

WATERAID INTERNATIONAL

England & Wales · Charity number 1137900

Details

Other names WAI

Status Registered

Legal form Charitable company

Company number [07238796](#)

Registered 2010-09-08

Register [View on the Charity Commission register](#)

Contact

Address 6th Floor
20 Canada Square
London
E14 5NN

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Activities

Objects: THE OBJECTS OF WAI ARE TO RELIEVE POVERTY AND SUFFERING IN ANY PART OF THE WORLD THROUGH THE IMPROVEMENT OF WATER SUPPLIES, SANITATION AND ADVICE ON RELATED HEALTH MATTERS AND TO EDUCATE THE PUBLIC CONCERNING THE NATURE, CAUSES AND EFFECTS OF SUCH POVERTY AND SUFFERING.

Activities: WaterAid international (WAI) brings together the international group of WaterAid organisations to develop a global response to the world's water and sanitation crisis. WAI will help to consolidate relationships between WaterAid organisations and ensure that these organisations share a common vision, mission and values, as well as ensure greater coordination of strategy and policy.

Classification

- **How:** Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** Overseas Aid/famine Relief
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE WORLD
- Australia
- Canada
- India
- Japan
- Sweden
- United States

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£915,000	£903,000	£225,000	7
2024-03-31	£942,000	£935,000	£213,000	7
2023-03-31	£894,000	£893,000	£206,000	7
2022-03-31	£955,000	£950,000	£205,000	7
2021-03-31	£1,180,000	£1,121,000	£200,000	6

Trustees

Name	Role	Appointed
Maureen Patricia O'Neil	Chair	2020-08-01
ANDREW JAMES GREEN		2020-10-09
Andrew Towle		2023-01-01
Ankie van Wersch-Lenders		2025-09-18
Dr Claudia Sadoff		2025-09-01
Jan Sigurd Michael Arthursson		2023-06-12
Martin Munro		2022-06-21
Mohamed Sigbe Beavogui		2024-06-01
Osward Chanda		2025-10-20
PROFESSOR HIROAKI FURUMAI		2024-01-23
Professor Sheila Tlou		2025-09-01
The Hon Karlene Ann Maywald		2021-08-19

WATERAID INTERNATIONAL

England & Wales - Charity number 1137900

Accounts

WaterAid international

Annual Report and Financial Statements

31 March 2025

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Trustees' report

For the Year Ended 31 March 2025

The Trustees present their Trustees' report and audited financial statements for the year ended 31 March 2025.

Legal structure and governance

WaterAid international ("the Charity" or "WAI") is a charitable company limited by guarantee. It was incorporated on 29 April 2010 and registered as a charity on 8 September 2010. Its charitable objects are to relieve poverty and suffering in any part of the world through the improvement of water supplies, sanitation and advice on related health matters, and to educate the public concerning the nature, cause and effects of such poverty and suffering. Our governing document is our Articles of Association, published on our website.

During FY24-25, there were six full members of the Charity, namely WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan, WaterAid Sweden and WaterAid UK. Each of these member organisations is an independently constituted organisation with its own board, governing document and management body.

Principal objectives and activities

The Charity brings together the international group of WaterAid organisations to develop a global response to the world's WASH (water, sanitation and hygiene) crisis. The Charity works to consolidate relationships between WaterAid organisations and ensure that these organisations share a common vision, mission and values, and work effectively together in matters of strategy, policy and delivery. The Charity:

- monitors progress of existing members, approves criteria and choices for engagement with new countries;
- agrees membership criteria and standards and decides on membership status. It agrees changes to brand identity and licensing;
- agrees core global principles and monitors outcomes of core global processes; and
- shapes and agrees core WAI governance roles and processes, manages global risks and ensures appropriate global accountability to external and internal stakeholders.

Four principles underpin the relationship between the Charity and the national member organisations:

1. achieving WaterAid's mission as effectively as possible is fundamental to all we do, and global interest is paramount;
2. the Charity will only undertake activities that it can and will deliver more effectively than WaterAid members;
3. WaterAid will only have one organisation delivering our work in each of the countries where we operate; and
4. the members of WaterAid will be organisations that are, or are expected to become within a reasonable time frame, self-sustaining and able to contribute significant resources to the delivery of WaterAid's strategy.

Public benefit

The Trustees have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning our future activities.

Governance and management

The Trustees

Trustees are appointed by the members of WaterAid; in most cases the Trustees are the chairs of WaterAid national member organisations, who may be appointed from amongst the trustees or may be appointed through open recruitment.

In FY24-25, the Board appointed two independent trustees as permitted in the Articles of Association, to strengthen diversity and representation on the Board. Open recruitment was led by an external agency, Macaulay Search, and a Selection Committee recommended two candidates for appointment. The Board appointed both candidates in June 2024. Due to an unresolved external conflict of interest one appointee resigned in July 2024. A second round of recruitment was carried out, also through Macaulay Search, in the final quarter of FY24-25 and two further appointments were recommended and made in June 2025.

WAI's independent Chair Maureen O'Neil's appointment was renewed for a second term of three years from August 2024.

The Trustees met four times during FY24-25. Meetings were held virtually in September and December 2024 and March 2025. In June 2024 the Board met in person at the Charity's London office. Seminars and other informal events alongside the face-to-face meetings in London provided opportunities for relationship building and for deeper exploration of relevant topics, including localisation and programmatic work.

Trustees were provided with opportunities during FY24-25 for one-to-one conversations with the Chair to review the Board's performance and effectiveness.

Trustees were offered opportunities during the year to visit WaterAid's programme work and to meet with country programme leaders virtually. Further opportunities for virtual visits will be explored in FY25-26, in addition to two planned in-person visits.

Global Director

The Global Director, Andrew McCracken, leads a small secretariat team who deliver the Charity's work and who support the WAI Board, Global Executive, and the member organisations. The Global Director chairs the Global Executive, supporting them to make good decisions on behalf of the global organisation.

Trustees' report

For the Year Ended 31 March 2025

Global Executive

Operational decision making and management on federation issues is delegated by the Trustees to formally constituted executive groups, chiefly to the Global Executive. The Global Executive is formed of Chief Executives of member organisations, global leads for primary business functions, and two coopted members who lead our programme work in two countries in the global south. The Global Executive met monthly during FY24-25, for the most part virtually, with meetings chaired by the Global Director.

Membership and Accreditation Committee

The Membership and Accreditation Committee (MAC) provides scrutiny of the member accreditation processes and makes recommendations to the Board of Trustees. It also reviews and makes recommendations on the membership criteria against which accreditation reviews are conducted.

The MAC comprises two WAI trustees and two independent members. A new Chair was appointed in January 2025. The MAC met in May and November 2024 and February 2025.

Charity governance code

The Charity works to apply the principles and recommended practices set out in the Charity Governance Code 2017 and as amended in 2020. The Charity will make time in FY25-26 to consider any revisions to the Code resulting from the review in FY24-25.

Review of the financial year

Global strategy

The Charity and wider WaterAid federation is continuing to implement and operationalise its 2032 strategy, approved in February 2022. Through this strategy WaterAid aims to:

1. achieve universal, sustainable and safe services in focused geographic areas to influence wider change;
2. prioritise WASH across the health sector to improve public health;
3. strengthen the resilience of WASH to climate change; and
4. increase the quantity and quality of financing – with recognition that finance is a first order barrier to WASH access.

Activities and achievements during FY24-25 include:

- the Charity continued work to embed the Global Performance Measurement Framework (GPMF), approved by the Board in FY23-24. The GPMF presents consolidated results and data from across the WaterAid federation, enables the Trustees to scrutinise performance, and to support and challenge organisational members on progress towards the global strategy. It provides for the reporting on, amongst other topics, how WaterAid is integrating WASH into the climate agenda and climate resilience, and the impact of our projects on women and girls. Data is being used to tell powerful stories of change and challenge across 12 key change domains identified in WaterAid's global strategy.
- the Charity carried out a consultation with leaders in each of WaterAid's country programmes to understand differing views on localisation, and how WaterAid's work is, or could become more, locally led. The results of the survey and the data gathered will enable the federation to make decisions about its structure, governance and operational practices, ensuring that its work is responsive to and effective in meeting local needs.
- a review of the WaterAid brand was carried out. No substantive changes were made, and the Board endorsed the adoption of a refreshed brand, both in terms of the visual identity, but also WaterAid's voice and positioning. The refresh seeks to position WaterAid as the preeminent INGO in the water, sanitation and hygiene sector worldwide, with a bolder proposition to attract funding and drive growth towards the successful achievement of our mission and strategy.
- the Charity carefully monitored the changes in the international development funding environment, and the impact this had on some member's project delivery. The diverse streams of income to members across the federation provides stability in this changing context.
- the Charity has approved the addition of a new global audit and assurance function within the WAI secretariat. It will coordinate and support members in ensuring partnerships meet our ethical standards, and will provide assurance to the Board on global risk management.
- a biennial Global Employee Survey was carried out during FY24-25 with a 90% response rate across the WaterAid federation. The Charity were informed of the survey results which indicated high engagement amongst global employees (90% 'would recommend WaterAid as a good place to work') and high scores in relation to diversity (90% positive) and WaterAid's approach to safety and security (90% positive).

Supporting federation development

The Charity has continued to work with its members to build their capacity and effectiveness in delivering the mission:

- the approach and new criteria for accreditation, agreed by the Board in FY23-24, were tested and reported to the Board through scheduled accreditation reviews. This includes new environmental sustainability accreditation measures, as agreed in FY23-24 and based on the policy and framework agreed in October 2024. The new approach provides greater flexibility to indicate that a member is 'working towards' full compliance, whilst retaining their full membership status. This is of particular relevance with new criteria and indicators.

Trustees' report

For the Year Ended 31 March 2025

- the Charity carried out accreditation reviews as planned during FY24-25 in Australia, Canada and the UK. The Board accepted the recommendation of the Membership & Accreditation Committee and re-approved WaterAid Australia and WaterAid UK as full company law members. Consideration of the report on WaterAid Canada's membership will be scheduled in FY25-26.
- the global people function review, carried out largely in FY23-24, was completed in FY24-25. The federation has begun to implement the recommendation to create a new global people team to provide agreed services globally. Members and country offices retain their own local people teams, which are supported, guided and aligned under the new global team.
- following a review in FY23-24 of global markets, the Board endorsed bilateral funding within the federation to support the development and growth of three members – America, Canada and Sweden. Funds are being made available by WaterAid UK and the investment impact is being monitored by the Board.
- the Charity has continued to work directly with its members to build their capacity and effectiveness in delivering our mission. All members of the Charity continued to contribute to its ongoing costs and administration, including secretariat staffing. As planned, the Charity has not itself invested financially in new or developing member organisations in FY24-25.
- the Charity has provided such support as is within its powers to those members who have been most directly affected by the changing aid context. WaterAid's federated structure and portfolio approach to funding have built a resilient and sustainable organisation, within which the members are enabled to support each other; the Charity has provided oversight and guidance as impact has been considered, and mitigation measures have been put in place.

Equity, power and inclusion

WaterAid remains committed to understanding and tackling the power imbalances that act as obstacles to the achievement of our mission, both within our organisation and in our relationships with partners and communities.

In FY24-25 WaterAid published its high-level global framework articulating four broad commitments in the areas of diversity, equity, and empowerment. The commitments focus on individual and collective understanding, allyship, and action, inclusive practices, mission-centric organisational design, and inclusive and respectful communications.

As reported, the Charity launched a project on localisation, exploring the reality of and attitudes to locally led development, across WaterAid, and how local needs are reflected in our programme design, resourcing and decision making.

The WAI Board maintains a continued focus on holding members to account for ensuring boards, leadership teams and global functions are diverse and representative of the contexts that we work in. The Board is realising its own ambition in that regard and has made three Trustee appointments to bring experience and voice from the global south to the Board.

Climate crisis

WaterAid is clear that climate change is having a devastating effect on ecosystems, habitats and peoples' lives. The WaterAid federation understands and is committed through its strategy to building climate resilient WASH (water, sanitation and hygiene) access as one of the most effective climate adaptation actions to reduce the vulnerability of societies. It is equally committed to taking the lead in understanding and mitigating our own adverse impact.

In October 2024, the Global Executive approved a new Environmental Sustainability Policy and Emissions Standard. The policy clarifies WaterAid's commitments and guides the federation towards reducing our impact on the environment and across our operations. It includes an ambition to reduce our emissions by 50% towards the end of the current strategy, in line with the Paris Agreement. A new global greenhouse gases (GHG) emissions report has also been developed and externally audited, setting WaterAid among leaders in the market in terms of sustainability reporting. Environmental sustainability principles are now embedded in the membership criteria, and in global policies and standards, including the Ethical Standards and Policy, Global Travel Policy, and Quality Programme Standards.

Safeguarding

The Charity and the WaterAid federation are committed to the safeguarding and wellbeing of all individuals, from the people in the communities where we work, to our staff, volunteers, contractors, and partners. We have zero tolerance for the abuse of power, privilege or trust, or any form of inappropriate behaviour, discrimination, abuse, harassment or exploitation of any kind.

All representatives of WaterAid – staff, volunteers, contractors and partners – commit to the Global Code of Conduct. The Global Code of Conduct was reviewed and updated in FY24-25 to ensure it remains relevant and adheres to sector best practice standards.

In FY24-25, WaterAid's Global Safeguarding Team received 61 reports from across the WaterAid federation, a 30% increase in reporting on FY23-24. All reports of misconduct are fully investigated by trained staff, following WaterAid's survivor-centred approach, and appropriate actions are taken to protect and safeguard everyone involved. WaterAid remains dedicated to strengthening and improving reporting with partners and the communities we work with.

No incidents relating to the Charity's own operations or staff were reported during FY24-25.

Trustees' report

For the Year Ended 31 March 2025

Plans for future periods

The Charity will continue to support members to deliver the strategic aims and objectives as identified and will:

- hold members to account for delivery of their plans and objectives in their respective contexts and maintain oversight of the agreed enabling priorities, including WASH awareness, programme quality, income growth and adapting to become more locally led.
- in the changing global geopolitical context, facilitate the conversation on whether and how we should adapt our global strategy, testing our aims and approaches to ensure that WaterAid remains able to achieve its mission.
- support and induct a new full company law member of WaterAid, ensuring they are effectively integrated into the federation; explore other external options for the federation.
- continue to develop and implement plans to address power imbalances that are obstacles to our mission. Oversee follow-up to the consultation on localisation, including providing guidance to country programmes where there is a need to adapt their local governance.
- sponsor the continuing development of WaterAid's global leadership programme, supporting cross-member work and collaboration.
- continue to develop and implement a new matrix for mitigating federation-wide risk with appropriate accountability to business leaders and executive bodies to manage and control.
- carry out scheduled accreditations of WaterAid India, WaterAid Japan and WaterAid Sweden, and present recommendations to the Board following the accreditation review of WaterAid Canada in FY24-25.
- continue work on the development and enactment of global standards in critical areas of the business to ensure that WaterAid speaks and acts with one voice anywhere in the world.
- ensure that the refreshed global brand is well protected through a managed portfolio of trade mark registrations.

In June 2025, following due diligence investigations on both sides, the Board approved the admittance of Simavi, a Netherlands-registered INGO with similar mission and values, as a full company law member of the WaterAid federation.

Financial review

To carry out its work in FY24-25, the Charity raised £910k in contribution from its members, including £694k gifts in kind (primarily staff costs) which were expended as operational costs.

Reserves policy

In 2020, the Trustees approved a reserves policy which requires the Charity to maintain reserves to meet minimum working capital requirements for 2 – 3 months operating costs. The policy remains appropriate in FY24-25. Reserves would be required if the Charity is wound up. Funds remaining in the reserve after the Charity is wound up would be redistributed between the members.

The amount of reserves the Charity will hold is between £150k and £230k, being 2-3 months operating costs. As at 31 March 2025, the Charity held unrestricted funds of £225k.

Going concern

The Trustees are of the opinion the Charity's financial position is strong and has adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these financial statements. The Charity continues to monitor the global economic situation and to support its members in delivering the global strategy.

The Charity will have sufficient cash throughout FY25-26 to meet its liabilities as the cashflow profile involves receiving funds, based on total annual expenditure, on a quarterly basis from the Charity's national member organisations. The Charity will not go below a manageable working capital cash base at any time of the year. The Charity modelled severe but plausible downside financial scenarios regarding level of income received from WaterAid members. In all scenarios, the Charity remained a going concern.

In conclusion, the Trustees are confident the right processes are in place to monitor the financial position of the Charity to ensure it remains a going concern.

Principal risks

The Trustees reviewed the Charity's risk register in December 2024. The Board considered an emerging risk concerning the federation structure and cohesion in the context of structural changes in one or more members. Risks and planned actions were noted, and no further controls were requested.

They noted the responsibility of the Charity in relation to intellectual property management and the risks associated with global brand licencing, in particular in relation to the ongoing brand review and refresh. The Charity continued to have regard to the challenges arising from ongoing financial market fluctuations, changing donor and funding priorities, in particular the withdrawal of official development assistance aid in a number of countries, and the changing regulatory environment in many contexts.

The Charity has internal controls which allow it to monitor its risks and take steps to mitigate these as necessary. For example, the Charity has delegated financial management to WaterAid UK's finance department; on behalf of the Charity, they implement their own procedures to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

The Charity approved a revised policy and framework for managing and mitigating global or federation risk, that is those risks that transcend member boundaries. They reviewed a global risk register in June 2024 and in December 2024 and noted that this work is in progress with the major global risks adequately controlled and reported on.

Trustees' report

For the Year Ended 31 March 2025

Administrative details for the charity, trustees and advisors

Directors

The Trustees and Directors of the Charity who were in office during the year, and up to the date of signing the financial statements, were:

Maureen O'Neil (Chair)	Independent
Andrew Towle (Vice Chair)	WaterAid America
Karlene Maywald	WaterAid Australia
Martin Munro	WaterAid Canada
Hiroaki Furumai	WaterAid Japan
Michael Arthursson	WaterAid Sweden
Mala Rao	WaterAid UK
Andrew Green	WaterAid UK
Snowy Khoza (appointed 1 June 2024) (resigned 5 July 2024)	Independent
Mohamed Beavogui (appointed 1 June 2024)	Independent
Sheila Tlou (appointed 1 September 2025)	Independent
Claudia Sadoff (appointed 1 September 2025)	Independent

No Director held any interests in the company during the year or at the year-end (FY23-24: none).

Registered office: 6th Floor
20 Canada Square
London
E14 5NN

Company registration number: 07238796

Registered charity number: 1137900

Independent auditors

PricewaterhouseCoopers LLP were reappointed external auditors of the Charity by the Board for FY24-25.

Advisors

Principal bankers

Barclays Bank plc
50 Pall Mall
London SW1A 1QB

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Principal solicitor

Bates, Wells and Braithwaite
10 Queen Street Place
London EC4R 1BE

Trustees' report

For the Year Ended 31 March 2025

Statement of Trustees' Responsibilities

The Trustees (who are also directors of WaterAid International for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period. 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of 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.

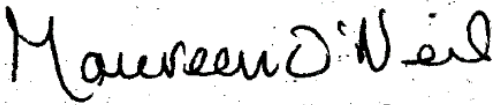
In accordance with Section 418, Trustees' report shall include a statement, in the case of each Trustee in office at the date the Trustees' report is approved, that:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- (b) he/she have taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Small company provision

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 & 16 of the Companies Act 2006 and WaterAid international is therefore exempt from the requirement to prepare a Strategic Report.

Approved by the Trustees on 18 September 2025 and signed on their behalf by:



Maureen O'Neil, Chair

Report on the audit of the financial statements

Opinion

In our opinion, WaterAid international's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2025; the Statement of financial activities (incorporating an income and expenditure account) and the Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the period ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Annual Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report to the members of WaterAid international (continued)

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

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

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

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed by the engagement team included:

- enquiring of management and the Board of Trustees, including consideration of known or suspected instances of fraud, and non-compliance with laws and regulations;
- reading minutes of meetings of the Board of Trustees;
- understanding and evaluating the control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- assessing the reasonableness of key accounting judgements and estimates; and
- assessing financial statements disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Katie Turnbull (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 September 2025

WaterAid international - Company registered number 07238796, Charity number 1137900

Statement of financial activities

(incorporating an income and expenditure account)

For the Year Ended 31 March 2025

				2025	2024
	Note	Unrestricted funds £000	Restricted funds £000	Total £000	Total £000
Income:					
<i>Donations</i>					
Grants of a general nature	3	910	-	910	935
<i>Investment income</i>		<u>5</u>	-	<u>5</u>	<u>7</u>
Total income		<u>915</u>	-	<u>915</u>	<u>942</u>
Expenditure:					
<i>Expenditure on charitable activities</i>					
Development of the WaterAid international network of members	4	<u>903</u>	-	<u>903</u>	<u>935</u>
Total expenditure		<u>903</u>	-	<u>903</u>	<u>935</u>
Net movement in funds		12	-	12	7
Fund balances brought forward at beginning of the financial year	8	<u>213</u>	-	<u>213</u>	<u>206</u>
Fund balances carried forward at end of the financial year	8	<u><u>225</u></u>	-	<u><u>225</u></u>	<u><u>213</u></u>

The statement of financial activities includes all gains and losses recognised during the year. All income and expenditure derive from continuing activities. The notes supporting the financial statements are on pages 13 to 18.

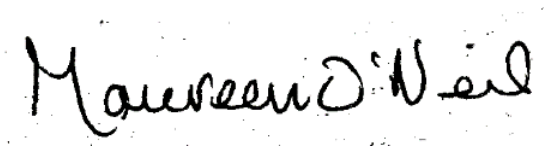
Balance sheet

As at 31 March 2025

	Note	2025 Total £000	2024 Total £000
Current assets			
Debtors: amounts falling due within one year	5	135	114
Cash at bank and in hand	6	166	268
Total current assets		<u>301</u>	<u>382</u>
Creditors: amounts falling due within one year	7	(76)	(169)
		<u>(76)</u>	<u>(169)</u>
Net current assets		<u>225</u>	<u>213</u>
Net assets		<u>225</u>	<u>213</u>
The funds of the charity			
Unrestricted income funds			
General funds	14	<u>225</u>	<u>213</u>
Total charity funds	14	<u>225</u>	<u>213</u>

The notes supporting the financial statements are on pages 13 to 18.

The financial statements on pages 10 - 18 were approved by the Board of Trustees on 18 September 2025 and signed on its behalf by:



Maureen O'Neil, Chair



Mala Rao, Director

WaterAid international - Company registered number 07238796, Charity number 1137900

Statement of cash flows

For the Year Ended 31 March 2025

	2025	2024
	Total £000	Total £000
Cash flows from operating activities		
Net surplus for the year	12	7
Increase in debtors	(21)	(60)
Decrease in creditors	(93)	(31)
Net cash used in operating activities	<u>(102)</u>	<u>(84)</u>
Decrease in cash and cash equivalents in the year	<u>(102)</u>	<u>(84)</u>
Cash and cash equivalents at the beginning of the year	268	352
Total cash and cash equivalents at the end of the year	<u>166</u>	<u>268</u>

The notes supporting the financial statements are on pages 13 to 18.

Notes to the financial statements

For the Year Ended 31 March 2025

1. Accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to WaterAid international's financial statements.

a) Basis of preparation

The financial statements have been prepared in accordance with 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 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are drawn up on the going concern basis which assumes WaterAid international will continue in operational existence for the foreseeable future. The Charity modelled severe but plausible downside financial scenarios regarding level of income received from WaterAid members. In all scenarios, the Charity remained a going concern. The Board have given due consideration to the working capital and cash flow requirements of WaterAid international. The Board consider WaterAid international's current and forecast cash resources, which includes the impact of inflation, to be sufficient to cover the working capital requirements of WaterAid international for at least 12 months from the date of approval of the financial statements.

b) Foreign exchange

Transactions denominated in foreign currencies are translated at the rate of exchange at the beginning of the month as an approximation to actual transaction dates. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Realised and unrealised foreign exchange gains & losses are included in the statement of financial activities (SOFA) within charitable activity expenditure for the period in which they are incurred.

c) Income

All income is included in the SOFA when the Charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability.

d) Grants of a general nature

Grants of a general nature are credited to unrestricted income within the SOFA when the Charity has entitlement to the funds. Grants of a general nature are receivable from WaterAid members to support the core activities of the Charity and, with no specific restrictions placed upon their use, are included within donations.

e) Donations

Donations are recognised in the period in which they are received.

f) Gifts in kind

Facilities and services donated for WaterAid international's use, where the benefit is quantifiable and the services would otherwise have had to be purchased, are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

g) Expenditure

Expenditure is recognised in the period in which it is incurred on an accrual basis. Expenditure includes attributable VAT which cannot be recovered.

Costs of charitable activities includes direct expenditure incurred through grants to full members or associate members. Grants are recognised in the period in which they are payable. Grants payable in furtherance of the charity's objects are attributed to the related classification heading in the SOFA.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the Charity as opposed to those costs associated with general running of the Charity, fundraising or charitable activity. These governance costs include internal and external audit costs, legal and tax advice, trustee costs and directors' time in governance of the Charity. Governance costs and other support costs incurred in the development of the WaterAid international network of members and potential new members have been allocated to expenditure on charitable activities.

h) Fund accounting

Unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Notes to the financial statements

For the Year Ended 31 March 2025

2. Prior year statement of financial activities

	2024		
	Unrestricted funds £000	Restricted funds £000	Total £000
Income:			
<i>Donations</i>			
Grants of a general nature	935	-	935
<i>Investment income</i>	7	-	7
Total income	942	-	942
Expenditure:			
<i>Expenditure on charitable activities</i>			
Development of the WaterAid international network of Members	935	-	935
Total expenditure	935	-	935
Net movement in funds for the year	7	-	7
Fund balances brought forward at the beginning of the financial year	206	-	206
Fund balances carried forward at the end of the financial year	213	-	213

3. Donations

	2025			2024
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants from Members				
WaterAid America	101	-	101	116
WaterAid Australia	40	-	40	56
WaterAid Canada	9	-	9	15
WaterAid India	4	-	4	10
WaterAid Japan	10	-	10	11
WaterAid Sweden	52	-	52	60
WaterAid UK	694	-	694	667
	<u>910</u>	<u>-</u>	<u>910</u>	<u>935</u>

All income is borne solely through charitable activities.

Gift in Kind donations of £694k (2024: £667k), comprising £56k (2024: £62k) in office costs and £638k (2024: £605k) in staff costs are included in the grants of a general nature from WaterAid UK.

Donations in the prior year (£935k) were all unrestricted.

Prior year donations

	2024			2023
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants from Members				
WaterAid America	116	-	116	75
WaterAid Australia	56	-	56	57
WaterAid Canada	15	-	15	15
WaterAid India	10	-	10	15
WaterAid Japan	11	-	11	7
WaterAid Sweden	60	-	60	60
WaterAid UK	667	-	667	664
	<u>935</u>	<u>-</u>	<u>935</u>	<u>893</u>

4. Expenditure

	Staff costs £000	Other direct costs £000	Allocation of support and governance costs £000	2025 Total £000	2024 Total £000
Expenditure on charitable activities					
Development of the WaterAid international network of members					
Donation to WaterAid UK	-	-	-	-	80
International network support and development costs	450	-	453	903	855
	<u>450</u>	<u>-</u>	<u>453</u>	<u>903</u>	<u>935</u>
Governance costs	97	190	(287)	-	-
Support costs	110	56	(166)	-	-
	<u>657</u>	<u>246</u>	<u>-</u>	<u>903</u>	<u>935</u>

In the prior year, both the donation to WaterAid UK (£80,000) and international network support and development costs (£855,000) were unrestricted.

The key management personnel of the Charity comprise the Trustees and Global Director. The total benefits of the key management personnel (inclusive of employer's national insurance and pension contributions) was £126,794 (2024: £123,064).

WaterAid international staff costs relate to 6.5 full time equivalent staff (2024: 6.4 FTE). Pension contributions were made during the year of £43,787 (2024: £43,201). No termination payments were made during the year (2024: £nil).

The number of employees whose total benefits excluding employer pension costs amounted to over £60,000 in the year was as follows:

	2025 No.	2024 No.
Employee benefits		
£60,000 - £69,999	1	1
£70,000 - £79,999	1	1
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
£100,000 - £109,999	1	1
	<u>1</u>	<u>1</u>

Prior year expenditure

	Staff costs £000	Other direct costs £000	Allocation of support and governance costs £000	2024 Total £000	2023 Total £000
Expenditure on charitable activities					
Development of the WaterAid international network of members					
Donation to WaterAid UK	-	80	-	80	115
International network support and development costs	430	-	425	855	778
	<u>430</u>	<u>80</u>	<u>425</u>	<u>935</u>	<u>893</u>
Governance costs	92	168	(260)	-	-
Support costs	103	62	(165)	-	-
	<u>625</u>	<u>310</u>	<u>-</u>	<u>935</u>	<u>893</u>

5. Debtors: amounts falling due within one year

	2025 £000	2024 £000
Trade debtors	122	101
Prepayments and accrued income	13	13
	<u>135</u>	<u>114</u>

6. Cash at bank and in hand

	2025 £000	2024 £000
Cash and bank balances in UK	<u>166</u>	<u>268</u>

7. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	1	80
Accruals and deferred income	75	89
	<u>76</u>	<u>169</u>

Notes to the financial statements

For the Year Ended 31 March 2025

8. Movements in funds

	At 1 April 2024 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2025 £000
Unrestricted funds:					
General funds	213	915	(903)	-	225
Total	<u>213</u>	<u>915</u>	<u>(903)</u>	<u>-</u>	<u>225</u>
Total restricted funds	-	-	-	-	-
Total funds	<u>213</u>	<u>915</u>	<u>(903)</u>	<u>-</u>	<u>225</u>
	At 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2024 £000
Unrestricted funds:					
General funds	206	942	(935)	-	213
Total	<u>206</u>	<u>942</u>	<u>(935)</u>	<u>-</u>	<u>213</u>
Total restricted funds	-	-	-	-	-
Total funds	<u>206</u>	<u>942</u>	<u>(935)</u>	<u>-</u>	<u>213</u>

The Trustees' report explains the main reasons why WaterAid international holds unrestricted funds and the adequacy of these funds at the year end. The Trustees approved a reserves policy in April 2020 and the reserves balance as at 31 March 2025 are in line with the policy.

Restricted funds

Restricted funds are used for specified purposes as laid down by the members. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs.

9. Taxation and charitable status

WaterAid international is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

10. Company limited by guarantee and not having share capital

The liability of the 6 full members of WaterAid international, who are also company members, is limited by guarantee to £1 each (2024: £1).

11. Net income for the year

This is stated after charging:

	2025 £000	2024 £000
Auditors' remuneration:		
▪ External audit	<u>3</u>	<u>3</u>

The subsidy for external audit services was £2,600 (2024: £2,000).

12. Trustee remuneration and expenses

WaterAid international's trustees were not paid or received any other benefits of employment with WaterAid international in the year (2024: £nil). Three trustees (2024: one trustee) were reimbursed for expenses or had their expenses paid directly to third parties. The total amount was £16,964 (2024: £9,770) and the nature of the expenses was travel and accommodation (2024: travel and accommodation).

Notes to the financial statements

For the Year Ended 31 March 2025

13. Related party transactions

WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan, WaterAid Sweden and WaterAid UK are all full members of WaterAid international operating under license to use the name WaterAid. WaterAid India is not a full member but also operates under license from WaterAid international to use the name WaterAid. It is expected that WaterAid India will become a full member in the future. WaterAid international receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid India, WaterAid Japan, WaterAid Sweden and WaterAid UK. Currently the chairs of all the full members sit on the Board of WaterAid international.

Transactions between WaterAid international and members of WaterAid international were as follows:

	2025	2024
	£000	£000
Received from:		
WaterAid America	101	116
WaterAid Australia	40	56
WaterAid Canada	9	15
WaterAid India	4	10
WaterAid Japan	10	11
WaterAid Sweden	52	60
WaterAid UK	694	667
	<u>910</u>	<u>935</u>

Contributions of services valued at £694k (2024: £667k) were received from WaterAid UK during the year to fund core operational costs within WaterAid international.

The following balances are due from related parties at year end:

	2025	2024
	£000	£000
WaterAid America	78	33
WaterAid Australia	9	16
WaterAid Canada	5	8
WaterAid India	1	16
WaterAid Japan	3	11
WaterAid Sweden	26	17
	<u>122</u>	<u>101</u>

The following balances are due to related parties at year end:

	2025	2024
	£000	£000
WaterAid UK	75	167
	<u>75</u>	<u>167</u>

14. Analysis of net assets between funds

	Net current	Total funds	Total funds
	assets	2025	2024
	£000	£000	£000
General funds	225	225	213
	<u>225</u>	<u>225</u>	<u>213</u>

Prior year analysis of net assets between funds

	Net current	Total funds	Total funds
	assets	2024	2023
	£000	£000	£000
General funds	213	213	206
	<u>213</u>	<u>213</u>	<u>206</u>

Notes to the financial statements

For the Year Ended 31 March 2025

15. Analysis of changes in net debt

	At start of year £000	Cash-flows £000	Other changes £000	At end of year £000
Cash	<u>268</u>	<u>(102)</u>	<u>-</u>	<u>166</u>

No guarantees or commitments were given or received during the financial year (2024: none).

Prior year analysis of changes in net debt

	At start of year £000	Cash-flows £000	Other changes £000	At end of year £000
Cash	<u>352</u>	<u>(84)</u>	<u>-</u>	<u>268</u>

WATERAID INTERNATIONAL

England & Wales - Charity number 1137900

Accounts

WaterAid international

Annual Report and Financial Statements

31 March 2024

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Trustees' report

For the Year Ended 31 March 2024

The Trustees present their Trustees' report and audited financial statements for the year ended 31 March 2024.

Legal structure and governance

WaterAid international ("the Charity" or "WAI") is a charitable company limited by guarantee. It was incorporated on 29 April 2010 and registered as a charity on 8 September 2010. Its charitable objects are to relieve poverty and suffering in any part of the world through the improvement of water supplies, sanitation and advice on related health matters, and to educate the public concerning the nature, cause and effects of such poverty and suffering. Our governing document is our Articles of Association, published on our website.

During this financial year, there were six members of the Charity, namely WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan, WaterAid Sweden and WaterAid UK. WaterAid Japan was admitted as a member in December 2023. Each of these member organisations is an independently constituted organisation with its own board, governing document and management body.

Principal objectives and activities

The Charity brings together the international group of WaterAid organisations to develop a global response to the world's WASH (water, sanitation and hygiene) crisis. The Charity works to consolidate relationships between WaterAid organisations and ensure that these organisations share a common vision, mission and values, and work effectively together in matters of strategy, policy and delivery. The Charity:

- monitors progress of existing members, approves criteria and choices for engagement with new countries;
- agrees membership criteria and standards and decides on membership status. It agrees changes to brand identity and licensing;
- agrees core global principles and monitors outcomes of core global processes; and
- shapes and agrees core WAI governance roles and processes, manages global risks and ensures appropriate global accountability to external and internal stakeholders.

Four principles underpin the relationship between the Charity and the national member organisations:

1. achieving WaterAid's mission as effectively as possible is fundamental to all we do, and global interest is paramount;
2. the Charity will only undertake activities that it can and will deliver more effectively than WaterAid member countries;
3. WaterAid will only have one organisation delivering our work in each of the countries where we operate; and
4. the members of the WaterAid federation will be organisations that are, or are expected to become within a reasonable time frame, self-sustaining and able to contribute significant resources to the delivery of WaterAid's strategy.

Public benefit

The Trustees have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning our future activities.

Governance and management

The Trustees

Trustees are appointed by the members of WaterAid; in most cases the Trustees are the chairs of WaterAid national member organisations, who may be appointed from amongst the trustees or may be appointed through open recruitment.

In December 2023, the Board agreed to appoint independent, co-opted members, as permitted in the Articles of Association. A nominations committee was formed in February 2024 and an open recruitment began, supported by an external agency, Macaulay Search. Two trustees were appointed on 1st June 2024 and attended their first meeting on 6th June 2024. Due to an external conflict of interest, which could not be resolved satisfactorily, one of those trustees subsequently resigned in July 2024.

Andrew Towle was appointed Vice Chair of the Board of Trustees in June 2023, to serve a term of office of 3 years, or until the end of his term on the WAI Board, whichever is earlier.

The Board agreed to renew Maureen O'Neil's appointment as Chair of the Board of Trustees for a second term of three years from August 2024.

The Trustees met four times during the year, in June, September, November and March. Meetings were hybrid in November and March and virtual in September. In June the entire Board met in person at WaterAid international's London office. Seminars and other informal events alongside the face-to-face meetings in London provided opportunities for relationship building and for deeper exploration of relevant topics, including WASH sustainability and Country Programme Strategies.

Trustees were provided with opportunities during the year for one-to-one conversations with the Chair to review the Board's performance and effectiveness. The Vice Chair undertook conversations on the Chair's performance as part of the discussions on agreeing a second term.

To facilitate its work, and in line with recommendations on data security and GDPR, the Board have adopted proprietary governance software, BoardEffect, a product of Diligent BoardBooks.

A number of policies were scheduled for review during the year and the Board approved revision to its Expenses, Gifts and Hospitality Policy and its Diversity, Equity and Inclusion Policy.

Trustees' report

For the Year Ended 31 March 2024

Global Director

The Global Director, Andrew McCracken, leads a small secretariat team who deliver the Charity's work and who support the WAI Board, Global Executive, and the member organisations. The Global Director chairs the Global Executive, supporting them to make good decisions on behalf of the global organisation.

Global Executive

Operational decision making and management on federation issues is delegated by the Trustees to formally constituted executive groups, chiefly to the Global Executive which is formed of Chief Executives of member organisations and global leads on primary business functions, including finance, people management, programmatic work and communications and fundraising. In 2023, the Global Executive approved the addition of two further members who would bring experience and expertise from the global south and the Charity's programmatic context. The Global Executive met monthly during the year, for the most part virtually, with meetings chaired by the Global Director.

Membership and Accreditation Committee

The Membership and Accreditation Committee (MAC) met in November 2023 and May 2024. The MAC provides scrutiny of the member accreditation processes and makes recommendations to the Board of Trustees. It also reviews and makes recommendations on the membership criteria against which accreditation reviews are conducted.

The MAC comprises two WaterAid international trustees and two independent members. Its terms of reference were revised and approved by the Board in June 2023.

Charity governance code

WaterAid international is continuing its work to apply the principles and recommended practices set out in the Charity Governance Code 2017 and as amended in 2020.

Review of the financial year

Global strategy

The Charity and wider WaterAid federation is continuing to implement and operationalise its 2032 strategy, approved in February 2022. Through this strategy WaterAid aims to:

1. achieve universal, sustainable and safe services in focused geographic areas to influence wider change;
2. prioritise WASH across the health sector to improve public health;
3. strengthen the resilience of WASH to climate change; and
4. increase the quantity and quality of financing – with recognition that finance is a first order barrier to WASH access.

Under the leadership of the Global Director and his team, a short-term Change Team has been in place since 2022. The team has facilitated a successful transition to the new strategic objectives, enabling the organisation to make significant shifts in our work. Their work is being wound down at the end of this financial year and seconded staff will be redeployed or returned to substantive roles.

Achievements during the year include:

- Country and member specific strategies that support the Global Strategy have been developed and are being enacted in all countries.
- The phase-out of four country programmes - Myanmar, Eswatini, Sierra Leone and Nicaragua – was successfully completed in December 2023.
- The Board approved the Global Performance Measurement Framework (GPMF) which presents consolidated results and data from across the WaterAid federation; the GPMF will enable the Trustees to scrutinise, support and challenge federation members on progress towards the Global Strategy, and will provide assurance as to the health and viability of the wider federation.
- Discussions were held at executive and board level on our financial modelling to ensure that the federation has the right level and type of funding to deliver the strategy; they focussed on investment in new and existing markets and diversification of income streams. Any financial investment is made member to member but monitored by the WAI Board.

Supporting federation development

During the year, the Charity has worked with its members to build their capacity and effectiveness in delivering the mission.

- The Charity carried out accreditation reviews as planned during the year. The Board accepted the recommendation of the Membership & Accreditation Committee (MAC) that both WaterAid America and WaterAid Sweden be reaccredited as full company law members.
- The Board also approved the recommendation of the MAC that WaterAid Japan be admitted as a full company law member of WaterAid.
- The Board of Trustees approved the adoption of a revised set of membership criteria, on the recommendation of the MAC; all members are periodically assessed against these criteria.
- WaterAid international has given some consideration during the year as to how support services could be delivered best across the federation; arising from these discussions a project to review People (HR) functions globally was launched in the final quarter of FY23-24. Over 100 interviews with leaders and staff across the federation conducted and data gathered will be used to inform future decisions on global or locally delivered services be delivered globally or at a local level.
- Accelerate Connections, a series of 'virtual retreats' to support global collaboration, continued. Two retreats were run across time-zones, bringing together leaders from across the federation to hear from external speakers, reflect on their own leadership and connect with other leaders. A new collaboration platform was launched to facilitate these events.
- The Charity has continued to work directly with its members to build their capacity and effectiveness in delivering our mission. All members of the Charity continued to contribute to its ongoing costs and administration, including secretariat staffing. As planned the Charity has not invested financially in new or developing member organisations in the year.
- The Charity has continued an agreed programme of trade-mark registrations in global markets to protect the WaterAid brand.

Trustees' report

For the Year Ended 31 March 2024

Equity, power and inclusion

The Global Power and Diversity Steering Group, established to take the 'One WaterAid' programme forward, continued to lead on addressing power imbalances, equity and inclusion across the federation.

The committee's work has brought to Board discussions valuable insight and evidence from different voices and from all parts of the federation. In its discussions the Board has considered how increased localisation - bringing decision-making closer to where work is delivered - could contribute to our Global Strategy delivery.

The WAI Board approved a revised Diversity, Equity and Inclusion Policy and maintains a continued focus on holding members to account for ensuring boards, leadership teams and global functions are diverse and representative of the contexts that we work in.

The Board's decision to seek and to appoint new Trustees to bring voice and experience from the contexts in which we work was enacted during the year, successfully concluding with two appointments in June 2024.

Climate crisis

The Charity approved an overarching aim in its Global Strategy to strengthen the resilience of WASH to climate change and has reviewed its work to build WASH sustainability during the year. A new Global Sustainability Lead has been in place since 2023 and a Global Sustainability Steering Committee established. Environmental sustainability criteria are captured in the revised Membership Criteria and in the Global Performance Measurement Framework., agreed by the Board. A policy is in development, which will require all parts of the organisation to report on action and progress against a more detailed environmental framework.

Safeguarding

The Charity is committed to the safeguarding and wellbeing of all individuals, including the people in communities in which we work, staff, volunteers, contractors, and partners. We have zero tolerance for the abuse of power, privilege or trust, or for any form of inappropriate behaviour, including discrimination, abuse, harassment, or exploitation of any kind. All representatives of WaterAid – including staff, volunteers, external contractors and partners – are required to commit to our Global Code of Conduct.

In April 2023, WaterAid rolled out a new Global Safeguarding Framework to ensure a strong federation-wide approach to safeguarding. The framework captures the renewed direction of safeguarding within WaterAid's Global Strategy (2022-2032) and the Global People and Culture Strategy.

A global Safeguarding Code of Practice Group, comprising trustees from the Charity, member boards and global leads has been established to reinforce a strong safeguarding agenda at the governance level. Two new positions: a Global Safeguarding Coordinator and a Safeguarding Community Engagement Advisor, have been added to our global safeguarding team, and our global safeguarding network has grown to over 56 Safeguarding Focal Points/champions across 31 countries. They have led preventive efforts in line with the new framework.

No incidents relating to the Charity's own operations or staff were reported during the year.

Plans for future periods

The Charity will continue to support members to deliver the strategic aims and objectives as identified and will:

- support the continued delivery of the global strategy through cross-member knowledge sharing to improve impact on the aims and shifts required to deliver the strategy;
- support business model reviews to ensure they facilitate the optimal delivery of the strategy;
- initiate discussions on 'localisation' across the federation, as a means of enabling the global strategy mission and aims;
- lead work to explore new models of federation architecture, specifically those which have the potential to grow representation from WaterAid's programmatic countries;
- conclude the review of the global people function, considering wider implications for the federation structures and the provision and resourcing of other services across the organisation;
- continue to develop and implement plans to address power imbalances that are obstacles to our mission; sponsor the continuing development of WaterAid's global leadership programme, supporting cross-member work and collaboration;
- continue to develop and embed the Global Performance Measurement Framework throughout the organisation as a means of monitoring and reporting on global strategy achievements;
- agree appropriate indicators and the accreditation methodology to accompany the roll out of new membership criteria, agreed by the Board of Trustees in FY23-24, against which the health of each member can be assessed;
- develop and implement a new matrix for mitigating federation-wide risk with appropriate delegations to executive bodies to manage and control;
- carry out scheduled accreditations for WaterAid Australia and WaterAid UK;
- complete work on the development and enactment of global standards in critical areas of the business to ensure that WaterAid speaks and acts with one voice anywhere in the world; and
- continue to ensure that the global brand is well protected through a managed portfolio of trade mark registrations.

Financial review

To carry out its work in FY23-24, the Charity raised £935k in contribution from its members, including £667k gifts in kind (primarily staff costs) which were expended as operational costs.

Trustees' report

For the Year Ended 31 March 2024

Reserves policy

In 2020, the Trustees approved a reserves policy which requires the Charity to maintain reserves to meet minimum working capital requirements for 2 – 3 months operating costs. The policy remains appropriate in FY23-24. Reserves would be required if the Charity is wound up. Funds remaining in the reserve after the Charity is wound up would be redistributed between the members.

The amount of reserves the Charity will hold is between £145k and £220k, being 2-3 months operating costs. As at 31 March 2024, the Charity held unrestricted funds of £213k.

Going concern

Our going concern statement is an important disclosure to give our stakeholders confidence in how the Charity navigates through this financially. The Trustees are of the opinion the Charity's financial position is strong and has adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these financial statements. The Charity continues to monitor the global economic situation and to support its members in delivering the global strategy.

The Charity will have sufficient cash throughout the year to meet its liabilities as the cashflow profile involves receiving funds, based on total annual expenditure, on a quarterly basis from the Charity's national member organisations. The Charity will not go below a manageable working capital cash base at any time of the year. The Charity modelled severe but plausible downside financial scenarios regarding level of income received from WaterAid members. In all scenarios, the Charity remained a going concern.

In conclusion, the Trustees are confident the right processes are in place to monitor the financial position of the Charity to ensure it remains a going concern.

Principal risks

The Trustees reviewed the Charity's risk register in November 2023. The Board considered and agreed new controls around financial risk and board composition, since enacted, and the risk of third-party litigation specifically in the context of country programme exits.

They noted the responsibility of the Charity in relation to intellectual property management and the risks associated with global brand licencing and continue to have regard to the challenges arising from ongoing financial market fluctuations, the changing regulatory environment, and donor and funding priorities.

The Charity has internal controls which allow it to monitor its risks and take steps to mitigate these as necessary. For example, the Charity has delegated financial management to WaterAid UK's finance department; on behalf of the Charity, they implement their own procedures to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Administrative details for the charity, trustees and advisors

Directors

The Trustees and Directors of WaterAid international who were in office during the year, and up to the date of signing the financial statements, were:

Maureen O'Neil (Chair)	Independent
Tobias Krantz (Deputy Chair) (resigned 12 June 2023)	WaterAid Sweden
Andrew Towle (Deputy Chair)	WaterAid America
Karlene Maywald	WaterAid Australia
Martin Munro	WaterAid Canada
Hiroaki Furumai (appointed 23 January 2024)	WaterAid Japan
Michael Arthursson (appointed 12 June 2023)	WaterAid Sweden
Mala Rao	WaterAid UK
Andrew Green	WaterAid UK
Snowy Khoza (appointed 1 June 2024) (resigned 5 July 2024)	Independent
Mohamed Beavogui (appointed 1 June 2024)	Independent

No Director held any interests in the company during the year or at the year-end (2023: none).

No dividend was paid or proposed during the year (2023: none paid or proposed).

Registered office: 6th Floor
20 Canada Square
London
E14 5NN

Company registration number: 07238796

Registered charity number: 1137900

Independent auditors

PricewaterhouseCoopers LLP were reappointed external auditors of the Charity by the Board for FY23-24.

Advisors

Principal bankers

Barclays Bank plc
50 Pall Mall
London SW1A 1QB

Trustees' report

For the Year Ended 31 March 2024

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Principal solicitor

Bates, Wells and Braithwaite
10 Queen Street Place
London EC4R 1BE

Statement of Trustees' Responsibilities

The Trustees (who are also directors of WaterAid International for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period. 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of 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.

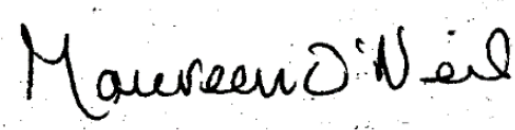
In accordance with Section 418, Trustees' report shall include a statement, in the case of each Trustee in office at the date the Trustees' report is approved, that:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- (b) he/she have taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Small company provision

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 & 16 of the Companies Act 2006 and WaterAid international is therefore exempt from the requirement to prepare a Strategic Report.

Approved by the Trustees on 17 September 2024 and signed on their behalf by:



Maureen O'Neil, Chair

Report on the audit of the financial statements

Opinion

In our opinion, WaterAid international's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2024; the statement of financial activities (incorporating an income and expenditure account) and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report for the period ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report to the members of WaterAid international (continued)

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

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

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

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed by the engagement team included:

- enquiring of management and the Board of Trustees, including consideration of known or suspected instances of fraud, and non-compliance with laws and regulations;
- reading minutes of meetings of the Board of Trustees;
- understanding and evaluating the control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- assessing the reasonableness of key accounting judgements and estimates; and
- assessing financial statements disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 September 2024

WaterAid international - Company registered number 07238796, Charity number 1137900

Statement of financial activities

(incorporating an income and expenditure account)

For the Year Ended 31 March 2024

				2024	2023
	Note	Unrestricted funds £000	Restricted funds £000	Total £000	Total £000
Income:					
<i>Donations</i>					
Grants of a general nature	3	935	-	935	893
<i>Investment income</i>		<u>7</u>	<u>-</u>	<u>7</u>	<u>1</u>
Total income		<u>942</u>	<u>-</u>	<u>942</u>	<u>894</u>
Expenditure:					
<i>Expenditure on charitable activities</i>					
Development of the WaterAid international network of Members	4	<u>935</u>	<u>-</u>	<u>935</u>	<u>893</u>
Total expenditure		<u>935</u>	<u>-</u>	<u>935</u>	<u>893</u>
Net movement in funds		7	-	7	1
Fund balances brought forward at beginning of the financial year	8	<u>206</u>	<u>-</u>	<u>206</u>	<u>205</u>
Fund balances carried forward at end of the financial year	8	<u><u>213</u></u>	<u><u>-</u></u>	<u><u>213</u></u>	<u><u>206</u></u>

The statement of financial activities includes all gains and losses recognised during the year. All income and expenditure derive from continuing activities. The notes supporting the financial statements are on pages 12 to 16.

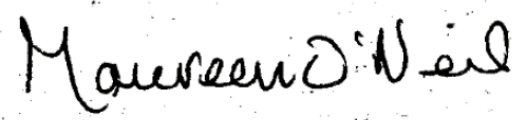
Balance sheet

As at 31 March 2024

		2024	2023
	Note	Total £000	Total £000
Current assets			
Debtors: amounts falling due within one year	5	114	54
Cash at bank and in hand	6	268	352
Total current assets		<u>382</u>	<u>406</u>
Creditors: amounts falling due within one year	7	(169)	(200)
		<u>(169)</u>	<u>(200)</u>
Net current assets		<u>213</u>	<u>206</u>
Net assets		<u>213</u>	<u>206</u>
The funds of the charity			
Unrestricted income funds			
General funds	14	<u>213</u>	<u>206</u>
Total charity funds	14	<u>213</u>	<u>206</u>

The notes supporting the financial statements are on pages 12 to 16.

The financial statements on pages 9 - 16 were approved by the Board of Trustees on 17 September 2024 and signed on its behalf by:



Maureen O'Neil, Chair



Mala Rao, Director

WaterAid international - Company registered number 07238796, Charity number 1137900

Statement of cash flows

For the Year Ended 31 March 2024

	2024	2023
	Total £000	Total £000
Cash generated from operating activities		
Net surplus for the year	7	1
(Increase) / Decrease in debtors	(60)	12
(Decrease) / Increase in creditors	(31)	33
Net cash generated (used in) / from operating activities	<u>(84)</u>	<u>46</u>
(Decrease) / Increase in cash and cash equivalents in the year	<u>(84)</u>	<u>46</u>
Cash and cash equivalents at the beginning of the year	352	306
Total cash and cash equivalents at the end of the year	<u>268</u>	<u>352</u>

The notes supporting the financial statements are on pages 12 to 16.

Notes to the financial statements

For the Year Ended 31 March 2024

1. Accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to WaterAid international's financial statements.

a) Basis of preparation

The financial statements have been prepared in accordance with 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 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are drawn up on the going concern basis which assumes WaterAid international will continue in operational existence for the foreseeable future. The Charity modelled severe but plausible downside financial scenarios regarding level of income received from WaterAid members. In all scenarios, the Charity remained a going concern. The Board have given due consideration to the working capital and cash flow requirements of WaterAid international. The Board consider WaterAid international's current and forecast cash resources, which includes the impact of inflation, to be sufficient to cover the working capital requirements of WaterAid international for at least 12 months from the date of approval of the financial statements.

b) Foreign exchange

Transactions denominated in foreign currencies are translated at the rate of exchange at the beginning of the month as an approximation to actual transaction dates. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Realised and unrealised foreign exchange gains & losses are included in the statement of financial activities (SOFA) within charitable activity expenditure for the period in which they are incurred.

c) Income

All income is included in the SOFA when the Charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability.

d) Grant income

Grants are credited to the SOFA when WaterAid international has entitlement to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within WaterAid international's control, income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of WaterAid international and with no specific restrictions placed upon their use are included within donations. Grants that have specific restrictions placed upon their use are included within income from charitable activities. Grants are receivable from Members for the running costs of WaterAid international.

e) Donations

Donations are recognised in the period in which they are received.

f) Gifts in kind

Goods, facilities and services donated for WaterAid international's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

g) Expenditure

Expenditure is recognised in the period in which it is incurred on an accrual basis. Expenditure includes attributable VAT which cannot be recovered.

Costs of charitable activities includes direct expenditure incurred through grants to Full Members or Associate Members. Grants are recognised in the period in which they are payable. Grants payable in furtherance of the charity's objects are attributed to the related classification heading in the SOFA.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the Charity as opposed to those costs associated with general running of the Charity, fundraising or charitable activity. These governance costs include internal and external audit costs, legal and tax advice, trustee costs and directors' time in governance of the Charity. Governance costs and other support costs incurred in the development of the WaterAid international network of Members and potential new Members have been allocated to expenditure on charitable activities.

Notes to the financial statements

For the Year Ended 31 March 2024

h) Fund accounting

Unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

2. Prior year statement of financial activities

	2023		
	Unrestricted funds £000	Restricted funds £000	Total £000
Income:			
<i>Donations</i>			
Grants of a general nature	893	-	893
<i>Investment income</i>	<u>1</u>	<u>-</u>	<u>1</u>
Total income	<u>894</u>	<u>-</u>	<u>894</u>
Expenditure:			
<i>Expenditure on charitable activities</i>			
Development of the WaterAid international network of Members	<u>893</u>	<u>-</u>	<u>893</u>
Total expenditure	<u>893</u>	<u>-</u>	<u>893</u>
Net movement in funds for the year	1	-	1
Fund balances brought forward at the beginning of the financial year	<u>205</u>	<u>-</u>	<u>205</u>
Fund balances carried forward at the end of the financial year	<u><u>206</u></u>	<u><u>-</u></u>	<u><u>206</u></u>

3. Donations

	2024			2023
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants of a general nature				
Grants from Members				
WaterAid America	116	-	116	75
WaterAid Australia	56	-	56	57
WaterAid Canada	15	-	15	15
WaterAid India	10	-	10	15
WaterAid Japan	11	-	11	7
WaterAid Sweden	60	-	60	60
WaterAid UK	667	-	667	664
	<u>935</u>	<u>-</u>	<u>935</u>	<u>893</u>

All income is borne solely through charitable activities.

Gift in Kind donations of £666,664 (2023: £664,112), comprising £62,158 (2023: £60,404) in office costs and £604,506 (2023: £603,708) in staff costs are included in the grants from WaterAid UK.

Donations in the prior year (£893,000) were all unrestricted.

Notes to the financial statements

For the Year Ended 31 March 2024

4. Expenditure

	Staff costs £000	Other direct costs £000	Allocation of support and governance costs £000	2024 Total £000	2023 Total £000
Expenditure on charitable activities					
Development of the WaterAid international network of Members					
Donation to WaterAid UK	-	80	-	80	115
International network support and development costs	430	-	425	855	778
	<u>430</u>	<u>80</u>	<u>425</u>	<u>935</u>	<u>893</u>
Governance costs	92	168	(260)	-	-
Support costs	103	62	(165)	-	-
	<u>625</u>	<u>310</u>	<u>-</u>	<u>935</u>	<u>893</u>

In the prior year, both the donation to WaterAid UK (£115,000) and international network support and development costs (£778,000) were unrestricted.

The key management personnel of the Charity comprise the Trustees and Global Director. The total benefits of the key management personnel (inclusive of employer's national insurance and pension contributions) was £123,064 (2023: £116,376).

WaterAid international staff costs relate to 6.4 full time equivalent staff (2023: 6.7 FTE). Pension contributions were made during the year of £43,201 (2023: £38,305). No termination payments were made during the year (2023: £nil).

The number of employees whose total benefits excluding employer pension costs amounted to over £60,000 in the year was as follows:

	2024 No.	2023 No.
Employee benefits		
£60,000 - £69,999	1	-
£70,000 - £79,999	1	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	1
£100,000 - £109,999	1	-
	<u>1</u>	<u>-</u>

5. Debtors: amounts falling due within one year

	2024 £000	2023 £000
Trade debtors	101	50
Prepayments and accrued income	13	4
	<u>114</u>	<u>54</u>

6. Cash at bank and in hand

	2024 £000	2023 £000
Cash and bank balances in UK	268	352

7. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	80	117
Accruals and deferred income	89	83
	<u>169</u>	<u>200</u>

8. Movements in funds

	At 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2024 £000
Unrestricted funds:					
General funds	206	942	(935)	-	213
Total unrestricted funds	<u>206</u>	<u>942</u>	<u>(935)</u>	<u>-</u>	<u>213</u>
Total restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>206</u>	<u>942</u>	<u>(935)</u>	<u>-</u>	<u>213</u>

Notes to the financial statements

For the Year Ended 31 March 2024

8. Movements in funds (continued)

	At 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2023 £000
Unrestricted funds:					
General funds	205	894	(893)	-	206
Total	<u>205</u>	<u>894</u>	<u>(893)</u>	<u>-</u>	<u>206</u>
Total restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>205</u>	<u>894</u>	<u>(893)</u>	<u>-</u>	<u>206</u>

The Trustees' report explains the main reasons why WaterAid international holds unrestricted funds and the adequacy of these funds at the year end. The Trustees approved a reserves policy in April 2020 and the reserves balance as at 31 March 2024 are in line with the policy.

Restricted funds

Restricted funds are used for specified purposes as laid down by the Members. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs. A restricted fund has been established for the investment in new WaterAid Members.

9. Taxation and charitable status

WaterAid international is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

10. Company limited by guarantee and not having share capital

The liability of the 6 full members of WaterAid international, who are also company members, is limited by guarantee to £1 each (2023: £1).

11. Net income for the year

This is stated after charging:

	2024 £000	2023 £000
Auditors' remuneration:		
▪ External audit	<u>3</u>	<u>3</u>

12. Trustee remuneration and expenses

WaterAid international's trustees were not paid or received any other benefits of employment with WaterAid international in the year (2023: £nil). One Trustee (2023: one trustee) was reimbursed for expenses or had their expenses paid directly to third parties. The total amount was £9,770 (2023: £10,934) and the nature of the expenses was travel and accommodation (2023: travel and accommodation).

13. Related party transactions

WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan, WaterAid Sweden and WaterAid UK are all full members of WaterAid international operating under license to use the name WaterAid. WaterAid Japan was admitted as company law member in December 2023. WaterAid India is not a full member but also operates under license from WaterAid international to use the name WaterAid. It is expected that WaterAid India will become a full member in the future. WaterAid international receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid India, WaterAid Japan, WaterAid Sweden and WaterAid UK. Currently the chairs of all the full members sit on the Board of WaterAid international.

Notes to the financial statements

For the Year Ended 31 March 2024

13. Related party transactions (continued)

Transactions between WaterAid international and Members of WaterAid international were as follows:

	2024 £000	2023 £000
Received from:		
WaterAid America	116	75
WaterAid Australia	56	57
WaterAid Canada	15	15
WaterAid India	10	15
WaterAid Japan	11	7
WaterAid Sweden	60	60
WaterAid UK	667	664
	<u>935</u>	<u>893</u>

Contributions of services valued at £666,664 (2023: £664,112) were received from WaterAid UK during the year to fund core operational costs within WaterAid international.

The following balances are due from related parties at year end:

	2024 £000	2023 £000
WaterAid America	33	11
WaterAid Australia	16	3
WaterAid Canada	8	1
WaterAid India	16	27
WaterAid Japan	11	7
WaterAid Sweden	17	1
	<u>101</u>	<u>50</u>

The following balances are due to related parties at year end:

	2024 £000	2023 £000
WaterAid UK	167	196
	<u>167</u>	<u>196</u>

14. Analysis of net assets between funds

	Net current assets £000	Total funds 2024 £000	Total funds 2023 £000
General funds	213	213	206
	<u>213</u>	<u>213</u>	<u>206</u>

15. Analysis of changes in net debt

	At start of year £000	Cash-flows £000	Other changes £000	At end of year £000
Cash	352	(84)	-	268

No guarantees or commitments were given or received during the financial year (2023: none).

WATERAID INTERNATIONAL

England & Wales - Charity number 1137900

Accounts

WaterAid international

Annual Report and Financial Statements

31 March 2023

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The Trustees present their Trustees' report and audited financial statements for the year ended 31 March 2023.

Legal structure and governance

WaterAid international ("the Charity" or "WAi") is a charitable company limited by guarantee. It was incorporated on 29 April 2010 and registered as a charity on 8 September 2010. Its charitable objects are to relieve poverty and suffering in any part of the world through the improvement of water supplies, sanitation and advice on related health matters, and to educate the public concerning the nature, cause and effects of such poverty and suffering. Our governing document is our Articles of Association, published on our website.

During this financial year, there were five members of the Charity, namely WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden and WaterAid UK. Each of these member organisations is an independently constituted organisation with its own board, governing document and management body.

Principal objectives and activities

The Charity brings together the international group of WaterAid organisations to develop a global response to the world's WASH (water, sanitation and hygiene) crisis. The Charity works to consolidate relationships between WaterAid organisations and ensure that these organisations share a common vision, mission and values, and work effectively together in matters of strategy, policy and delivery. The Charity:

- monitors progress of existing members, approves criteria and choices for engagement with new countries;
- agrees core global principles and monitors outcomes of core global processes;
- agrees membership criteria and standards and decides on membership status. It agrees changes to brand identity and licensing; and
- shapes and agrees core WAi governance roles and processes, manages global risks and ensures appropriate global accountability to external and internal stakeholders.

Four principles underpin the relationship between the Charity and the national member organisations:

1. achieving WaterAid's mission as effectively as possible is fundamental to all we do, and global interest is paramount;
2. the Charity will only undertake activities that it can and will deliver more effectively than WaterAid member countries;
3. WaterAid will only have one organisation delivering our work in each of the countries where we operate; and
4. the members of the WaterAid federation will be organisations that are, or are expected to become within a reasonable time frame, self-sustaining and able to contribute significant resources to the delivery of WaterAid's strategy.

Public benefit

The Trustees have taken into account the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning our future activities.

Governance and management

The Trustees

Trustees are appointed by the members of WaterAid; in most cases the Trustees are the chairs of WaterAid national member organisations, who may be appointed from amongst the trustees or may be appointed through open recruitment.

The Trustees met four times during the year, in June, September, December and March. For the first time since the start of the Covid pandemic, meetings were held in person at WaterAid international's London office, the first in June and a second in December. In both cases, attendance was a mixture of virtual and in person.

By virtue of its composition, as set out in the Articles of Association, WaterAid international is not in a position to fully apply all the recommended practice relating to open recruitment of Trustees, as they are appointed by the national member organisations. Our work on racial equity, power and inclusion (below) will inform this recruitment process.

Trustees were provided with opportunities during the year for one to one conversations with the Chair to review the board's performance and effectiveness. Seminars and other informal events alongside the face to face meetings in London provided opportunities for relationship building and for focussed learning during the face to face meetings.

The Trustees approved the updated Global Ethical Standards and Policy. This document and process provides a decision-making framework to support all Members in selecting and working with partners – both funders, delivery partners and suppliers. The policy is enacted at the Member level but provision is made for escalation to WaterAid international in more complex cases.

Global Director

The Global Director, Andrew McCracken, leads a small secretariat team who deliver the Charity's work and who support the WAi board, Global Executive, and the member organisations. The Global Director chairs the Global Executive, supporting them to make good decisions on behalf of the global organisation.

Global Executive

Operational decision making and management on federation issues is delegated by the Trustees to formally constituted executive groups, chiefly to the Global Executive which is formed of Chief Executives of member organisations and global leads on primary business functions, including finance, people management, programmatic work and communications and fundraising. The Global Executive met monthly during the year, for the most part digitally, with meetings chaired by the Global Director.

Membership and Accreditation Committee

The Membership and Accreditation Committee (MAC) met three times in May, November and February to provide scrutiny of the member accreditation processes. The MAC comprises two WaterAid international Trustees and two independent members.

Charity governance code

WaterAid international is continuing its work to apply the principles and recommended practices set out in the Charity Governance Code 2017 and as amended in 2020.

Trustees' report

For the Year Ended 31 March 2023

Review of the financial year

Global strategy

The year was the first year of transition to WaterAid's new Global Strategy to 2032, approved and published by the Charity in February 2022. Through this strategy WaterAid aims to:

1. achieve universal, sustainable and safe services in focused geographic areas to influence wider change;
2. prioritise WASH across the health sector to improve public health;
3. strengthen the resilience of WASH to climate change; and
4. increase the quantity and quality of financing – with recognition that finance is a first order barrier to WASH access.

Under the leadership of the Global Director and his team, a short-term Change Team has been put in place to support the transition to the new strategy. The team has four staff on secondment from elsewhere in the federation and managed from the WaterAid international secretariat.

Work has progressed well during the year in a number of areas, including:

- development of context specific strategies in most of the federation's country programmes. These strategies articulate the change each wants to contribute to in their respective countries, and the contribution they will make to the achievement of the global strategy. They have also been aggregated to consider the overall achievement of our Global Strategy.
- The phase-out of four country programmes, approved by the WAI board as part of the strategy development process – Myanmar, Eswatini, Sierra Leone and Nicaragua – is expected to be completed by December 2023. The Trustees have delegated this work to the relevant member organisations, to achieve a well-resourced, well-managed and responsible exit from these countries.
- a Performance Measurement Framework has been developed and will be launched in the next financial year. It will enable the Trustees to examine, support and challenge the federation on their progress towards achieving the Global Strategy and the contributions of member organisations.
- the 'One WaterAid' programme, addressing power, equity and inclusion across the federation, is also making progress and we have already seen positive change in representation across the federation at leadership and decision-making levels.

Supporting federation development

During the year, the Charity has worked with its members to build their capacity and effectiveness in delivering the mission.

The Charity completed the process of reissuing Membership and Licence Agreements to all members. The agreements license members to operate under the WaterAid brand;

The Charity carried out accreditation reviews as planned during the year. The Trustees approved the recommendations of the Membership and Accreditation Committee that WaterAid Canada remain as a full member, and WaterAid India and WaterAid Japan as associate members. An indicative assessment of WaterAid Japan against the criteria for full membership was also carried out. Recognising the progress made by WaterAid Japan the Trustees approved the recommendation for a further review in a year against the full membership criteria.

The Charity has continued to work directly with its members to build their capacity and effectiveness in delivering our mission but, as planned, has not invested financially in new or developing member organisations in the year. All members of the Charity continued to contribute to its ongoing costs and administration, including Secretariat staffing.

The Charity has continued an agreed programme of trade mark registrations in global markets to protect the WaterAid brand.

Equity, power and inclusion

Following the publication of an internal framework for action on anti-racism, power and diversity and the development of a map of internal changes to support the Global Strategy. The federation is committed to ensuring that authority to make decisions sits at the appropriate level and to improve inclusion in strategic decision making. The WAI board will continue its focus on holding members to account for ensuring boards, leadership teams and global functions are diverse and representative of the contexts that we work in. It will also review its Equity, Diversity and Inclusion policy.

Climate crisis

The Charity has approved a high-level focus on developing climate mitigation and resilience work in its current strategy. Across the federation, member organisations are continuing their efforts to place WASH at the forefront of climate change activities and have lobbied hard at global fora, including the UN Water Conference in New York in March 2023. The federation has carried out an environmental assessment into its work and developed an environmental statement, led by WaterAid Sweden. A Global Sustainability Lead has been appointed.

Safeguarding

The Charity is committed to the safeguarding and wellbeing of all individuals, including the people in communities in which we work, staff, volunteers, contractors, and partners. We have zero tolerance for the abuse of power, privilege or trust, or any form of inappropriate behaviour, discrimination, abuse, harassment, or exploitation of any kind. All representatives of WaterAid – including staff, volunteers, external contractors and partners – are required to commit to our Global Code of Conduct.

A federation-wide safeguarding audit this year confirmed that safeguarding is adequately controlled. The audit found the whole federation has taken a robust and effective approach to safeguarding, supported by senior management and the WaterAid boards.

A new organisational Global Safeguarding Framework is in place and a working group of trustees from each member organisation has been set up for oversight of safeguarding culture and practice at a federation governance level.

Plans for future periods

The Charity will continue to support members as the organisation transitions to new strategic objectives and plans to:

- support the federation to deliver the final year of the transition plan to the new global strategy;
- carry out scheduled accreditations with members;
- establish and roll out the new membership criteria against which the health of each member can be assessed;
- continue to develop and implement plans to address power imbalances that are obstacles to our mission;

Trustees' report

For the Year Ended 31 March 2023

- lead a project to improve global collaboration (as reported in our biennial Global Employee Satisfaction Survey), enabling people across the global organisation to work together effectively;
- explore options for Global Executive and federation structures that better enable us to deliver our strategy;
- embed the new performance reporting framework across all members;
- complete work on the development and enactment of global standards in critical areas of the business to ensure that WaterAid speaks and acts with one voice anywhere in the world; and
- support the WAI Board, Global Executive and Global Leads to fulfil their responsibilities and functions, working effectively across the member organisations.

Financial review

To carry out its work in FY22-23, the Charity raised £894k in contribution from its members, including £664k gifts in kind (primarily staff costs); which were expended as operational costs.

Reserves policy

In 2020, the Trustees approved a reserves policy which requires the Charity to maintain reserves to meet minimum working capital requirements for 2 – 3 months operating costs. The policy remains appropriate in FY22-23. Reserves would be required if the Charity is wound up. Funds remaining in the reserve after the Charity is wound up would be redistributed between the members.

The amount of reserves the Charity will hold is between £140k and £210k, being 2-3 months operating costs. As at 31 March 2023, the Charity held unrestricted funds of £206k.

Going concern

Our going concern statement is an important disclosure to give our stakeholders confidence in how the Charity navigates through this financially. The Trustees are of the opinion the Charity's financial position is strong and has adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these financial statements. The Charity is mindful of the global economic situation, high inflation and volatility in funding and fundraising and has revised down the WaterAid international budget in FY24 (a 8% decrease in total expenditure) and will continue to carefully monitor expenditure levels in FY25, to reduce contribution due from most members to acknowledge and account for the financial challenges federation members are facing.

The Charity will have sufficient cash throughout the year to meet its liabilities as the cashflow profile involves receiving funds, based on total annual expenditure, on a quarterly basis from the Charity's national member organisations. The Charity will not go below a manageable working capital cash base at any time of the year.

In conclusion, the Trustees are confident the right processes are in place to monitor the financial position of the Charity to ensure it remains a going concern.

Principal risks

The Trustees considered an updated risk register for the Charity in March 2023 and have given consideration to the major risks to which the charity is exposed. They noted considerable progress in developing the Charity's financial procedures to mitigate risks, in particular from late or withheld payment from member organisations. They noted the responsibility of the Charity in relation to intellectual property management and the risks associated with global brand licencing. The Trustees are mindful of the health, safety and wellbeing risks to its staff, specifically as a globally dispersed team, and the wider risk to continuity of work from its being a small team. They have also noted the operational risks and challenges arising from changing donor priorities and expectations, political volatility, the federation's dependence on UK income, and from ongoing financial markets fluctuations.

The Charity has internal controls which allow it to monitor its risks and take steps to mitigate these as necessary. For example, the Charity has delegated financial management to WaterAid UK's finance department; on behalf of the Charity, they implement their own procedures to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Administrative details for the charity, trustees and advisors

Directors

The Trustees and Directors of WaterAid international who were in office during the year, and up to the date of signing the financial statements, were:

Maureen O'Neil (Chair)	Independent
Tobias Krantz (Deputy Chair) (resigned 12 June 2023)	WaterAid Sweden
Marc Robert (resigned 31 December 2022)	WaterAid America
Andrew Towle (appointed 1 January 2023)	WaterAid America
Karlene Maywald	WaterAid Australia
Annette Nicholson (resigned on 21 June 2022)	WaterAid Canada
Martin Munro (appointed on 21 June 2022)	WaterAid Canada
Michael Arthursson (appointed 12 June 2023)	WaterAid Sweden
Mala Rao	WaterAid UK
Andrew Green	WaterAid UK

No Director held any interests in the company during the year or at the year-end (2022: none).

No dividend was paid or proposed during the year (2022: none paid or proposed).

Registered office: 6th Floor
20 Canada Square
London
E14 5NN

Company registration number: 07238796

Registered charity number: 1137900

Trustees' report

For the Year Ended 31 March 2023

Independent auditors

PricewaterhouseCoopers LLP were appointed external auditors of the Charity by the Board for FY22-23.

Advisors

Principal bankers

Barclays Bank plc
50 Pall Mall
London SW1A 1QB

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Principal solicitor

Bates, Wells and Braithwaite
10 Queen Street Place
London EC4R 1BE

Statement of Trustees' Responsibilities

The Trustees (who are also directors of WaterAid International for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period. 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of 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.

Disclosure of information to auditors

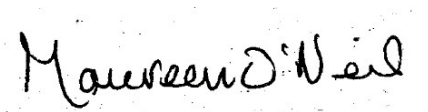
In accordance with Section 418, Trustees' report shall include a statement, in the case of each director in office at the date the Trustees' report is approved, that:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- (b) he/she have taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 & 16 of the Companies Act 2006 and WaterAid international is therefore exempt from the requirement to prepare a Strategic Report.

Approved by the Trustees on 20 September 2023 and signed on their behalf by:



Maureen O'Neil, Chair

Report on the audit of the financial statements

Opinion

In our opinion, WaterAid international's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2023; the Statement of financial activities (incorporating an income and expenditure account) and the Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report for the period ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

Independent auditors' report to the members of WaterAid international (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed by the engagement team included:

- enquiring of management and the Board of Trustees, including consideration of known or suspected instances of fraud, and non-compliance with laws and regulations;
- reading minutes of meetings of the Board of Trustees;
- reviewing the terms and conditions of significant contracts;
- reviewing correspondence with regulators including the Charity Commission for England and Wales;
- understanding and evaluating the control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- assessing the reasonableness of key accounting judgements and estimates; and
- assessing financial statements disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

WaterAid international - Company registered number 07238796, Charity number 1137900

Independent auditors' report to the members of WaterAid international (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Trustees' Annual Report; and take advantage of the small companies' exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2023

WaterAid international - Company registered number 07238796, Charity number 1137900

Statement of financial activities

(incorporating an income and expenditure account)

For the Year Ended 31 March 2023

				2023	2022
	Note	Unrestricted funds £000	Restricted funds £000	Total £000	Total £000
Income:					
<i>Donations</i>					
Grants of a general nature	3	893	-	893	955
<i>Investment income</i>		<u>1</u>	-	<u>1</u>	-
Total income		<u>894</u>	-	<u>894</u>	<u>955</u>
Expenditure:					
<i>Expenditure on charitable activities</i>					
Development of the WaterAid international network of Members	4	<u>893</u>	-	<u>893</u>	<u>950</u>
Total expenditure		<u>893</u>	-	<u>893</u>	<u>950</u>
Net movement in funds		1	-	1	5
Fund balances brought forward at beginning of the financial year	8	<u>205</u>	-	<u>205</u>	<u>200</u>
Fund balances carried forward at end of the financial year	8	<u><u>206</u></u>	-	<u><u>206</u></u>	<u><u>205</u></u>

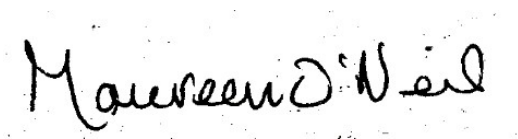
The statement of financial activities includes all gains and losses recognised during the year. All income and expenditure derive from continuing activities. There is no material difference between the net income stated above and their historical cost equivalents. The notes supporting the financial statements are on pages 12 to 16.

Balance sheet

As at 31 March 2023

		2023	2022
	Note	Total £000	Total £000
Current assets			
Debtors: amounts falling due within one year	5	54	66
Cash at bank and in hand	6	352	306
Total current assets		<u>406</u>	<u>372</u>
Creditors: amounts falling due within one year	7	(200)	(167)
		<u>(200)</u>	<u>(167)</u>
Net current assets		<u>206</u>	<u>205</u>
Net assets		<u>206</u>	<u>205</u>
The funds of the charity			
Unrestricted income funds			
General funds	14	<u>206</u>	<u>205</u>
Total charity funds	14	<u>206</u>	<u>205</u>

The financial statements on pages 9 - 16 were approved by the Board of Trustees on 20 September 2023 and signed on its behalf by:



Maureen O'Neil, Chair



Mala Rao, Director

WaterAid international - Company registered number 07238796, Charity number 1137900

Statement of cash flows

For the Year Ended 31 March 2023

	2023	2022
	Total £000	Total £000
Cash generated from operating activities		
Net surplus for the year	1	5
Decrease in debtors	12	264
Increase / (Decrease) in creditors	33	(584)
Net cash generated from / (used in) operating activities	<u>46</u>	<u>(315)</u>
Increase / (Decrease) in cash and cash equivalents in the year	<u>46</u>	<u>(315)</u>
Cash and cash equivalents at the beginning of the year	306	621
Total cash and cash equivalents at the end of the year	<u>352</u>	<u>306</u>

Notes to the financial statements

For the Year Ended 31 March 2023

1. Accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to WaterAid international's Financial Statements.

a) Basis of preparation

The financial statements have been prepared in accordance with 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 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are drawn up on the going concern basis which assumes WaterAid international will continue in operational existence for the foreseeable future. The Board have given due consideration to the working capital and cash flow requirements of WaterAid international. The Board consider WaterAid international's current and forecast cash resources, which includes the impact of inflation, to be sufficient to cover the working capital requirements of WaterAid international for at least 12 months from the date of approval of the financial statements.

b) Foreign exchange

Transactions denominated in foreign currencies are translated at the rate of exchange at the beginning of the month as an approximation to actual transaction dates. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Realised and unrealised foreign exchange gains & losses are included in the statement of financial activities (SOFA) within charitable activity expenditure for the period in which they are incurred.

c) Income

All income is included in the SOFA when the Charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability.

d) Grant income

Grants are credited to the SOFA when WaterAid international has entitlement to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within WaterAid international's control, income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of WaterAid international and with no specific restrictions placed upon their use are included within donations. Grants that have specific restrictions placed upon their use are included within income from charitable activities. Grants are receivable from Members for the running costs of WaterAid international.

e) Donations

Donations are recognised in the period in which they are received.

f) Gifts in kind

Goods, facilities and services donated for WaterAid international's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

g) Expenditure

Expenditure is recognised in the period in which it is incurred on an accrual basis. Expenditure includes attributable VAT which cannot be recovered.

Costs of charitable activities includes direct expenditure incurred through grants to Full Members or Associate Members. Grants are recognised in the period in which they are payable. Grants payable in furtherance of the charity's objects are attributed to the related classification heading in the SOFA.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the Charity as opposed to those costs associated with general running of the Charity, fundraising or charitable activity. These governance costs include internal and external audit costs, legal and tax advice, trustee costs and directors' time in governance of the Charity. Governance costs and other support costs incurred in the development of the WaterAid international network of Members and potential new Members have been allocated to expenditure on charitable activities.

Notes to the financial statements

For the Year Ended 31 March 2023

h) Fund accounting

Unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

2. Prior year statement of financial activities

	2022		
	Unrestricted funds £000	Restricted funds £000	Total £000
Income:			
<i>Donations</i>			
Grants of a general nature	955	-	955
<i>Income from charitable activities</i>			
Grant funding for specific activities	-	-	-
Total income	955	-	955
Expenditure:			
<i>Expenditure on charitable activities</i>			
Development of the WaterAid international network of Members	950	-	950
Total expenditure	950	-	950
Net movement in funds for the year	5	-	5
Fund balances brought forward at the beginning of the financial year	200	-	200
Fund balances carried forward at the end of the financial year	205	-	205

3. Donations

	2023			2022
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants of a general nature				
Grants from Members				
WaterAid America	75	-	75	81
WaterAid Australia	57	-	57	45
WaterAid Canada	15	-	15	20
WaterAid India	15	-	15	27
WaterAid Japan	7	-	7	4
WaterAid Sweden	60	-	60	66
WaterAid UK	664	-	664	712
	893	-	893	955

All income is borne solely through charitable activities.

Gift in Kind donations of £664,112 (2022: £712,443), comprising £60,404 (2022: £62,356) in office costs and £603,708 (2022: £650,087) in staff costs are included in the grants from WaterAid UK.

Donations in the prior year (£955,000) were all unrestricted.

Notes to the financial statements

For the Year Ended 31 March 2023

4. Expenditure

	Staff costs £000	Other direct costs £000	Allocation of support and governance costs £000	2023 Total £000	2022 Total £000
Expenditure on charitable activities					
Development of the WaterAid international network of Members					
Donation to WaterAid UK	-	115	-	115	110
International network support and development costs	418	-	360	778	840
	<u>418</u>	<u>115</u>	<u>360</u>	<u>893</u>	<u>950</u>
Governance costs	88	114	(202)	-	-
Support costs	98	60	(158)	-	-
	<u>604</u>	<u>289</u>	<u>-</u>	<u>893</u>	<u>950</u>

In the prior year, both the donation to WaterAid UK (£110,000) and international network support and development costs (£840,000) were unrestricted.

The key management personnel of the Charity comprise the Trustees and Global Director. The total benefits of the key management personnel (inclusive of employer's national insurance and pension contributions) was £116,376 (2022: £104,848).

WaterAid international staff costs relate to 6.7 full time equivalent staff (2022: 7.5 FTE). Pension contributions were made during the year of £38,305 (2022: £44,631). No termination payments were made during the year (2022: £nil).

The number of employees whose total benefits excluding employer pension costs amounted to over £60,000 in the year was as follows:

	2023 No.	2022 No.
Employee benefits		
£70,000 - £79,999	1	3
£80,000 - £89,999	1	1
£90,000 - £99,999	1	-
	<u>1</u>	<u>-</u>

5. Debtors: amounts falling due within one year

	2023 £000	2022 £000
Trade debtors	50	66
Prepayments and accrued income	4	-
	<u>54</u>	<u>66</u>

6. Cash at bank and in hand

	2023 £000	2022 £000
Cash and bank balances in UK	<u>352</u>	<u>306</u>

7. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	117	110
Accruals and deferred income	83	57
	<u>200</u>	<u>167</u>

8. Movements in funds

	At 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2023 £000
Unrestricted funds:					
General funds	205	894	(893)	-	206
Total unrestricted funds	<u>205</u>	<u>894</u>	<u>(893)</u>	<u>-</u>	<u>206</u>
Total restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>205</u>	<u>894</u>	<u>(893)</u>	<u>-</u>	<u>206</u>

Notes to the financial statements

For the Year Ended 31 March 2023

8. Movements in funds (continued)

	At 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2022 £000
Unrestricted funds:					
General funds	200	955	(950)	-	205
Total	<u>200</u>	<u>955</u>	<u>(950)</u>	<u>-</u>	<u>205</u>
Total restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>200</u>	<u>955</u>	<u>(950)</u>	<u>-</u>	<u>205</u>

The Trustees' report explains the main reasons why WaterAid international holds unrestricted funds and the adequacy of these funds at the year end. The Trustees approved a reserves policy in April 2020 and the reserves balance as at 31 March 2023 are in line with the policy.

Restricted funds

Restricted funds are used for specified purposes as laid down by the Members. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs. A restricted fund has been established for the investment in new WaterAid Members.

9. Taxation and charitable status

WaterAid international is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Company limited by guarantee and not having share capital

The liability of the 5 full members of WaterAid international, who are also company members, is limited by guarantee to £1 each (2022: £1).

11. Net income for the year

This is stated after charging:

	2023 £000	2022 £000
Auditors' remuneration:		
▪ External audit	<u>3</u>	<u>3</u>

12. Trustee remuneration and expenses

WaterAid international's trustees were not paid or received any other benefits of employment with WaterAid international in the year (2022: £nil). One Trustee was reimbursed for expenses or had their expenses paid directly to third parties. The total amount was £10,934 (2022: £2,747) and the nature of the expenses was travel and accommodation.

13. Related party transactions

WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada and WaterAid Sweden are all full members of WaterAid international operating under license to use the name WaterAid. WaterAid Japan and WaterAid India are not full members but also operates under license from WaterAid international to use the name WaterAid. It is expected that WaterAid India and WaterAid Japan will become a full member in the future. WaterAid international receives funding for its charitable objectives from WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid India, WaterAid Japan and WaterAid Sweden. Currently the chairs of all the full members sit on the Board of WaterAid international.

Notes to the financial statements

For the Year Ended 31 March 2023

13. Related party transactions (continued)

Transactions between WaterAid international and Members of WaterAid international were as follows:

	2023	2022
	£000	£000
Received from:		
WaterAid America	75	81
WaterAid Australia	57	45
WaterAid Canada	15	20
WaterAid India	15	27
WaterAid Japan	7	4
WaterAid Sweden	60	66
WaterAid UK	664	712
	<u>893</u>	<u>955</u>

Contributions of services valued at £664,112 (2022: £712,443) were received from WaterAid UK during the year to fund core operational costs within WaterAid international.

The following balances are due from related parties at year end:

	2023	2022
	£000	£000
WaterAid America	11	13
WaterAid Australia	3	8
WaterAid Canada	1	3
WaterAid India	27	27
WaterAid Japan	7	4
WaterAid Sweden	1	11
	<u>50</u>	<u>66</u>

The following balances are due to related parties at year end:

	2023	2022
	£000	£000
WaterAid UK	196	164
	<u>196</u>	<u>164</u>

14. Analysis of net assets between funds

	Fixed assets £000	Net current assets £000	Total funds 2023 £000	Total funds 2022 £000
Restricted funds	-	-	-	-
General funds	-	206	206	205
	<u>-</u>	<u>206</u>	<u>206</u>	<u>205</u>

15. Analysis of changes in net debt

	At start of year £000	Cash-flows £000	Other changes £000	At end of year £000
Cash	<u>306</u>	<u>46</u>	<u>-</u>	<u>352</u>

No guarantees or commitments were given or received during the financial year (2022: none).

WATERAID INTERNATIONAL

England & Wales - Charity number 1137900

Accounts

WaterAid international

Annual Report and Financial Statements

31 March 2022

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The Trustees present their Trustees' report and audited financial statements for the year ended 31 March 2022.

Legal structure and governance

WaterAid international ("the Charity" or "WAI") is a charitable company limited by guarantee. It was incorporated on 29 April 2010 and registered as a charity on 8 September 2010. Its charitable objects are to relieve poverty and suffering in any part of the world through the improvement of water supplies, sanitation and advice on related health matters, and to educate the public concerning the nature, cause and effects of such poverty and suffering.

Principal objectives and activities

The Charity brings together the international group of WaterAid organisations to develop a global response to the world's water and sanitation crisis. The Charity works to consolidate relationships between WaterAid organisations and ensure that these organisations share a common vision, mission and values, and work effectively together in matters of strategy, policy and delivery. The Charity:

- monitors progress of existing members, approves criteria and choices for engagement with new countries;
- agrees core global principles and monitors outcomes of core global processes;
- agrees membership criteria and standards and decides on membership status. It agrees changes to brand identity and licensing; and
- shapes and agrees core WAI governance roles and processes, manages global risks and ensures appropriate global accountability to external and internal stakeholders.

Four principles underpin the relationship between the Charity and the national member organisations:

1. achieving WaterAid's mission as effectively as possible is fundamental to all we do, and global interest is paramount;
2. the Charity will only undertake activities that it can and will deliver more effectively than WaterAid member countries;
3. WaterAid will only have one organisation delivering our work in each of the countries where we operate; and
4. the members of the WaterAid federation will be organisations that are, or are expected to become within a reasonable time frame, self-sustaining and able to contribute significant resources to the delivery of WaterAid's strategy.

Public benefit

The Trustees have due regard for the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning our future activities.

Governance and management

The Trustees

The Trustees met four times during the year, in July, October, December and March. In all cases meetings were virtual due to the ongoing COVID-19 pandemic and necessary travel restrictions. This reduced the time available for Trustees owing to the range of time zones represented, spanning Ottawa to Melbourne. The Board was chaired by Maureen O'Neil.

In December 2021, the WAI Board voted to extend Tobias Krantz's tenure as Deputy Chair of the Board of Trustees until the end of his term of office as a WAI trustee, in June 2023.

Discussions on the appointment of independent Board members, as provided for in the Charity's Articles of Association, have continued, in the light of the strategic focus on power and representation within WaterAid, but we have not yet reached consensus on an approach.

Global Director

FY21-22 was the first full year under the leadership of Global Director, Andrew McCracken, appointed in February 2021. During the year, Andrew has prioritised: supporting and enabling the Global Executive, as the primary operational decision-making body for the WaterAid federation; supporting the global strategy development, decision making and implementation processes; enabling proactive conversations on funding and programming across the WaterAid federation; and creating clarity on the change required at federation level to deliver the mission.

Global Executive

Operational decision making and management is delegated by the Trustees to formally constituted executive groups, chiefly to the Global Executive which is formed of Chief Executives of member organisations and global leads on primary business functions, including finance, people management, programmatic work and communications and fundraising. The Global Executive met monthly during the year, for the most part digitally, with meetings chaired by the Global Director.

Membership and Accreditation Committee

The Membership and Accreditation Committee (MAC) met twice as planned (in May and November 2021) to provide scrutiny of the member accreditation processes. The MAC comprises two WaterAid international Trustees and two independent members.

Review of the financial year

Global strategy

WaterAid's Global Strategy was formally approved by the Charity's Board in December 2021 and launched in February 2022. It is a transformational strategy taking us through the next ten years to 2032 and enabling WaterAid to have a significant influence on progress towards achieving the UN's Sustainable Development Goal 6 – universal access to WASH (Water, Sanitation & Hygiene) by 2030.

The process of strategy development was led and managed by the Charity, with full engagement and consultation at each stage, internally across the WaterAid federation, and externally in the WASH and other sectors. A senior Director from a member organisation was seconded to work alongside the Charity's staff to lead this work.

Through a series of defined stages, with clear reporting at the conclusion of each, the process:

- explored and analysed data, investigated issues and trends, developed possible directions and future scenarios and surfaced the key questions;
- synthesised our analysis and assumptions, identified areas of convergence and divergence, and agreed a vision for the future context of the Charity's work; and
- debated and reached consensus on the Charity's targets and ambitions, identified enablers and contingencies.

In the process of developing the strategy, we actively challenged the current thinking and working practices to find the best approaches to drive the Charity towards the goal. It was decided that the vision, values and ethics would remain. WaterAid is and will remain a specialised WASH agency focussing on WASH poverty and inequality in the developing world, with a human rights focus. It was agreed to hold on to the 'do some, build capacity and influence the rest' approach.

The strategy is long-term, to 2032, and encompasses a significant degree of flexibility with regular reviews during its lifespan. It includes defined outcomes for shorter times scales, and the Charity is prepared for course changes in the future in response to significant external events. It prioritises four overarching aims:

1. achieve universal, sustainable and safe services in focused geographic areas to influence wider change;
2. prioritise WASH across the health sector to improve public health;
3. strengthen the resilience of WASH to climate change; and
4. increase the quantity and quality of financing – with recognition that finance is a first order barrier to WASH access.

Strategy implementation

In the final quarter of FY21-22, the Charity began implementing a change management plan, under the leadership of the Global Director and his team. A Change Team has been formed within the WaterAid international secretariat and staff are being recruited to guide, enable, and support all parts of the organisation in adopting the new strategy and developing and implementing the specific local and national strategies and business plans needed to deliver the mission.

The Trustees, during the process of strategy development, considered the difficulties and challenges faced in delivering the mission. They took the difficult decision to phase out WaterAid's presence in four countries where the operating environment has become increasingly challenging. The Charity is committed to supporting members to achieve a well-resourced, well managed and responsible exit over the next three years, and to providing full support to the excellent staff in those countries as we do so.

Supporting federation development

During FY21-22, the Charity has worked with its members to build their capacity and effectiveness in delivering the mission:

- the Charity has provided support and guidance to the board and leadership of WaterAid India, as they continue to navigate a path through the changing legislative background in India to build a sustainable business model that capitalises on the strong backing nationally for WASH;
- the Charity has continued to work with the team in WaterAid Canada to build and deploy a sustainable business model;
- WaterAid Japan, whilst continuing to benefit from the Charity's oversight and support, has successfully secured government funding and was a net contributor to the WaterAid federation in FY21-22, for the first time since it was formed; and
- the Charity has worked with members in Sweden, Canada and the United States to establish and to maintain trust and credibility with national government and other major funders to secure significant and sustainable funding from these sources.

Due to success and growth in funding, the Charity has, as planned, not invested financially in new or developing member organisations in the year but has supporting bilateral investments between Members, particularly from WaterAid UK to WaterAid America. All members of the Charity continue to contribute to its ongoing costs and administration, including Secretariat staffing.

The Charity's Membership & Accreditation Committee scrutinised the regular accreditation reviews against the membership criteria for WaterAid Australia and WaterAid UK. The Board approved the recommendations in each case, recognising that each of the members fully meet the criteria set by the organisation for full membership. They also scrutinised an interim review of WaterAid America following up on findings from their last accreditation.

In FY21-22, the Trustees commissioned a review of the Charity's membership criteria and constituted a Steering Group to consider changes to the criteria by which members are assessed and accredited, with specific regard to expectations around organisational sustainability and members' financial contribution to the Charity. This work commenced in the last quarter of FY21-22 and will conclude in FY22-23.

The Charity has been mindful of the changing political context in many countries, of the narrowing of civil society space and the tightening of national legislative controls and have worked with members to provide support to navigate these issues.

Continuing global travel restrictions have curtailed plans for knowledge-building programme visits for Board members from across the WaterAid federation members. Instead, opportunities have been provided throughout the year to the Charity's Trustees to engage with its staff, partners and work through online meetings and 'visits' arranged by the Charity's member organisations. These have enabled the WaterAid federation leadership to support and challenge country-based and member-based teams.

By virtue of its composition, as set out in the Articles of Association, WaterAid international is not in a position to fully apply all the recommended practice relating to open recruitment of Trustees, as they are appointed by the national member organisations. Our work on racial equality, power and inclusion (below) will inform this recruitment process.

COVID-19 pandemic

COVID-19 has reshaped the economic and operational context for our work. In FY21-22, the WaterAid federation has continued to prioritise staff welfare and safeguarding, and adjustments made to ways of working in the previous financial year have been maintained. Across the WaterAid federation, COVID-19 has required us to prioritise new and different workstreams, and to make necessary adjustments where our ability to work has been impacted, all of which have been ably managed by resilient and resourceful in-country staff and partners.

Racial equality, power and inclusion

As an organisation, we are committed to tackling the power imbalances that act as obstacles to the achievement of our mission, both within our own organisation and our relationships with partners and communities. We are committed to ensure that the authority to make decisions sits with those closest to the action. We will improve the representation of staff from all parts of our organisation in strategic decision making for maximum impact. We are also committed to making our boards, leadership teams and global functions significantly more diverse and representative of the contexts that we work in. The achievement of our mission depends on us making these changes.

Safeguarding

The Charity's Global Code of Conduct and associated Safeguarding Standards and Policies underwent routine review during the year and were reissued.

The Charity's Trustees received training from the Global Safeguarding Team with each of their own boards; six members have appointed safeguarding leads who will ensure that reports of safeguarding issues or breaches of the Code of Conduct within their jurisdiction are handled appropriately and reported to the relevant regulators and donors. In FY21-22, one safeguarding matter was reported to the UK Charity Commission by the Charity under their statutory reporting requirements and was fully resolved with no action required. Safeguarding reporting levels are increasing - this is seen as a positive sign. A new five-year Safeguarding Strategy will be developed this year to sit under the Global Strategy.

Plans for future periods

The Charity will continue with its ongoing work on supporting members and membership and plans to:

- carry out scheduled accreditations with members;
- establish and roll out the new membership criteria against which the health of each member can be assessed;
- complete work on the development and enactment of global standards in critical areas of the business to ensure that WaterAid speaks and acts with one voice anywhere in the world; and
- complete the reissue of Membership and Licence Agreements.

The Charity will work with members to ensure effective alignment and to strengthen collaborative working across the WaterAid federation in the implementation of the strategy and in pursuit of the mission:

- champion and communicate the new global strategy;
- support the WAI Board, Global Executive and Global Leads to fulfil their responsibilities and functions, working effectively across the member organisations;
- our change team will work with members and country programmes to ensure that global programming is aligned with the aims and approaches of the new strategy, and that the right capacity and capability is available to deliver them;
- agree and adopt an effective global measurement framework which informs prioritisation and decisions across the organisation and meets key stakeholders' requirements; and
- continue to identify opportunities to share learning and knowledge.

Trustees' report

For the Year Ended 31 March 2022

The Charity will look at its structures and governance models to ensure accountability to those we serve:

- develop and implement plans to address power imbalances that are obstacles to the mission;
- review and adjust the structures, culture, and practices of the WaterAid federation to reflect the strategy of the organisation and optimise for delivery of the mission; and
- continue the Charity's focus on addressing inequality and on embedding anti-racism, diversity and equality principles and practices across the WaterAid federation, including in regard to recruitment of the Charity's trustees and those of member organisations.

Financial review

To carry out its work in FY21-22, the Charity raised £955k in contribution from its members, including £712k gifts in kind (primarily staff costs); which were expended as operational costs.

Reserves policy

In 2020 the Trustees approved a reserves policy which requires the Charity to maintain reserves to meet minimum working capital requirements for 2 – 3 months operating costs. Reserves would be required if the Charity is wound up. Funds remaining in the reserve after the Charity is wound up would be redistributed between the members.

The amount of reserves the Charity will hold is between £130k and £220k, being 2-3 months operating costs. As at 31 March 2022, the Charity held unrestricted funds of £205k.

Going concern

Our going concern statement is an important disclosure to give our stakeholders confidence in how the Charity navigates through this financially. The Trustees are of the opinion the Charity's financial position is strong and has adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these accounts.

The Charity will have sufficient cash throughout the year to meet its liabilities as the cashflow profile involves receiving funds, based on total annual expenditure, on a quarterly basis from the Charity's national member organisations. The Charity will not go below a manageable working capital cash base at any time of the year.

In conclusion, the Trustees are confident the right processes are in place to monitor the financial position of the Charity to ensure it remains a going concern.

Principal risks

The Trustees considered an updated risk register for the Charity in December 2021 and have given consideration to the major risks to which the charity is exposed. They noted considerable progress over the last 2 years in developing WAI's financial procedures to mitigate risks. They also noted a reduced risk rating relating to staffing capacity, which was increased in FY20-21 due to the pressures arising from the COVID-19 pandemic and by the vacancy for a permanent Global Director. The recruitment to the Global Director post has provided stability and whilst the team continues to work primarily from home, the arrangements are working well. The Trustees were satisfied that systems or procedures are established to manage those risks.

The Charity has internal controls which allow it to monitor its financial risks and take steps to mitigate these as necessary. The Charity does not currently use debt finance or derivative financial instruments. The Charity has delegated financial management to WaterAid UK's finance department; on behalf of the Charity, they implement their own procedures to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

In July 2021, and in the aftermath of the military coup in Myanmar, the Trustees approved a health, safety and security risk appetite statement for the WaterAid federation.

Administrative details for the charity, trustees and advisors

Directors

The Trustees and Directors of WaterAid international who were in office during the year, and up to the date of signing the financial statements, were:

Robert Skinner (resigned on 19 August 2021)
Karlene Maywald (appointed on 19 August 2021)
Maureen O'Neil (Chair)
Tobias Krantz (Deputy Chair)
Mala Rao
Marc Robert
Annette Nicholson (resigned on 21 June 2022)
Martin Munro (appointed on 21 June 2022)
Andrew Green

WaterAid Australia
WaterAid Australia
Independent
WaterAid Sweden
WaterAid UK
WaterAid America
WaterAid Canada
WaterAid Canada
WaterAid UK

No Director held any interests in the company during the year or at the year-end (2021: none).

No dividend was paid or proposed during the year (2021: none paid or proposed).

WaterAid international - Company registered number 07238796

Trustees' report

For the Year Ended 31 March 2022

Registered office: 6th Floor
20 Canada Square
London
E14 5NN

Company registration number: 07238796
Registered charity number: 1137900

Independent auditor

BDO LLP were reappointed external auditor of the Charity by the Board for FY21-22.

Advisors

Principal bankers

Barclays Bank plc
50 Pall Mall
London SW1A 1QB

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Principal solicitor

Bates, Wells and Braithwaite
2-6 Cannon Street
London EC4M 6YH

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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, the Trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

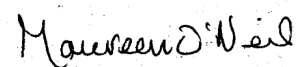
In accordance with Section 418, Trustees' report shall include a statement, in the case of each director in office at the date the Trustees' report is approved, that:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- (b) he/she have taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 & 16 of the Companies Act 2006 and WaterAid international is therefore exempt from the requirement to prepare a Strategic Report.

Approved by the Trustees on 28 September 2022 and signed on their behalf by:



Maureen O'Neil, Chair

Report on the financial statements

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2022 and of the 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.

We have audited the financial statements of WaterAid international ("the Charitable Company") for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

Independent auditors' report to the Members of WaterAid international (continued)

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 Strategic report or the Trustee's 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 Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Charitable Company and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006, Charities Act 2011 and relevant tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employment Law, Health & Safety Legislation and Data Protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Independent auditors' report to the Members of WaterAid international (continued)


Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the various charity regulators;
- reviewing items included in the Group's fraud and theft register;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- challenging assumptions made by management in their significant accounting estimates;
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Use of this 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 auditor's 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.

DocuSigned by:

73DB18FE9AC4C9
Jill Halford (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London, UK

29 September 2022

WaterAid international - Company registered number 07238796**Statement of financial activities***(incorporating an income and expenditure account)***For the Year Ended 31 March 2022**

				2022	2021
	Note	Unrestricted funds £000	Restricted funds £000	Total £000	Total £000
Income:					
<i>Donations and legacies</i>					
Grants of a general nature	3	955	-	955	893
<i>Income from charitable activities</i>					
Grant funding for specific activities	4	-	-	-	287
Total income		955	-	955	1,180
Expenditure:					
<i>Expenditure on charitable activities</i>					
Development of the WaterAid international network of members	5	950	-	950	1,121
Total expenditure		950	-	950	1,121
Net movement in funds or net income for the year		5	-	5	59
Fund balances brought forward at 1 April	9	200	-	200	141
Fund balances carried forward at 31 March	9	205	-	205	200

The statement of financial activities includes all gains and losses recognised during the year. All incoming resources and resources expended derive from continuing activities. There is no material difference between the net incoming resources stated above and their historical cost equivalents. The notes supporting the financial statements are on pages 13 to 18.

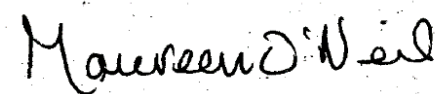
WaterAid international - Company registered number

Balance sheet

As at 31 March 2022

		2022	2021
	Note	Total £000	Total £000
Current assets			
Debtors: amounts falling due within one year	6	66	330
Cash at bank and in hand	7	306	621
Total current assets		372	951
Creditors: amounts falling due within one year	8	(167)	(751)
		(167)	(751)
Net current assets		205	200
Net assets		205	200
The funds of the charity			
Restricted income funds	15	-	-
Unrestricted income funds			
General funds	15	205	200
Total charity funds	15	205	200

The financial statements on pages 10 - 18 were approved by the Board of Trustees on 28 September 2022 and signed on its behalf by:



Maureen O'Neil, Chair



Mala Rao, Director

WaterAid international - Company registered number 07238796

Statement of cash flows

For the Year Ended 31 March 2022

	2022	2021
	Total £000	Total £000
Cash generated from operating activities		
Net surplus for the year	5	59
Decrease / (Increase) in debtors	264	(81)
(Decrease) / Increase in creditors	(584)	115
Net cash (used in) / generated from operating activities	<u>(315)</u>	<u>93</u>
 (Decrease) / Increase in cash and cash equivalents in the year	<u>(315)</u>	<u>93</u>
 Cash and cash equivalents at the beginning of the year	621	528
 Total cash and cash equivalents at the end of the year	<u>306</u>	<u>621</u>

1. Accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to WaterAid international's Financial Statements.

a) Basis of preparation

The financial statements have been prepared in accordance with 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 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are drawn up on the going concern basis which assumes WaterAid international will continue in operational existence for the foreseeable future. The Board have given due consideration to the working capital and cash flow requirements of WaterAid international. The Board consider WaterAid international's current and forecast cash resources, which includes the impact of inflation, to be sufficient to cover the working capital requirements of WaterAid international for at least 12 months.

b) Foreign exchange

Transactions denominated in foreign currencies are translated at the rate of exchange at the beginning of the month as an approximation to actual transaction dates. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Realised and unrealised foreign exchange gains & losses are included in the statement of financial activities (SOFA) within charitable activity expenditure for the period in which they are incurred.

c) Incoming resources

All incoming resources are included in the consolidated SOFA when the charity is legally entitled to them, receipt is probable and the amount can be measured with sufficient reliability.

d) Grant income

Grants are credited to the SOFA when WaterAid international has entitlement to the funds. Incoming resources are only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within WaterAid international's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of WaterAid international and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within incoming resources from charitable activities. Grants are receivable from Members for the running costs of WaterAid international.

e) Donations and legacies

Donations are recognised in the period in which they are received.

f) Gifts in kind

Goods, facilities and services donated for WaterAid international's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

Notes to the financial statements

For the Year Ended 31 March 2022

g) Resources expended

Resources expended are recognised in the period in which they are incurred on an accrual basis. Resources expended include attributable VAT which cannot be recovered.

Costs of charitable activities includes direct expenditure incurred through grants to Full Members or Associate Members. Grants are recognised in the period in which they are payable. Grants payable in furtherance of the charity's objects are attributed to the related classification heading in the SOFA.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the charity as opposed to those costs associated with general running of the charity, fundraising or charitable activity. These governance costs include internal and external audit costs, legal and tax advice, trustee costs and directors' time in governance of the organisation. Governance costs and other support costs incurred in the development of the WaterAid international network of members and potential new members have been allocated to expenditure on charitable activities.

h) Fund accounting

Income received that has specific restrictions placed upon its use is credited to restricted income within the SOFA on a receivable basis. Unspent balances are carried forward within the relevant restricted fund.

Unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

2. Prior year statement of financial activities

	Unrestricted £000	Restricted £000	Total £000
			2021
Income:			
<i>Donations and legacies</i>			
Grants of a general nature	893	-	893
<i>Income from charitable activities</i>			
Grant funding for specific activities	-	287	287
Total income	893	287	1,180
Expenditure:			
<i>Expenditure on charitable activities</i>			
Development of the WaterAid international network of members	828	293	1,121
Total expenditure	828	293	1,121
Net income/(expenditure) and net movement in funds for the year	65	(6)	59
Fund balances brought forward at 1 April	135	6	141
Fund balances carried forward at 31 March	200	-	200

3. Donations and legacies

			2022	2021
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants from members				
WaterAid America	81	-	81	78
WaterAid Australia	45	-	45	46
WaterAid Canada	20	-	20	27
WaterAid India	27	-	27	28
WaterAid Japan	4	-	4	2
WaterAid Sweden	66	-	66	71
WaterAid UK	712	-	712	641
	<u>955</u>	<u>-</u>	<u>955</u>	<u>893</u>

All income is borne solely through charitable activities.

Gift in Kind donations of £712,443 (2021: £640,957), comprising £62,396 (2021: £60,724) in office costs and £650,087 (2021: £580,233) in staff costs are included in the grants from WaterAid UK.

Gift in Kind donations of £nil (2021: £30,522), comprising fully of staff costs are included in the grants from WaterAid Sweden.

Donations and legacies in the prior year (£893,000) were all unrestricted.

4. Income from charitable activities

Grant funding for specific charitable activities

			2022	2021
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants from members for the Investment Fund				
WaterAid America	-	-	-	6
WaterAid Australia	-	-	-	14
WaterAid Canada	-	-	-	3
WaterAid Sweden	-	-	-	26
WaterAid UK	-	-	-	238
	<u>-</u>	<u>-</u>	<u>-</u>	<u>287</u>

Grant funding for specific charitable activities in the prior year (£287,000) were all restricted.

5. Expenditure

	Staff costs £000	Other direct costs £000	Allocation of support and governance costs £000	2022 Total £000	2021 Total £000
Expenditure on charitable activities					
Development of the WaterAid international network of members					
Grants to WaterAid Japan	-	-	-	-	293
Donation to WaterAid UK	-	110	-	110	-
International network support and development costs	468	-	372	840	828
	<u>468</u>	<u>110</u>	<u>372</u>	<u>950</u>	<u>1,121</u>
Governance costs	87	128	(215)	-	-
Support costs	95	62	(157)	-	-
	<u>650</u>	<u>300</u>	<u>-</u>	<u>950</u>	<u>1,121</u>

There was no grant to WaterAid Japan during the financial year (2021: 1). The grant to WaterAid Japan in the prior year (£293,000) was all restricted and international support and development costs (£828,000) were all unrestricted.

The key management personnel of the charity comprise the Trustees and Global Director. The total benefits of the key management personnel (inclusive of employer's national insurance and pension contributions) was £104,848 (2021: £20,879). The key management personnel were in post for 12 months in FY21-22 (2021: a combined total of 2.5 months).

WaterAid international staff costs relate to 7.5 full time equivalent staff (2021: 6.2 FTE). Pension contributions were made during the year of £44,631 (2021: £32,582). No termination payments were made during the year (2021: £nil).

The number of employees whose total benefits excluding employer pension costs amounted to over £60,000 in the year was as follows:

	2022 No.	2021 No.
Employee benefits		
£60,000 - £69,999	-	2
£70,000 - £79,999	3	1
£80,000 - £89,999	1	-
	<u>4</u>	<u>3</u>

6. Debtors: amounts falling due within one year

	2022 £000	2021 £000
Amounts due from members	<u>66</u>	<u>330</u>

7. Cash at bank and in hand

	2022 £000	2021 £000
Cash and bank balances in UK	<u>306</u>	<u>621</u>

8. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts due to members	164	737
Accruals and deferred income	3	14
	<u>167</u>	<u>751</u>

9. Movements in funds

	At 1 April 2021 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 March 2022 £000
Unrestricted funds:					
General funds	200	955	(950)	-	205
Total unrestricted funds	<u>200</u>	<u>955</u>	<u>(950)</u>	<u>-</u>	<u>205</u>
Total restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>200</u>	<u>955</u>	<u>(950)</u>	<u>-</u>	<u>205</u>

WaterAid international - Company registered number**Notes to the financial statements****For the Year Ended 31 March 2022****9. Movements in funds (continued)**

	At 1 April 2020 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 March 2021 £000
Unrestricted funds:					
General funds	135	893	(828)	-	200
Total	<u>135</u>	<u>893</u>	<u>(828)</u>	<u>-</u>	<u>200</u>
Restricted funds:					
Investment fund	6	287	(293)	-	-
Total restricted funds	<u>6</u>	<u>287</u>	<u>(293)</u>	<u>-</u>	<u>-</u>
Total funds	<u>141</u>	<u>1,180</u>	<u>(1,121)</u>	<u>-</u>	<u>200</u>

The Trustees' report explains the main reasons why WaterAid international holds unrestricted funds and the adequacy of these funds at the year end. The Trustees approved a reserves policy in April 2020 and the reserves balance as at 31 March 2022 are in line with the policy.

Restricted funds

Restricted funds are used for specified purposes as laid down by the members. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs. A restricted fund has been established for the investment in new WaterAid members.

10. Taxation and charitable status

WaterAid international is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11. Company limited by guarantee and not having share capital

The liability of the 5 full members of WaterAid international, who are also company members, is limited by guarantee to £1 each (2021: £1).

12. Net income for the year

This is stated after charging:

	2022 £000	2021 £000
Auditors' remuneration:		
▪ External audit	<u>3</u>	<u>2</u>

13. Trustee remuneration and expenses

WaterAid international's trustees were not paid or received any other benefits of employment with WaterAid international in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil).

14. Related party transactions

WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada and WaterAid Sweden are all full members of WaterAid international operating under license to use the name WaterAid. WaterAid Japan and WaterAid India are not full members but also operates under license from WaterAid international to use the name WaterAid. It is expected that WaterAid India and WaterAid Japan will become a full member in the future. WaterAid international receives funding for its charitable objectives from WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid India, WaterAid Japan and WaterAid Sweden. Currently the chairs of all the full members sit on the Board of WaterAid international.

WaterAid international - Company registered number**Notes to the financial statements****For the Year Ended 31 March 2022****14. Related party transactions (continued)**

Transactions between WaterAid international and members of WaterAid international were as follows:

	2022	2021
	£000	£000
Received from:		
WaterAid UK	712	879
WaterAid America	81	84
WaterAid Australia	45	60
WaterAid Sweden	66	97
WaterAid Canada	20	30
WaterAid India	27	28
WaterAid Japan	4	2
	<u>955</u>	<u>1,180</u>

Contributions of services valued at £nil (2021: £30,522) and £712,443 (2021: £640,957) were received from WaterAid Sweden and WaterAid UK respectively during the year to fund core operational costs within WaterAid

	2022	2021
	£000	£000
Paid to:		
WaterAid Japan	-	293
	<u>-</u>	<u>293</u>

The following balances are due to related parties at year end:

	2022	2021
	£000	£000
WaterAid UK	164	737
	<u>164</u>	<u>737</u>

The following balances are due from related parties at year end:

	2022	2021
	£000	£000
WaterAid America	13	220
WaterAid Australia	8	22
WaterAid Canada	3	11
WaterAid India	27	51
WaterAid Japan	4	2
WaterAid Sweden	11	24
	<u>66</u>	<u>330</u>

15. Analysis of net assets between funds

	Fixed assets £000	Net current assets £000	Total funds 2022 £000	Total funds 2021 £000
Restricted funds	-	-	-	-
General funds	-	205	205	200
	<u>-</u>	<u>205</u>	<u>205</u>	<u>200</u>

The restricted expenditure of WaterAid international is funded by each of the full members of the organisation. The required contributions that each member must make to the restricted fund are calculated at the start of the financial year based on budgeted restricted expenditure. During the year adjustments are made to the required contributions to try and match actual restricted expenditure and restricted income as closely as possible and avoid surpluses or deficits arising at the end of the year. Where differences do arise, leading to a restricted fund surplus or deficit at year-end, adjustments are made to member contributions in the following financial year to refund excess contributions or to recoup under contributions.

16. Analysis of changes in net debt

	At start of year £000	Cash-flows £000	Other changes £000	At end of year £000
Cash	<u>621</u>	<u>(315)</u>	<u>-</u>	<u>306</u>

WATERAID INTERNATIONAL

England & Wales - Charity number 1137900

Accounts

WaterAid international

Annual Report and Financial Statements

31 March 2021

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Trustees' report

For the Year Ended 31 March 2021

The Trustees present their Trustees' report and audited financial statements for the year ended 31 March 2021.

Principal objectives and activities

WaterAid international (WAI) is a charitable company limited by guarantee. It was incorporated on 29 April 2010 and registered as a charity on 8 September 2010. Its charitable objects are to relieve poverty and suffering in any part of the world through the improvement of water supplies, sanitation and advice on related health matters, and to educate the public concerning the nature, cause and effects of such poverty and suffering.

WaterAid international brings together the international group of WaterAid organisations to develop a global response to the world's water and sanitation crisis. WAI works to consolidate relationships between WaterAid organisations and ensure that these organisations share a common vision, mission and values, and work effectively together in matters of strategy, policy and delivery. The Charity:

- monitors progress of existing members; It approves criteria and choices for engagement with new countries;
- agrees core global principles and monitors outcomes of core global processes;
- agrees membership criteria and standards and decides on membership status. It agrees changes to brand identity and licensing; and
- shapes and agrees core WAI governance roles and processes, manages global risks and ensures appropriate global accountability to external and internal stakeholders.

Four principles underpin the relationship between the Charity and the national member organisations:

1. Achieving WaterAid's mission as effectively as possible is fundamental to all we do, and global interest is paramount;
2. WaterAid international will only undertake activities that it can and will deliver more effectively than WaterAid member countries;
3. WaterAid will only have one organisation delivering our work in each of the countries where we operate; and
4. The members of the WaterAid federation will be organisations that are, or are expected to become within a reasonable time-frame, self-sustaining and able to contribute significant resources to the delivery of WaterAid's strategy.

Public benefit

The Trustees have taken into account the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning our future activities.

Achievements and performance

The Trustees met four times during the year, in July, October, December and March. In all cases meetings were virtual due to the ongoing COVID-19 pandemic and necessary travel restrictions. This reduced the time available for Trustees owing to the range of time zones represented, spanning Ottawa to Melbourne. The Board was Chaired by Rob Skinner until July 2020 and thereafter by Maureen O'Neil. The Membership and Accreditation Committee (MAC) met twice as planned (in May and November 2020) to provide scrutiny of our member accreditation processes. The MAC comprises two WaterAid international Trustees and two independent members.

At the start of 2020-21, four priority areas of work for all national member organisations were agreed: to step up our global response to climate change, protecting and investing in clean water to enhance climate resilience; to capture and exploit political opportunities in globally significant countries to drive investment in and planning for WASH services; to develop new funding streams for both restricted and unrestricted income to finance the mission; and to build the capacity and ability of the Charity's teams around the world to accelerate the achievement of our mission. As the global COVID-19 pandemic took hold, the federation re-prioritised response, mitigation and adaptation in this context.

Global strategy and performance reporting

In the year the Charity has led the process and planning for the development of a new global strategy for the WaterAid federation to run from 2022. The Charity worked closely with members to complete two phases in preparation for the development and drafting of the strategy: i) a full review of the current strategy, and ii) thorough exploration of themes and scenarios that will inform and drive our mission and work in the future. The Charity is leading an federation wide consultation on these emerging themes and work will be consolidated into a new global strategy during the next financial year.

The Charity has monitored work across the federation members in each of the four priority areas identified above, captured and shared successes and learnings, and ensured that our national member organisations are delivering programmes of work aligned to and achieving our mission.

Global governance

Building on diversity and inclusion discussions that took place in 2019, the Charity appointed an independent Chair following an open recruitment process. Induction and training were provided for the new Chair and a smooth transition to new leadership was facilitated during 2020.

Trustees' report

For the Year Ended 31 March 2021

Reviews, both internal and external, of global roles, power and leadership within the federation were carried out in 2020; findings informed the successful recruitment and appointment of a new Global Director for WaterAid international (this role was previously titled Executive Director) who commenced in February 2021 and are also providing valuable input to ongoing discussions around anti-racism, diversity and inclusion.

The Charity's Membership & Accreditation Committee scrutinised the regular periodic accreditation reviews against our membership criteria for WaterAid Sweden and WaterAid America, and reviewed updates from WaterAid Canada and WaterAid Japan. The Committee reviewed accreditation phasing with a recommendation accepted by the Trustees that accreditation reviews should remain on a three-year phasing to enable early identification of any issues which might affect the mission.

Continuing their work on building strong systems and policies which ensure an aligned WaterAid, the Charity's Trustees approved an update of our global standards on health, safety and security, on safeguarding and on finance.

Global travel restrictions have curtailed the Charity's efforts to deliver valuable knowledge-building programme visits for board members from across the federation members. Instead the Charity has focussed its efforts on creating opportunities for Trustees to engage with programmatic work through digital channels, so-called 'virtual visits'. This approach will better serve the Charity's approach on inclusion and climate change mitigation and is likely to extend beyond the end of present travel restrictions.

Work to develop and embed our 'dual citizenship' concept and practices has progressed through improving induction programmes.

Principal objectives and activities

During 2020-21 the Charity has undertaken a number of approaches and activities to build the capacity and effectiveness of the federation national member organisations. The Charity has:

- provided support to WaterAid India as they have sought to comply with the amendment to the Foreign Contributions Registration Act in September 2020, and to introduce necessary changes to management and organisation, whilst continuing to deliver WaterAid's mission;
- constituted a cross-member steering group and multi-disciplinary review team to steer and report on a strategic and business review of WaterAid Canada. This sought to answer questions about optimising contribution to WaterAid's mission, about organisational structure, strategies and plans, and aims to provide better information to support future investment decisions;
- provided ongoing support to WaterAid America on the establishment and embedding of a high-level multi-year business plan; and
- worked with WaterAid Japan to build capacity and to support them on their journey to financial sustainability. The Charity invested financially in WaterAid Japan's ongoing development on behalf of the global organisation.

Due to the COVID-19 pandemic and the consequent changes in priorities and workload a number of the Charity's 2020-21 goals have been deferred to 2021-22 and beyond, including work to revise membership criteria, accreditation and member contribution.

Charity governance code

WaterAid international is working to apply the principles and recommended practices set out in the Charity Governance Code 2017 and as amended in 2020.

By virtue of its composition, as set out in the Articles of Association, WaterAid international is not in a position to fully apply all of the recommended practice relating to open recruitment of Trustees, as they are appointed by the national member organisations. The federation's approach to equality, diversity and inclusion across the organisation has been a focus of work and attention during the year. Revisions to the Code implemented in 2020 are welcomed, in particular the broader definitions and requirements under Principle 6, Equality, diversity and inclusion. These will inform the work to embed best practice across the federation.

COVID-19 pandemic

COVID-19 has reshaped the economic and operational context for our work. In the financial year 2020-21, the federation has prioritised staff welfare and safeguarding in the face of the global threat; we have also made significant adjustments to our ways of working as a result of travel restrictions, local lockdowns and social distancing. However, the pandemic has highlighted the importance of WASH and particularly of hygiene behaviour change which is welcome for our mission.

Anti-racism, power and diversity

In 2020-21, an internal framework for action on anti-racism, power and diversity across WaterAid was published and restated the obligation on all national member boards to have, apply and report on diversity objectives. The Trustees have approved in principle the appointment of additional independent board members to support diverse voices and discussions continued during year on the timing and context for these future appointments. Arising from these discussions, the federation has also agreed to recruit a Global Head of Diversity and Inclusion to work across all members.

Plans for future periods

WaterAid international has agreed five priorities for the federation for the coming year:

- a) in the aftermath of COVID-19, increase political leadership and prioritisation to deliver sustainable & effective nation-wide hygiene behaviour change;
- b) in the face of climate change, work with governments to increase prioritisation of sustainable WASH as central to resilient and thriving communities;
- c) maximise fundraising opportunities to ensure stability, growth and diversification of funding portfolio;
- d) support the wellbeing of WaterAiders; and continue to develop and draw on the diverse talents and perspectives of WaterAiders across the world, creating opportunities to work more effectively together; and
- e) complete and begin implementation of a new global strategy that enhances our ability to deliver the mission.

In support of these priorities, the focus of the Charity's work will be on completing the development and launch of the new global strategy. The strategy will run to 2030, bringing together the expertise, the experience and the voices of people from across the federation, building on past successes and learning to enable us to achieve our mission of clean water, decent toilets and good hygiene for all. This will include developing an implementation / change plan and ensuring that definitions and measures of success are incorporated into the strategy and into our global planning and reporting processes. We will also support members and country programmes to develop country strategies and business plans.

Our work on performance reporting and evaluation will evolve in line with the new strategy to become more insightful in support of better global decision-making. We will also lead work to consider the federation related implications for global structures, power and decision making, including developing and embedding effective processes to support cross-member investment and reviewing our membership criteria to ensure the continued health of the global federation.

We will also carry out scheduled accreditations with members, and complete work on the development and enactment of global standards in critical areas of the business to ensure that WaterAid speaks and acts with one voice anywhere in the world.

We will work with members of the federation to ensure effective alignment and to strengthen collaborative working across our federation, for example working to support our approach to global influencing as well as providing support to each member on their development as required.

Together, we will continue our focus on addressing inequality and on embedding anti-racism, diversity and equality principles and practices across the federation, including in regard to recruitment of the Charity's trustees and those of member organisations.

Financial review

To carry out its work in 2020-21, the Charity raised £1,180k in contribution from its members, including £671k gifts in kind (primarily staff costs); £293k was invested in developing members and £828k was expended as operational costs.

Reserves policy

In 2020 the Trustees approved a reserves policy which requires the Charity to maintain reserves to meet minimum working capital requirements for 2 – 3 months operating costs. Reserves would be required in the event that the Charity is wound up. Funds remaining in the reserve after the Charity is wound up would be redistributed between the members.

The amount of reserves the Charity will hold is between £130k and £220k, being 2-3 months operating costs. As at 31 March 2021, the Charity held unrestricted funds of £200k.

Going concern

The COVID-19 crisis has created a greater environment of global uncertainty. Our going concern statement is an important disclosure to give our stakeholders confidence in how the Charity navigates through this financially. The Trustees are of the opinion the Charity's financial position is strong and has adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these accounts.

The Charity will have sufficient cash throughout the year to meet its liabilities as the cashflow profile involves receiving funds, based on total annual expenditure, on a quarterly basis from the Charity's national member organisations. The Charity will not go below a manageable working capital cash base at any time of the year.

The Charity has flexibility with its expenditure and is able to phase and potentially cancel activities. To illustrate, in early 2020-21, the Charity decided to stop all international travel and reduced local travel.

In conclusion, the Trustees are confident the right processes are in place to monitor the financial position of the Charity to ensure it remains a going concern.

Principle sources of funds

To carry out our work in 2020-21 the Charity's national member organisations invested £509k in grants and £671k in gifts in kind (primarily staff costs).

Trustees' report

For the Year Ended 31 March 2021

Principal risks

The Trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

The principal risks facing the Charity are those that affect our ability to work effectively as a global organisation, across member boundaries. The Trustees identified and have prioritised work to address and mitigate the following principal risks in 2020-21: the health, safety and security of staff; organisational members failing to meet their obligations under the Membership & Licence Agreement; failure to meet contractual obligations to donors; failure to properly address anti-racism within the organisation; safeguarding; unethical conduct bringing the Charity into disrepute.

The Charity has internal controls which allow it to monitor its financial risks and take steps to mitigate these as necessary. The Charity does not currently use debt finance or derivative financial instruments. The Charity has delegated financial management to WaterAid UK's finance department – on behalf of the Charity they implement their own procedures to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Legal structure, governance and management

WaterAid international is a charitable company limited by guarantee. Our governing document is our Articles of Association, published on our website.

Trustees are appointed by the company law members of WaterAid; in most cases trustees are WaterAid member chairs. WaterAid UK may appoint two trustees. The chair may be appointed from amongst the trustees, or may be appointed through open recruitment.

The Charity sets out its expectations, policies and procedures for trustee induction and ongoing training in its governance manual, published on its website.

During 2020-21 there were five company law members of the Charity, namely WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden and WaterAid UK. Each of these member organisations is independently constituted organisation with its own board, governing document and management body. The Charity's Board was chaired by Robert Skinner, Chair of the WaterAid Australia Board (to 1st August 2020) and Maureen O'Neill, an independent appointment (from August 1st 2020).

The Charity was managed by an appointed Global Director (previously titled Executive Director). Ken Caldwell retired from this role in April 2020. Andrew McCracken was appointed in 2020 and took up his post on 15 February 2021. The Charity was managed through interim appointments between April 2020 and February 2021, namely, by Cecilia Chatterjee Martinsen, Chief Executive of WaterAid Sweden from April to September 2020, and jointly by Adam Furse, Head of Governance & Membership, and William Garrod, Head of Global Strategic Planning & Performance, from October 2020 to February 2021.

Administrative details for the charity, trustees and advisors

Directors

The Trustees and Directors of WaterAid international who were in office during the year and up to the date of signing the financial statements were:

Robert Skinner (resigned as Chair on 1 August 2020 and as Director on 19 August 2021)	WaterAid Australia
Karlene Maywald (appointed on 19 August 2021)	WaterAid Australia
Maureen O'Neil (Chair) (appointed on 1 August 2020)	Independent
Tobias Krantz (Deputy Chair)	WaterAid Sweden
Mala Rao	WaterAid UK
Marc Robert	WaterAid America
Timothy Clark (resigned on 9 October 2020)	WaterAid UK
Annette Nicholson	WaterAid Canada
Andrew Green (appointed on 9 October 2020)	WaterAid UK

No Director held any interests in the company during the year or at the year end (2020: none).

No dividend was paid or proposed during the year (2020: none paid or proposed).

Registered office: 6th Floor
20 Canada Square
London
E14 5NN

Company registration number: 07238796
Registered charity number: 1137900

Independent auditor

BDO LLP were reappointed external auditor of the Charity by the board for the 2020-21 financial year.

Trustees' report

For the Year Ended 31 March 2021

Advisors

Principal bankers

Barclays Bank plc
50 Pall Mall
London SW1A 1QB

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Principal solicitor

Bates, Wells and Braithwaite
2-6 Cannon Street
London EC4M 6YH

Name of Global Director

Andrew McCracken, Global Director (appointed on 15 February 2021)

Statement of Trustees' Responsibilities

The Trustees (who are also directors of WaterAid international for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law and charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 period. In preparing these financial statements, the Trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 auditors

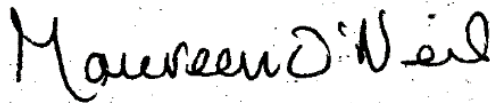
In accordance with Section 418, Trustees' report shall include a statement, in the case of each director in office at the date the Trustees' report is approved, that

- (a) so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- (b) he/she have taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 & 16 of the Companies Act 2006 and WaterAid international is therefore exempt from the requirement to prepare a Strategic Report.

Approved by the Trustees on 8 October 2021 and signed on their behalf by:



Report on the financial statements

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of the 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.

We have audited the financial statements of WaterAid international ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in 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 Strategic report or the Trustee's 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
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Charitable Company and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006, Charities Act 2011 and relevant tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employment Law, Health & Safety Legislation and Data Protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

WaterAid international - Company registered number 7238796

Independent auditors' report to the Members of WaterAid international (continued)

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the various charity regulators;
- reviewing items included in the Group's fraud and theft register;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- challenging assumptions made by management in their significant accounting estimates;
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

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

Use of this 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 auditor's 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.

DocuSigned by:



Jill Halford (Senior Statutory Auditor)

for and on behalf of BDO LLP, statutory auditor
London, UK
8 October 2021

WaterAid international - Company registered number 7238796**Statement of financial activities***(incorporating an income and expenditure account)***For the Year Ended 31 March 2021**

			2021	2020	
		Unrestricted funds	Restricted funds	Total	Total
	Note	£000	£000	£000	£000
Income:					
<i>Donations and legacies</i>					
Grants of a general nature	3	893	-	893	751
<i>Income from charitable activities</i>					
Grant funding for specific activities	4	-	287	287	561
Total income		893	287	1,180	1,312
Expenditure:					
<i>Expenditure on charitable activities</i>					
Development of the WaterAid international network of members	5	828	293	1,121	1,248
Total expenditure		828	293	1,121	1,248
		65	(6)	59	64
Net movement in funds or net income for the year					
Fund balances brought forward at 1 April	9	135	6	141	77
Fund balances carried forward at 31 March	9	200	-	200	141

The statement of financial activities includes all gains and losses recognised during the year. All incoming resources and resources expended derive from continuing activities. There is no material difference between the net incoming resources stated above and their historical cost equivalents. The notes supporting the financial statements are on pages 13 to 18.

WaterAid international - Company registered number 7238796

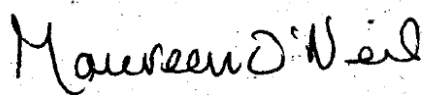
Balance sheet

As at 31 March 2021

		2021	2020
	Note	Total £000	Total £000
Current assets			
Debtors: amounts falling due within one year	6	330	249
Cash at bank and in hand	7	621	528
Total current assets		<u>951</u>	<u>777</u>
Creditors: amounts falling due within one year	8	<u>(751)</u>	<u>(636)</u>
	-	<u>(751)</u>	<u>(636)</u>
Net current assets		<u>200</u>	<u>141</u>
Net assets		<u>200</u>	<u>141</u>
The funds of the charity			
Restricted income funds	15	-	6
Unrestricted income funds			
General funds	15	<u>200</u>	<u>135</u>
Total charity funds	15	<u>200</u>	<u>141</u>

The financial statements on pages 10 - 18 were approved by the Board of Trustees on 8 October 2021 and signed on its behalf by:

Maureen O'Neil, Chair



Mala Rao, Director



WaterAid international - Company registered number 7238796

Statement of cash flows

For the Year Ended 31 March 2021

	2021	2020
	Total £000	Total £000
Cash generated from operating activities		
Net surplus for the year	59	64
Increase in debtors	(81)	(142)
Increase in creditors	115	236
Net cash generated from operating activities	<u>93</u>	<u>158</u>
Increase in cash and cash equivalents in the year	<u>93</u>	<u>158</u>
Cash and cash equivalents at the beginning of the year	528	370
Total cash and cash equivalents at the end of the year	<u>621</u>	<u>528</u>
	-	-

1. Accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to WaterAid international's Financial Statements.

a) Basis of preparation

The financial statements have been prepared in accordance with 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 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are drawn up on the going concern basis which assumes WaterAid international will continue in operational existence for the foreseeable future. As referenced in the Trustees' report, whilst there is uncertainty related to the outbreak of Covid-19, the Trustees do not consider there to be material uncertainty. The Board have given due consideration to the working capital and cash flow requirements of WaterAid international. The Board consider WaterAid international's current and forecast cash resources to be sufficient to cover the working capital requirements of WaterAid international for at least 12 months.

b) Foreign exchange

Transactions denominated in foreign currencies are translated at the rate of exchange at the end of the month. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange losses incurred in respect of our overseas operations are included in the statement of financial activities (SOFA) within charitable activity expenditure for the period in which they are incurred.

c) Incoming resources

All incoming resources are included in the consolidated SOFA when the charity is legally entitled to them, receipt is probable and the amount can be measured with sufficient reliability.

d) Grant income

Grants are credited to the SOFA when WaterAid international has entitlement to the funds. Incoming resources are only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within WaterAid international's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of WaterAid international and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within incoming resources from charitable activities. Grants are receivable from Members for the running costs of WaterAid international.

e) Donations and legacies

Donations are recognised in the period in which they are received.

f) Gifts in kind

Goods, facilities and services donated for WaterAid international's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

Notes to the financial statements

For the Year Ended 31 March 2021

g) Resources expended

Resources expended are recognised in the period in which they are incurred on an accrual basis. Resources expended include attributable VAT which cannot be recovered.

Costs of charitable activities includes direct expenditure incurred through grants to Associate Members. Grants are recognised in the period in which they are payable. Grants payable in furtherance of the charity's objects are attributed to the related classification heading in the SOFA.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the charity as opposed to those costs associated with general running of the charity, fundraising or charitable activity. These governance costs include internal and external audit costs, legal and tax advice, trustee costs and directors' time in governance of the organisation. Governance costs and other support costs incurred in the development of the WaterAid international network of members and potential new members have been allocated to expenditure on charitable activities.

h) Fund accounting

Income received that has specific restrictions placed upon its use is credited to restricted income within the SOFA on a receivable basis. Unspent balances are carried forward within the relevant restricted fund.

Unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

2. Prior year statement of financial activities

	Unrestricted £000	Restricted £000	2020 Total £000
Income:			
<i>Donations and legacies</i>			
Grants of a general nature	751	-	751
<i>Income from charitable activities</i>			
Grant funding for specific activities	-	561	561
Total income	751	561	1,312
Expenditure:			
<i>Expenditure on charitable activities</i>			
Development of the WaterAid international network of members	687	561	1,248
Total expenditure	687	561	1,248
Net income/(expenditure) and net movement in funds for the year	64	-	64
Fund balances brought forward at 1 April	71	6	77
Fund balances carried forward at 31 March	135	6	141

3. Donations and legacies

			2021	2020
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants from members				
WaterAid UK	641	-	641	547
WaterAid America	78	-	78	58
WaterAid Australia	46	-	46	41
WaterAid Sweden	71	-	71	60
WaterAid Canada	27	-	27	27
WaterAid India	28	-	28	17
WaterAid Japan	2	-	2	1
	<u>893</u>	<u>-</u>	<u>893</u>	<u>751</u>

All income is borne solely through charitable activities.

Gift in Kind donations of £640,957 (2020: £546,921), comprising £60,724 (2020: £51,591) in office costs and £580,233 (2020: £495,330) in staff costs are included in the grants from WaterAid UK.

Gift in Kind donations of £30,522 (2020: £nil), comprising fully of staff costs are included in the grants from WaterAid Sweden.

Donations and legacies in the prior year (£751,000) were all unrestricted.

4. Income from charitable activities

Grant funding for specific charitable activities

			2021	2020
	Unrestricted £000	Restricted £000	Total £000	Total £000
Grants from members for the Investment Fund				
WaterAid UK	-	238	238	465
WaterAid America	-	6	6	17
WaterAid Australia	-	14	14	28
WaterAid Sweden	-	26	26	45
WaterAid Canada	-	3	3	6
Total	<u>-</u>	<u>287</u>	<u>287</u>	<u>561</u>

Grant funding for specific charitable activities in the prior year (£561,000) were all restricted.

5. Expenditure

	Staff costs £000	Other direct costs £000	Allocation of support and governance costs £000	2021 Total £000	2020 Total £000
Expenditure on charitable activities					
Development of the WaterAid international network of members					
Grants to WaterAid Japan	-	293	-	293	561
International network support and development costs	457	-	371	828	687
	<u>457</u>	<u>293</u>	<u>371</u>	<u>1,121</u>	<u>1,248</u>
Governance costs	68	156	(224)	-	-
Support costs	86	61	(147)	-	-
	<u>611</u>	<u>510</u>	<u>-</u>	<u>1,121</u>	<u>1,248</u>

There was one grant to WaterAid Japan during the financial year (2020: 1). The grant to WaterAid Japan in the prior year (£561,000) was all restricted and international support and development costs (£687,000) were all unrestricted.

The key management personnel of the charity comprise the Trustees and Global Director, who was appointed in February 2021. The total benefits of the key management personnel (inclusive of employer's national insurance and pension contributions) was £20,879 (2020: £104,575).

WaterAid international staff costs relate to 6.2 full time equivalent staff (2020: 5.8 FTE). Pension contributions were made during the year of £32,582 (2020: £31,990). No termination payments were made during the year (2020: £nil).

The number of employees whose total benefits excluding employer pension costs amounted to over £60,000 in the year was as follows:

Employee benefits	2021 No.	2020 No.
£60,000 - £69,999	2	1
£70,000 - £79,999	1	1
£90,000 - £99,999	-	1
	<u>-</u>	<u>1</u>

6. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Amounts due from members	<u>330</u>	<u>249</u>

7. Cash at bank and in hand

	2021 £000	2020 £000
Cash and bank balances in UK	<u>621</u>	<u>528</u>

8. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Amounts due to members	737	627
Accruals and deferred income	14	9
	<u>751</u>	<u>636</u>

9. Movements in funds

	At 1 April 2020 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 March 2021 £000
Unrestricted funds:					
General funds	135	893	(828)	-	200
Total unrestricted funds	<u>135</u>	<u>893</u>	<u>(828)</u>	<u>-</u>	<u>200</u>
Restricted funds:					
Investment fund	6	287	(293)	-	-
Total restricted funds	<u>6</u>	<u>287</u>	<u>(293)</u>	<u>-</u>	<u>-</u>
Total funds	<u>141</u>	<u>1,180</u>	<u>(1,121)</u>	<u>-</u>	<u>200</u>

Notes to the financial statements

For the Year Ended 31 March 2021

9. Movements in funds (continued)

The Trustees' report explains the main reasons why WaterAid international holds unrestricted funds and the adequacy of these funds at the year end. The Trustees approved a reserves policy in April 2020 and the reserves balance as at 31 March 2021 are in line with the policy.

Restricted funds

Restricted funds are used for specified purposes as laid down by the members. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs. A restricted fund has been established for the investment in new WaterAid members.

10. Taxation and charitable status

WaterAid international is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11. Company limited by guarantee and not having share capital

The liability of the 5 full members of WaterAid international, who are also company members, is limited by guarantee to £1 each (2020: £1).

12. Net income for the year

This is stated after charging:

	2021 £000	2020 £000
Auditors' remuneration:		
▪ External audit	<u>2</u>	<u>2</u>

13. Trustee remuneration and expenses

WaterAid international's trustees were not paid or received any other benefits of employment with WaterAid international in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil).

14. Related party transactions

WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada and WaterAid Sweden are all full members of WaterAid international operating under license to use the name WaterAid. WaterAid Japan and WaterAid India are not full members but also operates under license from WaterAid international to use the name WaterAid. It is expected that WaterAid India and WaterAid Japan will become a full member in the future. WaterAid international receives funding for its charitable objectives from WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid India, WaterAid Japan and WaterAid Sweden. Currently the chairs of all the full members sit on the Board of WaterAid international. Transactions between WaterAid international and members of WaterAid international were as follows:

	2021 £000	2020 £000
Received from:		
WaterAid UK	879	1,012
WaterAid America	84	75
WaterAid Australia	60	69
WaterAid Sweden	97	105
WaterAid Canada	30	33
WaterAid India	28	17
WaterAid Japan	2	1
	<u>1,180</u>	<u>1,312</u>

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For the Year Ended 31 March 2021

Contributions of services valued at £30,522 (2020: £nil) and £640,957 (2020: £546,921) were received from WaterAid Sweden and WaterAid UK respectively during the year to fund core operational costs within WaterAid International. In addition, WaterAid UK paid the full investment fund amount owed directly to WaterAid Japan on behalf of WaterAid international.

Paid to:	2021	2020
	£000	£000
WaterAid Japan	<u>293</u>	<u>464</u>
	<u>293</u>	<u>464</u>

The following balances are due to related parties at year end:

	2021	2020
	£000	£000
WaterAid UK	<u>737</u>	<u>627</u>
	<u>737</u>	<u>627</u>

The following balances are from related parties at year end:

	2021	2020
	£000	£000
WaterAid America	220	137
WaterAid Australia	22	14
WaterAid Sweden	24	27
WaterAid Canada	11	47
WaterAid India	51	23
WaterAid Japan	<u>2</u>	<u>1</u>
	<u>330</u>	<u>249</u>

15. Analysis of net assets between funds

	Fixed assets £000	Net current assets £000	Total funds 2021 £000	Total funds 2020 £000
Restricted funds	-	-	-	6
General funds	<u>-</u>	<u>200</u>	<u>200</u>	<u>135</u>
	<u>-</u>	<u>200</u>	<u>200</u>	<u>141</u>

The restricted expenditure of WaterAid international is funded by each of the full members of the organisation. The required contributions that each member must make to the restricted fund are calculated at the start of the financial year based on budgeted restricted expenditure. During the year adjustments are made to the required contributions to try and match actual restricted expenditure and restricted income as closely as possible and avoid surpluses or deficits arising at the end of the year. Where differences do arise, leading to a restricted fund surplus or deficit at year-end, adjustments are made to member contributions in the following financial year to refund excess contributions or to recoup under contributions.

16. Analysis of changes in net debt

	At start of year £000	Cash-flows £000	Other changes £000	At end of year £000
Cash	<u>528</u>	<u>93</u>	<u>-</u>	<u>621</u>