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 2018

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

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

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 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

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 on Google Maps.

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
In 2018, charity: water raised enough funds to bring clean water to 28,435 people in the developing world. These funds were used in two grants to Charity Global, Inc., both of which only funded water and sanitation projects. Neither grant funded internal administrative costs.

These two grants were:

1. £78,522 to fund solutions like drilled wells, tap stands, rainwater harvesting and water filters in four countries:

A. Central Africa Republic
B. India
C. Malawi
D. Ethiopia

2. £632,367 to fund solutions like drilled wells, tap stands, rainwater harvesting and water filters in seven countries:

A. Cambodia
B. Ethiopia
C. India
D. Kenya
E. Malawi
F. Rwanda
G. Zimbabwe

Financial review

The Statement of Financial Activities set out on page 11 of the financial statements shows how the charity's incoming resources have been expended in the year ended 31 December 2018.

Total incoming resources amount to £1,538,617 (2017: £1,109,452), which comprise donations of £1,177,663 (2017: £476,886), donated services of £360,613 (2017: £632,490) and bank interest received of £341 (2018: £76).

Resources expended on charitable activities amounted to £1,342,439 (2017: £926,473), of which £710,889 (2017: £285,554) was defrayed on making grants and £55,076 on governance costs (2017: £189,924 which includes the expenses borne by the parent in setting up the UK charity).

The surplus for the year was £196,178 (2017: £182,979).

The Statement of Financial position set out on page 12 of the financial statements shows the financial position of the charity at 31 December 2018.

Total assets less current liabilities amounted to £379,157 (2017: £182,980), which is represented by the closing balances on the unrestricted funds, share capital and and restricted funds of £378,838, £1 and £318 respectively (2017: £132,904, £1 and £50,075 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 2018, the charitable company had free reserves (as represented by unrestricted net current assets) amounting to £378,838. 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.

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.

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 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.

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 registation 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)

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. Any member so appointed shall retain office only until the next Annual General Meeting, but shall be eligible for re-election. At the Annual General Meeting in every year, all members of the Board retire by rotation but are eligible for re-election.

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.

In 2018 we launched a new version of our website, able to take one-time donations. This evolved into The Spring, an international monthly giving community. We hope to end 2019 with over 2,000 UK members in The Spring community.

Our plans are to grow brand awareness and the products that foster generosity and giving. We'll increase our revenue, and therefore the number of people we are able to serve. In 2019, we'll add an additional full time employee and hope to raise enough funds to bring clean water to over 40,000 people.

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 2018, 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 2018 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.

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.

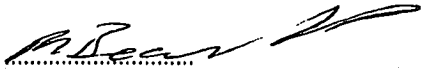
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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: 27 Sept 2019

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

Opinion

We have audited the financial statements of Charity Global (UK) Limited (the 'charitable company') for the year ended 31 December 2018 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 2018 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 accounts 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 accounts 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 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 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 as set out on page 7, 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 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 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 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.

Citroen Wells

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

27 September 2019

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 2018

	Notes	Unrestricted funds £	Restricted funds £	Year ended 31 December 2018 Total £	Period ended 31 December 2017 Total £
Income from:					
Donations	**3**	877,389	660,887	1,538,276	1,109,376
Investments	**4**	96	245	341	76
Total income		877,485	661,132	1,538,617	1,109,452
Expenditure on:					
Charitable activities	**5**	631,550	710,889	1,342,439	926,473
Net income/(expenditure) for the period/ Net movement in funds		245,935	(49,757)	196,178	182,979
Fund balances at 1 January 2018		132,904	50,075	182,979	-
Fund balances at 31 December 2018		378,839	318	379,157	182,979

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 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Trade and other receivables	**12**	219,359		176,352	
Cash at bank and in hand		880,010		236,866	
		1,099,369		413,218	
Current liabilities	**14**	(720,212)		(230,238)	
Net current assets			379,157		182,980
Income funds					
Restricted funds	**16**		318		50,075
Unrestricted funds		378,838		132,904	
Share capital		1		1	
			378,839		132,905
			379,157		182,980

The financial statements were approved by the Trustees on 27/9/19.

Patrick Luke Beauchamp 27th Sept 2019
Trustee

Company Registration No. 10377607

CHARITY GLOBAL (UK) LIMITED
CHARITY: WATER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	**20**		592,803		236,789
Investing activities					
Interest received		341		76	
Net cash generated from investing activities			341		76
Financing activities					
Proceeds from issue of shares		-		1	
Proceeds from borrowings		50,000		-	
Net cash generated from financing activities			50,000		1
Net increase in cash and cash equivalents			643,144		236,866
Cash and cash equivalents at beginning of year			236,866		-
Cash and cash equivalents at end of year			880,010		236,866

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.

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.

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' and Section 12 'Other Financial Instruments Issues' 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 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.

1 Accounting policies **(Continued)**

1.9 Reporting period

The period covered by the previous year's financial statements was the first period of account for the charitable company. This period ran from the date of incorporation, 15 September 2016, to 31 December 2017. As a result, the figures are not entirely comparable.

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

3 Donations

	Unrestricted funds	Restricted funds	Year ended 31 December 2018	Period ended 31 December 2017
	£	£	£	£
Donations and gifts	516,776	660,887	1,177,663	476,886
Donated services	360,613	-	360,613	632,490
For the period ended 31 December 2017	773,822	335,554		1,109,376

Donated services

Donated services consist of operating costs incurred by Charity Global, Inc., who incurred these on behalf of the charitable company as they continue to set up their own operations in the period under review.

4 Investments

	Unrestricted funds	Restricted funds	Year ended 31 December 2018	Period ended 31 December 2017
	£	£	£	£
Interest receivable	96	245	341	76
For the period ended 31 December 2017	1	75		76

5 Charitable activities

	Year ended 31 December 2018	Period ended 31 December 2017
	£	£
Wages and salaries	420,725	315,173
Social security costs	9,746	-
Pension Costs	5,225	-
Rent	12,110	-
Advertising, events and marketing	40,441	33,447
Insurance	17,794	13,341
Travelling	43,661	43,794
Recruitment fees	6,000	39,640
Printing, postage and stationery	2,800	251
Other expenses	9,876	2,435
Computer running costs	1,443	1,085
Service provider costs	3,810	1,829
Telephone	752	-
Subscriptions	2,091	-
	576,474	450,995
Grant funding of activities (see note 6)	710,889	285,554
Share of governance costs (see note 7)	55,076	189,924
	1,342,439	926,473
Analysis by fund		
Unrestricted funds	631,550	640,919
Restricted funds	710,889	285,554
	1,342,439	926,473

6 Grants payable

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
Grants to institutions:		
Charity Global, Inc.	710,889	285,554

7 Governance costs

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
Audit fees	7,200	6,600
Legal and Professional fees	47,276	182,898
Accountancy fees	519	426
Bank charges	81	-
	55,076	189,924

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditor and associates:	**2018 £**	**2017 £**
Audit of the charitable company's annual accounts	7,200	6,600

9 Trustees

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

10 Employees

Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
	2	-

Wages and salaries of £420,725 (2017: £315,173) (see note 5) includes £293,058 (2017: £315,173) 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:

	2018 Number	2017 Number
£70,000 - £80,000	1	-

11 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	214,771	176,352
Carrying amount of financial liabilities		
Measured at amortised cost	720,212	230,238

12 Other receivables

Amounts falling due within one year:	2018 £	2017 £
Pledges receivable	122,300	131,520
Other receivables	3,524	-
Prepayments	4,588	-
	130,412	131,520

Amounts falling due after more than one year:	2018 £	2017 £
Pledges receivable	88,947	44,832
Total debtors	219,359	176,352

13 Borrowings

	2018	2017
	£	£
Loans from parent undertaking	50,000	-
Payable within one year	50,000	-

14 Current liabilities

	2018	2017
	£	£
Borrowings	50,000	-
Grants payable	658,514	223,554
Accruals and deferred income	11,698	6,684
	720,212	230,238

15 Called up share capital

	2018	2017
	£	£
Issued and fully paid		
1 Ordinary share of £1	1	1
	1	1

16 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:

		Movement in funds		
	Balance at 1 January 2018	Incoming resources	Resources expended	Balance at 31 December 2018
	£	£	£	£
Water projects	50,075	661,132	(710,889)	318

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

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Share capital	Total
	£	£	£	£
Fund balances at 31 December 2018 are represented by:				
Current assets/(liabilities)	378,838	318	1	379,157

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.: £360,613 (2017: £632,490)

Grants payable in the period to Charity Global, Inc. amounted to £710,889 (2017: £285,554) of which £632,367 (2017: £223,554) was outstanding at the year end).

Charity Global Inc provided a loan of £50,000 to the charitable company in the 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.

During the year there were £395 donations made by trustees (2017: £nil).

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/).

20	**Cash generated from operations**	**2018**	**2017**
		£	**£**
	Surplus for the year	196,178	182,979
	Adjustments for:		
	Investment income recognised in statement of financial activities	(341)	(76)
	Movements in working capital:		
	(Increase) in other receivables	(43,008)	(176,352)
	Increase in trade and other payables	439,974	230,238
	Cash generated from operations	592,803	236,789