

# **WaterAid international**

## **Annual Report and Financial Statements**

### **31 March 2024**

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**Trustees' report**

**For the Year Ended 31 March 2024**

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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**

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*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**

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**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**

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**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.

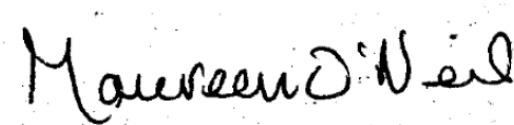
In accordance with Section 418, Trustees' report shall include a statement, in the case of each Trustee in office at the date the Trustees' report is approved, that:

- (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](http://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



**Statement of financial activities**

*(incorporating an income and expenditure account)*

**For the Year Ended 31 March 2024**

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

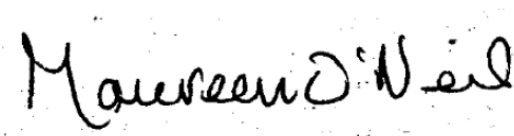
Balance sheet

As at 31 March 2024

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

Statement of cash flows

For the Year Ended 31 March 2024

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

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

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

3. Donations

Grants of a general nature	2024			2023
	Unrestricted £000	Restricted £000	Total £000	Total £000
<b>Grants from Members</b>				
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
<b>Expenditure on charitable activities</b>					
<b>Development of the WaterAid international network of Members</b>					
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.
<b>Employee benefits</b>		
£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
<b>Unrestricted funds:</b>					
General funds	206	942	(935)	-	213
<b>Total unrestricted funds</b>	<u>206</u>	<u>942</u>	<u>(935)</u>	<u>-</u>	<u>213</u>
<b>Total restricted funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<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
<b>Unrestricted funds:</b>					
General funds	205	894	(893)	-	206
<b>Total</b>	<u>205</u>	<u>894</u>	<u>(893)</u>	<u>-</u>	<u>206</u>
<b>Total restricted funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<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
	<b>935</b>	<b>893</b>

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
	<b>101</b>	<b>50</b>

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

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

14. Analysis of net assets between funds

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

15. Analysis of changes in net debt

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

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