIONS

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
Helen & Douglas Leggett	6,000	-	6,000			
All Saints Church Alveras	3,125	-	3,125			
Cedric Daniels	3,000	-	3,000			
Ecclesiastical Society of St Mary	3,000	-	3,000			
Roland Fox and Colette Flanagan	-	-	-	-	60,000	60,000
Other individuals (including Gift Aid)	47,288	14,144	61,432	90,977	48,212	139,189
Community and Faith Groups and other receipts	2,571	-	2,571	10,972	-	10,972
<b>Total Grants and Donations</b>	<b>64,984</b>	<b>14,144</b>	<b>79,128</b>	<b>101,949</b>	<b>108,212</b>	<b>210,161</b>

## 3. GIFTS AND SERVICES IN KIND

The Charity receives voluntary support both in the UK and overseas. Gifts of labour have been valued at the cost of a comparable commercial service and gifts of materials at the prevailing market rate.

	Total 2020	Total 2019
	£	£
International volunteers and interns		
Labour	2,800	5,400
<b>Total Gifts and Services in Kind</b>	<b>2,800</b>	<b>5,400</b>



#### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
<b>Government grants</b>						
UK Foreign, Commonwealth & Development Office	-	454,888	454,888	-	489,371	489,371
Concern Worldwide	-	135,085	135,085	-	-	-
<b>Other income</b>						
Thirsty Planet	139,001	-	139,001	129,116	-	129,116
Vibrant Village Foundation	-	108,692	108,692	-	15,842	15,842
Medicor Foundation	-	100,000	100,000	-	-	-
Aspect Capital	60,400	-	60,400	12,000	-	12,000
Waiakea Springs	52,203	-	52,203	17,969	-	17,969
Rotork PLC	-	24,000	24,000	21,000	-	21,000
Waterloo Foundation	-	20,000	20,000	-	30,000	30,000
Fair Water Connections	-	15,085	15,085	-	9,040	9,040
Vitol Charitable Foundation	-	11,875	11,875	-	65,990	65,990
Austin Bailey Foundation	-	8,000	8,000	-	4,000	4,000
Zurich Community Trust	-	6,000	6,000	-	6,000	6,000
Peter Stebbings Memorial Charity	-	6,000	6,000	-	-	-
Contribute Limited	4,077	-	4,077	5,406	-	5,406
Pretty Decent Beer Company	4,604	-	4,604	2,908	-	2,908
The Northwick Trust	4,000	-	4,000	-	-	-
Souter Charitable Trust	3,000	-	3,000	2,000	-	2,000
Oak Foundation	-	-	-	-	35,051	35,051
Addax & Oryx Foundation	-	-	-	-	12,973	12,973
ACT Foundation	-	-	-	-	9,000	9,000
Be One Percent Foundation	-	-	-	-	6,386	6,386
Grant Foundation	-	-	-	-	6,000	6,000
Comic Relief	-	-	-	-	5,651	5,651
Coles Medlock Foundation	-	-	-	-	5,000	5,000
Schroder Charity	-	-	-	-	5,000	5,000
Bryanston School	-	-	-	4,807	-	4,807
Grants and donations of less than £3,000	41,718	89,214	130,932	92,874	6,000	98,874
<b>Total Income from Charitable Activities</b>	<b>309,003</b>	<b>978,839</b>	<b>1,287,842</b>	<b>288,080</b>	<b>711,304</b>	<b>999,384</b>

#### 5. TOTAL INCOME ANALYSIS

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
<b>Strategic programme areas</b>						
Community water, hygiene and sanitation	377,338	60,242	437,580	396,302	68,650	464,952
Enterprise for WASH and agriculture	-	744,373	744,373	-	522,716	522,716
WASH for vulnerable populations	-	188,368	188,368	-	222,499	222,499
Urban WASH and entrepreneurship	-	-	-	-	5,651	5,651
<b>Total Grants and Donations</b>	<b>377,338</b>	<b>992,983</b>	<b>1,370,321</b>	<b>396,302</b>	<b>819,516</b>	<b>1,215,818</b>

#### 6. EXPENDITURE (including Gifts and Services in Kind)

	Staff costs	Operational costs	Total 2020	Staff costs	Operational costs	Total 2019
	£	£	£	£	£	£
Costs of generating voluntary income	69,330	16,404	85,734	72,477	17,661	90,138
<b>Charitable expenditure</b>						
Malawi programme	547,131	685,066	1,232,197	390,442	679,245	1,069,687
Governance costs	24,608	13,455	38,063	26,650	11,028	36,678
<b>Total Expenditure</b>	<b>641,069</b>	<b>714,925</b>	<b>1,355,994</b>	<b>488,569</b>	<b>707,934</b>	<b>1,196,503</b>

Costs of generating voluntary income include staffing, office and publicity costs related to fundraising.

Operational costs include £238,837 for entrepreneur recruitment, training and support (2019: £273,791), £199,774 for CBCC construction and associated community hygiene and sanitation (2019: £235,236) and £80,805 on programme monitoring and evaluation (2019: £77,836)

## 7. STAFF COSTS (excluding Gifts and Services in Kind)

	Total 2020	Total 2019
	£	£
Gross emoluments	537,712	396,967
Employer's social security costs	16,199	18,523
Pension contributions	51,647	54,063
Other employment costs	35,511	19,016
<b>Total Staff Costs</b>	<b>641,069</b>	<b>488,569</b>

The key management personnel (KMP) of the Charity comprise the Trustees, the Chief Executive and Director of Programmes. Remuneration of KMP (including employer's social costs) was £155,422 (2019: £141,721). One employee earned between £60,000 and £70,000 in the year (2019: none).

Staff salaries are benchmarked against similar roles in similar sized organisations. The salaries of KMP are set by the Board with reference to market data for each individual role.

In Malawi, the Charity operates a defined contribution pension scheme, whose assets are held in an independently administered fund and in the UK it makes contributions to any personal pension scheme which meets its obligations under auto enrolment. Contributions payable by the Charity in the year amounted to £35,544 (2019: £43,397), these included contributions of £7,000 (2019: £nil) payable by the Charity on behalf of higher paid staff.

	Total 2020	Total 2019
Average number of staff excluding trustees		
Based in Africa	26.5	18.5
Based in the United Kingdom	4.7	4.5
<b>Total Staff</b>	<b>31.2</b>	<b>23.0</b>

## 8. GOVERNANCE COSTS

	Total 2020	Total 2019
	£	£
Governance costs comprise		
Staff costs	24,608	25,650
Professional fees	-	180
Statutory auditor's remuneration	8,000	7,000
Local auditor's remuneration	1,764	-
Premises, office costs and travel	3,691	3,848
<b>Total Governance Costs</b>	<b>38,063</b>	<b>36,678</b>

Governance costs comprise the costs of external audits, the costs of trustees' meetings, the costs of statutory compliance and other costs incurred in the strategic oversight of the Charity.

## 9. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

No payments were made to any of the Charity's Trustees in respect of their role as trustees during the financial year (2019: £nil) and no Trustees were reimbursed expenses (2019: £nil).

One trustee (Dave Waller) who had previously worked for a major NGO in Malawi was engaged by Pump Aid in the year to support the development of the Charity's enterprise activities. Dave Waller was paid through the Charity's UK payroll system and his total salary, NI and pension costs aggregated to £26,729. He was also reimbursed receipted expenditure of £8,740. His employment complied with all aspects of UK charity regulation and he was excluded from any meetings at which his contract was discussed.

## 10. CORPORATION TAX

As a charity, Pump Aid is exempt from UK tax on income and gains to the extent that these are applied to its charitable objects. No UK tax charges have arisen during the year or in the previous year.

## 11. FIXED ASSETS

	Land £	Fixtures and Equipment £	Motor Vehicles £	Total 2020 £
Cost or valuation at 1 <sup>st</sup> April 2019	-	47,451	119,985	167,436
Additions during period	1,232	4,122	27,640	32,994
Disposals during period	-	(19,535)	-	(19,535)
<b>Cost or valuation at 31<sup>st</sup> March 2020</b>	<b>1,232</b>	<b>32,038</b>	<b>147,625</b>	<b>180,895</b>
Accumulated depreciation at 1 <sup>st</sup> April 2019	-	37,734	116,504	154,238
Charge for the year	-	3,745	11,283	15,028
Depreciation on disposals	-	(15,196)	-	(15,196)
<b>Accumulated depreciation at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>26,283</b>	<b>127,787</b>	<b>154,070</b>
<b>Net book value at 31<sup>st</sup> March 2020</b>	<b>1,232</b>	<b>5,755</b>	<b>19,838</b>	<b>26,825</b>
<b>Net book value at 1<sup>st</sup> April 2019</b>	<b>-</b>	<b>9,717</b>	<b>3,481</b>	<b>13,198</b>

## 12. STOCKS

	Total 2020 £	Total 2019 £
Stocks represent fuel and materials used for building pumps		
Pump building materials	36,930	12,585
Tools	27	4,716
Fuel	4,565	29
Well digging materials	2,076	44
<b>Total Stocks</b>	<b>43,598</b>	<b>17,374</b>

## 13. DEBTORS

	Total 2020 £	Total 2019 £
Trade debtors	38,948	34,814
Less: provision for doubtful debts	(18,202)	-
Staff debtors	9,448	16,777
Other debtors	1,799	22,357
Prepayments	7,393	277
Accrued income	8,779	-
<b>Total Debtors</b>	<b>48,165</b>	<b>74,225</b>

Accrued income relates to funding for expenditure incurred in the year for which funding was received after it.

#### 14. CREDITORS (amounts falling due within one year)

	Total 2020	Total 2019
	£	£
Trade creditors	4,170	21,461
Taxes and social security costs	4,238	5,698
Provision for redundancy and restructuring	7,254	-
Audit fees	9,287	7,000
<b>Total Creditors</b>	<b>24,949</b>	<b>34,159</b>

#### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
Fund balances at 31 <sup>st</sup> March represented by:						
Tangible fixed assets	26,825	-	26,825	13,198	-	13,198
Current assets	266,170	44,408	310,578	319,088	-	319,088
Current liabilities	(24,949)	-	(24,949)	(34,159)	-	(34,159)
<b>Fund balances at 31<sup>st</sup> March</b>	<b>268,046</b>	<b>44,408</b>	<b>312,454</b>	<b>298,127</b>	<b>-</b>	<b>298,127</b>

#### 16. MOVEMENT IN FUNDS

2020	Balance at 1 <sup>st</sup> April 2019	Income	Transfers between programmes	Expenditure	Balance at 31 <sup>st</sup> March 2020
	£	£	£	£	£
<b>PROGRAMME CATEGORY</b>					
Community water, hygiene and sanitation					
FCDO / UKAID	-	60,243		(60,243)	-
Other funders	298,127	377,338	(162,459)	(244,960)	268,046
Enterprise for WASH and agriculture					
FCDO / UKAID	-	343,751		(343,751)	-
Other funders	-	400,621	162,459	(518,672)	44,408
WASH for vulnerable populations					
FCDO / UKAID	-	50,894		(50,894)	-
Other funders	-	137,474		(137,474)	-
Urban WASH and entrepreneurship					
Other funders	-	-		-	-
<b>Total Movement in Funds</b>	<b>298,127</b>	<b>1,370,321</b>	<b>-</b>	<b>(1,355,994)</b>	<b>312,454</b>

2019	Balance at 1 <sup>st</sup> April 2018	Income	Transfers between programmes	Expenditure	Balance at 31 <sup>st</sup> March 2019
	£	£	£	£	£
<b>PROGRAMME CATEGORY</b>					
Community water, hygiene and sanitation					
FCDO / UKAID	-	54,051		(54,051)	-
Other funders	190,620	410,901	(11,662)	(291,732)	298,127
Enterprise for WASH and agriculture					
FCDO / UKAID	-	374,479		(374,479)	-
Other funders	88,192	148,237	11,662	(248,091)	-
WASH for vulnerable populations					
FCDO / UKAID	-	60,841		(60,841)	-
Other funders	-	161,658		(161,658)	-
Urban WASH and entrepreneurship					
Other funders	-	5,651		(5,651)	-
<b>Total Movement in Funds</b>	<b>278,812</b>	<b>1,215,818</b>	<b>-</b>	<b>(1,196,503)</b>	<b>298,127</b>

## 17. TRANSFERS BETWEEN FUNDS / PROGRAMMES

Most of the Charity's restricted funds are received in respect of its enterprise and rural nursery (CBCC) programmes, which are often the subject of multi-year grant agreements that specify the dates on which grant instalments will be paid. For operational reasons, the activities delivered frequently fall into different financial years from those in the grant agreements and, when this happens, funds are transferred from unrestricted reserves in the year in which the activity takes place and returned to unrestricted reserves in the year in which the related grants are received.

## 18. COMMITMENTS UNDER OPERATING LEASES

	Total 2020 £	Total 2019 £
The Charity has replaced the long-term lease on its London office with a rolling one month notice period. It has no other lease or contract commitments.		
Within one year	459	-
Between two and five years	-	-
<b>Total Commitments</b>	<b>459</b>	<b>-</b>

## 19. RELATED PARTY TRANSACTIONS

The Charity's Chairman has made an irrevocable commitment to the charity's bankers to personally guarantee the charity's overdraft facility of £125,000 (2019: £125,000). The Chairman receives no personal benefit from this arrangement and there are no other related party transactions.

## 20. SUBSIDIARY COMPANIES

The Charity has a wholly owned UK registered subsidiary, Beyond Water Limited (Company Number: 7387428, E&W), with an issued share capital of one held by the Charity and Beyond Water Limited has a wholly owned Malawi registered subsidiary, Beyond Water Malawi (Company Number: 01756706), with an issued share capital of one held by Beyond Water Limited. Both subsidiaries were dormant during 2019/20 and began trading during 2020/21.

## GLOSSARY OF TERMS AND ABBREVIATIONS

CBCCs	Community Based Childcare Centres
CLTS	Community Led Total Sanitation
DFID	The UK Department for International Development
FCDO	The UK Foreign, Commonwealth & Development Office (formed by the merger of DFID and the Foreign and Commonwealth Office)
ENTREPRENEUR	A self-employed artisan or trader
JMP	Joint Monitoring programme of WHO and UNICEF
MVAC	Malawi Vulnerability Assessment Committee
NGOs	Non-Governmental Organisations
SDGs	The United Nations' Sustainable Development Goals
SELF-SUPPLY	The delivery of incremental improvements to water for consumption and irrigation, financed by the users themselves See <a href="http://www.pumpaid.org/our-work/programmes/water">http://www.pumpaid.org/our-work/programmes/water</a>
UKAID	Funds received from DFID or FCDO
UNICEF	The United Nations International Children's Emergency Fund
WASH	The collective term for Water, Sanitation and Hygiene interventions
WHO	World Health Organisation