WATERAID

England & Wales · Charity number 288701

Details

Other names	WATER AID, WATERAID
Status	Registered
Legal form	Charitable company
Company number	01787329
Registered	1984-02-22
Register	View on the Charity Commission register

Contact

Address	WaterAid 6th Floor 20 Canada Square London
Phone	02077934500
Email	supportercare@wateraid.org
Website	www.wateraid.org

Activities

Objects: 1.1 The objects for which the Charity is established are, for the public benefit:1.1.1 to relieve poverty and suffering in any part of the world through (i) the improvement of water supplies, sanitation and hygiene services, and (ii) providing advice on related health matters; and 1.1.2 to advance education concerning the nature, causes and effects of such poverty and suffering related to inadequate water supplies, sanitation and/or hygiene services. 1.2 Nothing in the objects shall authorise an application of property for purposes which are not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005.

Activities: WaterAid is an international not-for-profit, determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation. Only by tackling these three essentials in ways that last can people change their lives for good.

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Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** WORLDWIDE
- Bangladesh
- Burkina Faso
- Ethiopia
- Ghana
- Liberia
- Madagascar
- Malawi
- Mali
- Mozambique
- Nepal
- Niger
- Nigeria
- Pakistan
- Rwanda
- Senegal
- South Africa
- Tanzania
- Uganda
- Zambia

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£92,116,000	£97,018,000	£34,310,000	933
2024-03-31	£90,861,000	£93,639,000	£39,212,000	888
2023-03-31	£94,542,000	£96,397,000	£41,990,000	906
2022-03-31	£91,913,000	£84,496,000	£43,845,000	897
2021-03-31	£89,518,000	£85,392,000	£36,428,000	882

Trustees

Name	Role	Appointed
ANDREW JAMES GREEN	Chair	2020-10-09
Alyson Margaret Clark		2019-10-11
Ashvin Dayal		2023-07-11
Dr Guido Schmidt-Traub		2019-10-11
Hilary Frances Wild		2019-10-11
Hind Al-Khatib		2025-09-16
Nina Marta Pertwee		2023-07-11
Osward Mulenga Chanda		2025-09-16
Peter John Simpson		2018-10-12
Richard James Morris		2025-09-16
Ruth Esme Jefferson		2025-09-17
Sanjay Nair		2023-07-11
Simi Sadaf Kamal		2023-07-11

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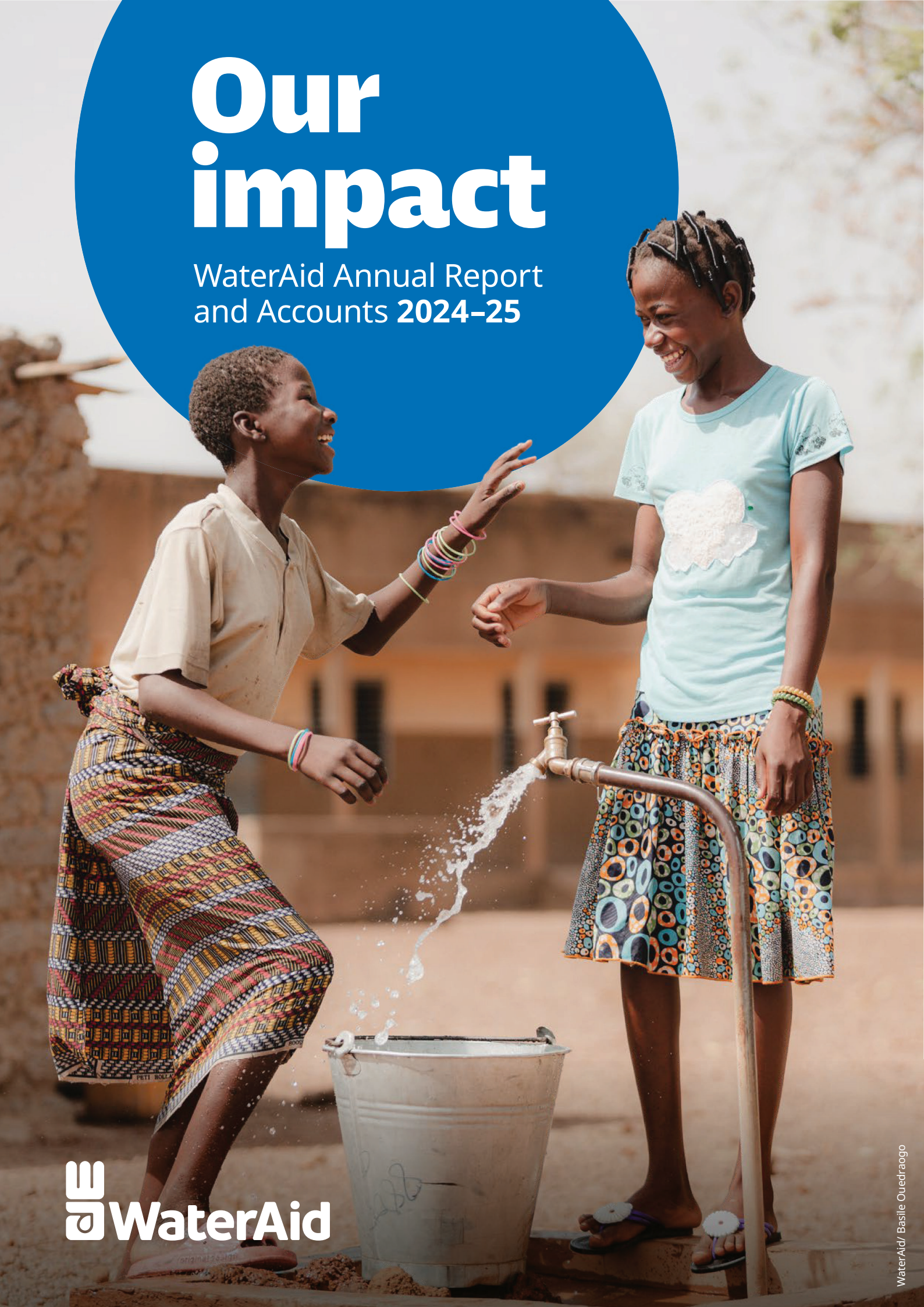
WATERAID

England & Wales - Charity number 288701

Accounts

Our impact

WaterAid Annual Report and Accounts **2024–25**



WaterAid

WaterAid/ Basile Ouedraogo



(Clockwise from top left) Shanbi, Diplabi, Ganga and Subisha, having a drink of clean water, Kalitar, Nepal.

WaterAid/ Vivek Vadoliya

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Strategic report comprises pages 6–26 and 30–46.

Cover: Students Honorine (left) and Esther (right) collecting clean water from the tap at their primary school in Kayao commune, Burkina Faso. March 2025.

Find out more about our latest achievements and the issues facing our work at:

/wateraid @wateraid /wateraid @wateraid

Change starts with water

In 2024–25 the fundamental importance of clean water was something the whole world could agree on. Across continents and cultures, we worked with communities, partners, allies and supporters so that millions more people could have better health, dignity and a life full of opportunity. Thank you for helping to make this change possible.

Together we made significant progress despite big challenges affecting the countries where we work. Extreme weather caused by climate change – from deadly floods across West Africa to a severe heatwave in Pakistan – worsened people's access to clean water. Political instability in areas such as Africa's Sahel region threatened to hold up important programmes. And high inflation in many places continued to increase the cost of reaching people. Towards the end of the year, a shift in many donor countries' attitudes to international aid brought further disruption and uncertainty.

But the UK public's support for people living without clean water, decent toilets and good hygiene was stronger than ever, despite the cost-of-living crisis at home. Because of your generosity, more taps were turned on, toilets used, and hands washed clean with soap. The life-changing impact of these simple actions cannot be overstated.



Yanko being washed with clean water by his mum, Catherine, Namizimbe, Malawi. June 2024.

WaterAid/ Sophie Harris-Taylor

New focus

After two years of transition, 2024–25 was the first year of implementation of our new ten-year Global Strategy. This meant our work was focused on four aims:

1. Achieve universal, sustainable and safe services in focused geographic areas to influence wider change.
2. Prioritise water, sanitation and hygiene across the health sector to improve public health.
3. Strengthen the resilience of water, sanitation and hygiene to climate change.
4. Increase the quantity and quality of financing.

Having chosen which of these strategic aims to focus on in their contexts, our in-country teams worked to accelerate change and make a bigger impact.

Of course, this new chapter in our journey continued to build on and learn from tried and tested approaches that deliver results. We worked alongside communities, service providers and local governments to build new infrastructure, plan for maintenance and embed healthy behaviours. And we used our reputation and experience to influence decision makers.

Rising up the agenda

In 2024–25, governments and global companies alike made it clear they had got the message.



WaterAid

Andy Green CBE



WaterAid/ Katie McCraw

Tim Wainwright

Regardless of their political and ideological views, none could argue with the fact that improving and securing people's access to clean water, sanitation and hygiene is worth investing in. The risks of inaction were better understood than ever and the need for change was discussed at the highest level.

At the World Economic Forum Annual Meeting in Davos in January 2025, we were pleased to host President Tharman Shanmugaratnam of Singapore, Co-Chair of the Global Commission on the Economics of Water. He emphasised that safeguarding the global water cycle is in everyone's interest, and that ending child deaths from unsafe water by 2030 is within our reach. It is this clarity of purpose and collective resolve that we need from leaders around the world.

And at the UN Climate Change Conference (COP) in Baku in November 2024, there was growing awareness of the role of water in international climate action, and progress was made on climate adaptation goals.

Witnessing the challenge, and the impact

Tim: In the summer, I visited our team in Madagascar to learn how climate change was already affecting our work in the south of the island. I saw for myself how rising sea levels were contaminating drinking water sources with saltwater as far as 10km inland. And long-term droughts were making water increasingly scarce. This was evidence of new threats to communities not only without clean water but also those that previously had a reliable supply. It made the need for our work to support communities to increase their resilience to climate change all too clear.

Andy: And in October, fellow trustees and I visited healthcare facilities in Monze, Zambia. We saw how WaterAid has been supporting the staff and patients there by installing essential water supplies and toilet and handwashing services, improving maternal and child health. In Nteme, we saw how drought-resilient water systems were providing clean water not only to the community but also to more than 5,000 livestock. As a result, this work is addressing both health challenges, such as the spread of cholera, and the threats to livelihoods posed by climate change.

A wave of support

In March 2025, HM King Charles III brought together changemakers, young leaders, and decision makers for a Water and Climate Reception with WaterAid at Buckingham Palace. Earlier that day, there were three pivotal roundtables, engaging young activists, private sector leaders, and global leaders to share insights and develop innovative solutions for tackling the water–climate crisis. The Roundtable with Global Leaders was co-hosted by the Foreign, Commonwealth & Development Office (FCDO). We remain incredibly grateful to our Royal Patron for his support in inspiring people to work together towards our shared goals.

In a year of much uncertainty and instability, we were able to continue making change happen thanks to your unwavering support. With 68% of our income coming from donations and people making the special decision to leave us a gift in their will, we can deliver programmes and make future plans with confidence.

However you choose to support WaterAid, your belief that change starts with water is making a huge difference. Thank you for generously giving your time, energy and money. Together we will reach everyone, everywhere.

Tim Wainwright
Chief Executive

Andy Green CBE
Chair of Trustees

Our impact



WaterAid/ Arshad Ali

Abdul Rehman, a retired schoolteacher, can now access clean drinking water using his wheelchair in Budhal Phanwar, Pakistan. May 2025.

Delivering services directly

People we directly reached in 2024–25

Institution	Water	Sanitation	Handwashing facilities	Hygiene behaviour change
Household and community	441,387	118,051	240,425	677,832
Healthcare facility	189,064	137,232	158,859	144,951
School	108,028	77,205	78,562	225,649
Public space	10,175	7,392	17,122	
Mass media				1,897,669

Wider scale

People we reached through influencing and capacity strengthening in the countries we worked in

Institution	Water	Sanitation	Handwashing facilities	Hygiene behaviour change
Household and community	436,354	727,955		1,239,175
Healthcare facility	11,070	11,556	3,384	21,000
School	13,131	12,950	11,581	
Public space	7,000	19,105	7,000	
Mass media				236,135

Our global direct reach

Since 1981, across the federation, WaterAid has directly reached:

30m
people with **clean water**

29.6m
people with **decent toilets**

31.7m
people with **good hygiene**

Federation members are listed on p44, all other figures on pages 6 and 7 refer to UK managed activities only.

1,741 communities supported

385 healthcare facilities supported

405 schools supported

235 sanitation facilities in schools and healthcare facilities supported

286 handwashing facilities supported

515 water points installed

30 water systems installed

Our partnerships include...

25 national governments/ ministries

52 public utilities

8 academic, training and research partners

55 local or national NGOs

49 local/district government partners

19 networks or alliances

Aim 1

Achieve universal, sustainable and safe services and behaviours in focused geographic areas to influence wider change

Local examples of universal, sustainable and safe services inform and influence those in power to make bigger changes. In districts and towns, we have been working with partners to deliver and improve services for households, schools and healthcare facilities. We have partnered with public, private and non-governmental organisations to strengthen the systems that keep services working and that reinforce hygiene habits. And we have enhanced the voice and representation of service users, especially women and girls.



Nasima with her daughter, Sadia, and son, Zahid, in front of their home in Chattogram, Bangladesh. March 2025.

WaterAid/ Aritra Ankan Mitra



Birtukan drinking a glass of clean water in Berbere District, Oromia Regional State, Ethiopia. April 2024.

WaterAid/ Frehiwot Gebrewold

Breaking barriers to safe toilets for women in Bangladesh

In Bangladesh's rapidly growing low-income urban communities, women and girls had almost no say in how water, sanitation and hygiene (WASH) services were designed. This is despite them being primarily responsible for water collection, toilet maintenance and household hygiene. Public toilets were often unsafe for women and girls to use, harming their health and dignity. We set out to address this across 90 low income communities in five locations: Dhaka North City Corporation, Dhaka South City Corporation, Chittagong City Corporation, Khulna City Corporation, and Paikgacha Municipality. In these communities, we facilitated the inclusion of women in governance structures through community-based organisations (CBOs), leadership training, and appointments as gender equality and social inclusion (GESI) focal points. By promoting women-led management of public sanitation facilities, we helped to improve safety and cleanliness for female users. We promoted women's ownership of household water connections, improving financial accountability and service sustainability. And we encouraged men and boys to share responsibility for water collection, toilet maintenance and household hygiene. In two years, the percentage of women participating in CBOs has increased to 66%. Out of 90 CBO presidents, 62 are now women, enabling them to advocate for gender-sensitive services that meet their needs. The project demonstrated that gender-transformative governance results in more inclusive, efficient and sustainable WASH services.

Empowering decision makers with data in Ethiopia

Across Ethiopia, data for decision making and budgeting of water, sanitation and hygiene services can be fragmented and inconsistent. As a result, funding and resources are often directed without strong evidence, which can lead to them being used in ways that are

less effective or not well aligned with needs. Through the Future on Tap project in Berbere woreda (district), we conducted a collaborative assessment with service providers and communities on the budgeting process for WASH services. We found that the woreda water and energy office lacked a system for data collection, management and use. We collaborated with the water and energy, health, education and utility offices to set up and resource a WASH data management system, training staff on data collection and analysis tools. When the data collectors generated reports on key indicators these showed that 26.9% of water schemes were non-functional, 64.8% of users did not pay for water, and 35.2% of water schemes did not have a WASH management committee in place. Budget allocation has now shifted from arbitrary to informed and needs-based allocation. The council has allocated budget to renovate nine water schemes, and 3,400 people have been able to access clean water. Alongside this,



Ametu Adem, a resident of Haro Dumal Town in Berbere district, Ethiopia. May 2025.

we have been working with communities to empower local people to participate in decision making and operation of their services. Having established a functional community feedback system using a score card model, communities can now monitor their joint action points and proactively demand results.

This project was part-funded with UK International Development from the UK government.



Yenesh Eshetu (left) and Zinash Solomon (right) with the hygiene training materials they use with residents of Berbere district, Ethiopia. November 2024.



Esmeralda Alberto, a member of the savings group at Etatara Health Unit in Niassa Province, Mozambique. October 2023.

Enabling women to invest in toilets in Mozambique

The ability of communities to take ownership of their water and sanitation facilities is important to ensure the sustainability of improved services. But with limited access to funds, investing in new taps and toilets can be out of reach for many people living without them. Across five communities in Mozambique's Niassa province we have been empowering women to take control of their sanitation improvements through combining sanitation initiatives with community-based savings and loan groups. This is making women better able to build their own household toilets and improve their family's hygiene practices. There are five village savings and loans groups, with 150 members participating in training on financial management and attending weekly savings groups. The groups save each week into three funds – a water fund (for paying water bills and constructing WASH infrastructure), social/ hardship fund (community grants), and business loans. Across the five communities, as of September 2024, 1,479 people have constructed 135 toilets, 166 dishracks, 90 waste pits and 30 handwashing facilities, serving 3,780 people with improved sanitation and hygiene.

Planning for a healthier future with local leaders in Madagascar

In Amboasary Sud, Madagascar, the lack of a clear plan for water, sanitation and hygiene left many households, schools and health centres with inadequate services, especially affecting women, children and people with disabilities. The commune's existing development plan did not prioritise WASH, and coordination among stakeholders was missing. To tackle this, we partnered with local leaders to create a dedicated WASH access plan and set up a multi-stakeholder group. This group brought together government and civil society actors to identify gaps, build planning capacity, and create a shared vision for inclusive services. Their efforts have led to stronger leadership, better coordination, and a more strategic approach to long-term WASH improvements. The project shows that empowering local authorities, fostering collaboration, and creating inclusive governance structures are essential for achieving sustainable progress in public health and development.



Laha Milison Paul with one of his grandchildren, Fitacia, sitting outside their water tap in Anosy region, Madagascar. July 2024.

Prioritise water, sanitation and hygiene across the health sector to improve public health

Aim 2

Universal, sustainable and safe water, sanitation and hygiene services and behaviours are essential foundations for human health. We have been working to embed these services and behaviours into health policies and programmes. This includes improving the availability and quality of inclusive and sustainable facilities and making it possible for people to practise good hygiene. Our priority has been the requirements of women and girls, who make up the majority of health service users and health workers.



Monica (left), Tadala (middle) and Confidence (right) chatting behind a house in Ntchisi district, Malawi. March 2025.

WaterAid/ Dennis Lupenga



WaterAid/ Basile Ouedraogo

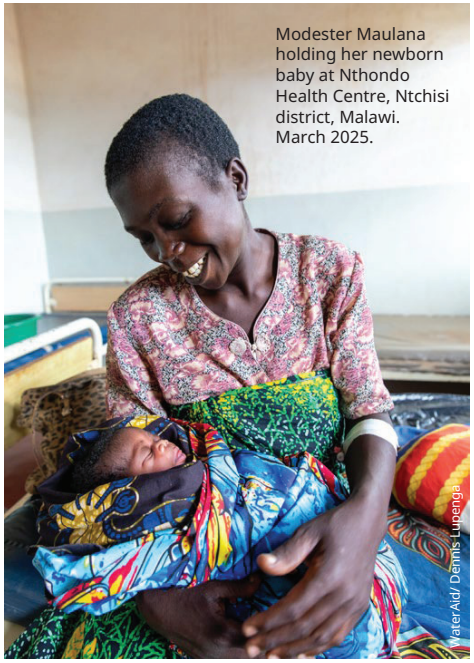
Dorcas Asampana, a community health volunteer, cleaning a bed in the Atampiisi Community-based Health Planning and Services Centre, Bongo district, Ghana. May 2025.

Empowering community health workers in Ghana

In Ghana's Bongo district, we identified a lack of support, training and protection for community health volunteers (CHVs). These volunteers, many of whom are women, are on the frontline of public health promotion but were working without personal protective equipment (PPE), knowledge of infection prevention and control (IPC), or formal inclusion in the local health system. As a result, the communities relying on these volunteers suffered from weaker hygiene promotion and inconsistent care. Throughout 2024 we worked to address these issues by training the health volunteers, providing them with IPC and waste management tools and resources, and facilitating dialogue between the CHVs and the District Health Management Team (DHMT). The volunteers are now included in community health review meetings and actively requesting resources from the DHMT, which is responding more promptly. We will now be looking to apply this model to other rural districts in Ghana.

Strengthening local ownership of healthcare WASH services in Malawi

In the rural district of Ntchisi in Malawi, inadequate water, sanitation and hygiene (WASH) services and behaviours in healthcare facilities were compromising the delivery of safe and dignified care. Facilities like Chinkhande, Sambakunsi and Chandawe struggled with an unreliable water supply, a lack of decent toilets and handwashing facilities, and limited waste management. This situation posed serious risks to infection prevention and control, maternal health outcomes, and the overall quality of services. Recognising the urgent need, with funding from the Wimbledon Foundation we launched a four-year WASH in Healthcare Facilities project in September 2023. To ensure improvements would be sustainable, we strengthened health centre management committees (HCMCs) and operations and maintenance structures, partnered with the District Health Office, the District Water



Modester Maulana holding her newborn baby at Nthondo Health Centre, Ntchisi district, Malawi. March 2025.

WaterAid/ Dennis Lupenga

Development Office, and the District Public Works Office to integrate services into district health systems, and trained healthcare workers. Following this, we worked with the three health facilities to develop WASH and IPC improvement plans. We also provided essential supplies to ensure these plans could be carried out. Significant changes include the installation of new reliable water services, handwashing facilities, disability-friendly toilets, and incinerators for waste. These developments have improved the environment for healthcare workers and ensured the safety and dignity of more than 19,500 people in the catchment areas.

Transforming rural healthcare in Zambia using hygiene-focused Kutuba Campaign

Siakasipa Rural Health Post struggled to deliver healthcare services, due to severe resource constraints and only one qualified staff member supported by two community health assistants, a general cleaner and a watchman. This limited workforce primarily focused on curative health services, leaving a significant gap in preventative healthcare. The initial water supply, sourced from a borehole, eventually broke down, forcing the staff to fetch water from a school nearly 500m away. The introduction of our Kutuba Hygiene Behaviour Change Campaign in 2019 marked a significant turning point. This participatory behaviour-centred approach fostered active engagement and ownership among community members and healthcare providers. We then expanded the project, promoting good hygiene behaviours, constructing a maternity annex, installing water tanks for running water, and setting up handwashing facilities at the health facility and local school. This was followed by the installation of toilets and an outpatient department. Through a strategic partnership, we trained neighbourhood health committees (NHCs) on their roles and responsibilities, empowering them to take an active role in shaping local health services. The transformation of Siakasipa Rural Health Post stands as a testament to resilience, community-driven progress, and strategic partnerships. It has evolved into a well-equipped healthcare centre capable of addressing the needs of its community.



Melisa Lewanika, environmental health technician, standing in front of Charles Nyirenda (left), the in-charge, and Febby Siangambwa (right), the cleaner, outside Siakasipa Health Facility, Kazungula district, Zambia. December 2023.

Putting WASH at the centre of health facility budgets in Uganda

Biira Health Centre III (HCIII) faced major challenges related to limited budget allocations for water, sanitation and hygiene services and a lack of funds for ongoing maintenance. Despite their best efforts, staff could not adhere to infection prevention and control standards because of the insufficient availability of handwashing stations, decent toilets and proper waste management. As such, patients, and the health workers themselves, were at an increased risk of dangerous infections. To improve this situation, we worked with the staff to integrate WASH needs into both their annual work plans and budget submissions. This has resulted in a marked increase in their WASH budget allocations, including budget to connect the maternity ward to the water supply and for upgrades in the laboratory. Infrastructure upgrades have included the installation of colour-coded waste bins, which enhanced waste disposal practices and overall cleanliness of the environment. Importantly, we also provided monitoring support through monthly review meetings with facility managers, keeping improvements on track. Owing to its improved performance and cleanliness, Biira HCIII has been ranked the top health facility in Adjumani district for result-based financing (RBF) allocations, putting it in a stronger position to apply for further investment. This is an excellent example of how supporting a healthcare facility to take ownership of its WASH services and behaviours can lead to significant and sustainable changes.



Karim sitting with his grandmother, Edinansi, and drinking a glass of clean water collected from the newly installed water tap at their home in Buyende district, Uganda. May 2024.

Strengthen the resilience of water, sanitation and hygiene to climate change

Aim 3

WaterAid increases people's climate resilience through access to water, sanitation and hygiene, while ensuring our interventions can withstand and quickly recover from extreme weather. We have been supporting communities, institutions and service providers to assess climate vulnerabilities and develop solutions to improve water security. At the same time, we have been advocating for water, sanitation and hygiene and climate policy to be integrated and for urgent investment in climate-resilient services.



Khokon Kanti Nath examining a water sample that has reacted with a testing reagent, in Chattogram, Bangladesh. March 2025.

WaterAid/ Aritra Ankan Mitra

Building the resilience and equity of water services in coastal Bangladesh

In the southwest coastal belt of Bangladesh, rising sea levels, shrimp farming and frequent cyclones contaminate groundwater. This leaves communities reliant on unreliable and unsafe water sources. Women and girls, typically responsible for water collection, are most affected. With support from Severn Trent Water, in Assasuni, a low-lying coastal part of Satkhira district in Khulna division, we introduced the Water Entrepreneurship for Women's Empowerment (WE-WE) initiative, installing reverse osmosis water treatment plants and training women to operate and maintain them. This has resulted in improved access to clean and affordable drinking water and reclaimed time for women, enabling them to pursue education, livelihoods and leadership roles. As part of the initiative, WaterAid championed women's leadership in water governance, supporting them to become entrepreneurs and role models within their communities. This has not only improved access to water and increased people's resilience against the impacts of climate change but also addressed deeper social inequalities, resulting in more resilient and equitable systems.



WaterAid/ Aritra Ankan Mitra

Abu Bakar Siddique, 62, lifting the lid and inspecting the inside of a pond sand filter, funded by Severn Trent, in Assasuni, Satkhira, Bangladesh, January 2025.



WaterAid/ Fabeha Monir

Chandana Rani collecting water in a jug from the reverse osmosis plant in Borokuput, Shyamnagar, Bangladesh. June 2023.



Rita Munda, 36, holds a glass of clean water collected from the newly installed rainwater harvesting (RWH) system in Bhetkhali, part of the Munda community.

WaterAid/ Aritra Ankan Mitra

Strengthening Smart Cities in Uganda

In Uganda, we have been working to improve the quality and sustainability of water, sanitation and hygiene (WASH) services for the urban poor while building people's climate resilience. We implemented the WASH for Smart Cities initiative in Mbale City, one of the 11 districts in Uganda most vulnerable to floods and landslides. The intervention focused on six informal urban settlements and several schools, healthcare facilities and public places. With our partners, we installed solar-powered water pumps, built climate-resilient biogas toilets in schools, and carried out hygiene campaigns.
We worked with latrine pit emptiers to ensure sanitation facilities are emptied of faecal waste before flooding to avoid contamination of water sources and communities and reducing the risk of a public health emergency. Following the introduction of these climate-resilient WASH measures, there has been a significant reduction in diarrhoeal diseases. Enrolment has increased across the eight targeted schools, service and use of healthcare facilities such as maternity wards has improved, and institutions' water bills have decreased thanks to the use of renewable energy sources. By supporting the authorities to develop a WASH investment plan that prioritises climate-resilient interventions and convening a City WASH Coordination Forum for improved cross-department collaboration, we have helped to build the city's capacity to adapt to and deal with the impacts of climate change.


WaterAid/ Ernest Randriarimalala

A woman and her son walking in Sambava district, Madagascar. October 2024.

Adding WASH to climate policies in Madagascar

For a long time, the water, sanitation and hygiene sector in Madagascar operated on the sidelines of national climate policy discussions. This marginalisation had tangible consequences: WASH projects were missing in climate action plans, climate finance was out of reach, and the most vulnerable communities were left without sustainable solutions to the increasing impacts of climate change on their services. Our team in Madagascar identified an opportunity for change with the development of the third Nationally Determined Contributions (NDC3), the country's main planning framework for climate action. We initiated the creation of the Climate Change Coalition in the WASH Sector, bringing together for the first time key WASH actors in close collaboration with government authorities. We worked together to identify capacity gaps within ministries and strengthened decision makers' understanding of the intersection between WASH and climate change. In a second phase, we took the bold step of financing the evaluation of the second NDC, gaining an unprecedented opportunity to integrate WASH priorities into the new national climate policy. During the COP29 climate change conference in November 2024, the Ministry of Environment publicly committed to including WASH in the upcoming NDC3.


WaterAid/ Ernest Randriarimalala

Ludphin standing on the bridge drainage system near the Mandrare river at the Jirama pumping station in Amboasary Atsimo commune, Anosy region, Madagascar. July 2024.


Yvonne Miza Rasoarivony, carrying one of her grandchildren outside their home in Anosy region, Madagascar. July 2024.

WaterAid/ Ernest Randriarimalala

Aim 4

Increase the quantity and quality of financing

Inadequate financing is a major barrier to progress on water, sanitation and hygiene. Substantially increasing the quantity and quality of financing is essential to ensure universal, sustainable and safe services. We have been working to secure higher and more efficient government spending, including more affordable services for low-income users. We have also been advocating for increases in development and climate finance to close SDG 6 (clean water and sanitation) financing gaps, and for resources to be allocated in a more transparent, efficient and equitable way.



Nathalie, Rihanata, Sonia and Wendkouni (left to right) enjoying the clean water in the garden at their primary school in Kayao commune, Burkina Faso. March 2025.

WaterAid/ Basile Ouedraogo



WaterAid/ Basile Ouedraogo

Isidore Nana, teacher and the school principal, teaching students in the CP2 Class (the second year), at primary school, in the district of Namanegbzoe within the village of Singdin, commune of Kayao, Burkina Faso, March 2025.



WaterAid/ Basile Ouedraogo

Bibata Fofana, a student, holding a cup of clean water at the newly installed borehole at her secondary school in Boucle du Mouhoun region, Burkina Faso. November 2024.

Adapting advocacy approaches in Burkina Faso

To make progress in increasing financing for water, sanitation and hygiene (WASH) in Burkina Faso, we have adapted our advocacy approaches and sought new partners to make a bigger impact. Strengthening collaboration with the General Directorate of Sanitation has made it possible to effectively influence the government's adoption and implementation of the Safely Managed Sanitation approach. We signed a collaboration agreement with the Permanent Secretariat of the National Council for Sustainable Development and together developed a joint action plan to help the government prioritise WASH in its climate policies. We strengthened our partnership with the network of parliamentarians for drinking water, sanitation and hygiene and youth organisations on WASH and climate change. This contributed to the government's prioritisation of WASH in the state budget – the share allocated to sanitation increased by more than 30% in 2025 compared with 2024. We have also been collaborating with parliamentarians

and youth organisations to support the national contribution to regional and global advocacy, such as the campaign to increase the budget allocation to WASH in climate programmes at COP29 in Baku.

Story of challenge: The struggle for sustainable sanitation financing in Zambia

For many years, we have been calling for increased budgetary allocation to sanitation in Zambia's national budget to accelerate progress towards the national target of 90% coverage by 2030. The cost of hitting this target is estimated to be at least 4 billion Zambian Kwacha (approximately £121 million) per year. However, the 2025 national budget only allocated less than ZK2 billion (£48 million). While sanitation funding increased from ZK579 million (£17 million) in 2023 to ZK714 million (£21 million) in 2025, this remains inadequate. There are several obstacles to overcome to fix this problem. Firstly, there is no regulatory framework for on-site sanitation, making it difficult to call for improved service delivery and quality. Additionally, there is a lack of private sector involvement and investment in sanitation owing to a lack of clarity on the return on investment. Finally, the implementing ministry faces bottlenecks in delivering on its allocated budget – low budget absorption capacity; limited design, implementation and monitoring systems; and dependence on donors. We are working to solve these challenges by advocating for increased budget allocation for service delivery and human resources, advocating for timely disbursements of budgets, and supporting sector coordination to improve transparency and efficiency.

Decentralising funding decisions in Zambia

Decentralising water, sanitation and hygiene financing and decision-making processes from the national government to the subnational (district) level through the Constituency Development Fund (CDF) has led to more



Josephine Zaka standing outside her pit latrine, holding a bucket of water and brush for cleaning it with, in Sylvia Masebo, Lusaka, Zambia. November 2024.

effective and sustainable service delivery in Zambia. Before, financial decision making (including budgets) was largely centralised, leading to a mismatch between allocated resources and community needs. Together with other stakeholders, we used evidence and government engagement to call for local governments and communities to have more control over these critical decisions. We helped to train community leaders and WASH committees in social accountability, shared simplified guidelines on participatory planning, and facilitated inclusive dialogues where communities could voice their WASH priorities. This work has led to more context-specific and impactful outcomes as a result of greater local influence in financial decision making and spending.

Transforming WASH financing in Malawi's healthcare facilities

Across Malawi, public healthcare facilities lack basic water, sanitation and hygiene services. The consequences of this underfunding affect both staff and patients, most of whom are women. We identified that the root of the problem lay not just in broken infrastructure, but in broken systems of financing and accountability. With our partners, we carried out targeted advocacy work focused on increasing government investment. We analysed budgets to identify funding gaps and track how funds were being spent, using this as evidence to engage stakeholders in addressing this public health emergency. We contributed to the establishment of Direct Facility Financing, allowing health centres to receive direct funding for operations and maintenance. And we supported district councils to articulate their investment needs and request workable budgets. The national WASH budget increased by 54% to ZK202 billion (approximately £84 million) in 2024–25, followed by a 39% rise to ZK284.9 billion (£119 million) in 2025–26, representing 3.5% of the national budget and reflecting new political will. The Ministry of Health has expanded the implementation of Direct Facility Financing from one pilot to 13 districts. This will bring more than an improvement in service quality – a fundamental restoration of dignity and safety in local healthcare.

Resilient Water Accelerator

In July 2024, the Resilient Water Accelerator (RWA), an initiative hosted by WaterAid since 2020, was awarded a four-year, £11 million grant from FCDO, as part of the wider £39 million Just Transitions for Water Security programme. RWA works to identify investment models and deal structures which strengthen water and climate resilience in emerging markets and developing economies while also delivering financial and operational viability. During the year, RWA worked in Bangladesh and Nigeria. Work in Bangladesh has included a focus on the garment sector, which is driving a demand in industrial water use, engaging with different stakeholders, including global brands and financiers to develop a business case around water efficiency and water reuse. In Nigeria, RWA established the Lagos Water Partnership and focus on the municipal market, specifically developing a pipeline of investable projects.



Josefe Lyitoni, 46, Steve Phiri, 38, cleaning toilets, Nthondo Health centre, Ntchisi district, March 2025.



Trinity Mbewe at the Kangolwa Health Centre in Ntchisi district, Malawi. March 2025.

Looking forward to 2025–26

In the year ahead, we will continue to implement our ambitious new global strategy. As in 2024–25, we will work towards four strategic aims, with our country teams choosing to focus on aims that have the biggest potential for change in their national context. This exciting development in our approach will speed up progress towards our vision – a world where everyone, everywhere has sustainable and safe water, sanitation and hygiene.

Aim 1: Achieve universal, sustainable and safe services in focused geographic areas to influence wider change

We will increase access to clean water, decent toilets and good hygiene in selected focus districts across the countries where we work. Collaborating with local government, we will develop costed plans and use these to advocate for increased budgets allocated to water, sanitation and hygiene (WASH). These regional projects will serve as service models that can be replicated nationally for an even bigger impact. We will use our advocacy and general influencing at national and subnational levels for increased allocation and effective use of financing for WASH. This way we will endeavour to achieve our Aim 4 outcome in relevant Aim 1 focus countries.

Globally, we aim to influence the agendas of the UN Water Envoy and UN Water conference. And we will work to build the political will of national governments to prioritise their WASH commitments as part of the Heads of States Initiative (HOSI).

Focus countries: Ethiopia, Liberia, Malawi, Nepal, Nigeria, Rwanda



Maricela Arpushana in Buenos Aires, La Guajira, Colombia, July 2024.

WaterAid/ Keoma Zec

Aim 2: Prioritise water, sanitation and hygiene across the health sector to improve public health

We will increase access to water, sanitation and hygiene services in healthcare facilities in countries where we work through modelling effective approaches and ensuring clear road maps are built into National Health Plans. We aim to influence national standards for WASH in healthcare facilities and advocate for increased funding in healthcare budgets.

In our influencing work, we aim to support the implementation of the G20 Call to Action on Strengthening Action on Drinking Water, Sanitation and Hygiene Services. And we will work to back the implementation of the UN resolution on WASH in healthcare facilities by national governments.

Focus countries: Ghana, Malawi, Mali, Nepal, Pakistan, Tanzania, Uganda, Zambia



WaterAid/ Ernest Randrianalara

Dricia (left) and her best friend Franca (right) pollinating flowers at their vanilla plantation in Andrahanjo commune, Madagascar. October 2024.

Aim 3: Strengthen the resilience of water, sanitation and hygiene to climate change

We will work with governments to strengthen planning for water, sanitation and hygiene in their National Action Plans and Nationally Determined Contributions. We will develop and share climate-resilient WASH models and work towards increasing climate financing for WASH, crucial for community resilience.

At the global level, we will facilitate the development of the Principles for a Just Water Partnership and launch them at COP30. We will support countries to integrate WASH into their Development Plans. And we will work with businesses to integrate elements of the Corporate WASH Roadmap.

Focus countries: Bangladesh, Ethiopia, Ghana, Madagascar, Mozambique, Nigeria, Pakistan, Uganda

Aim 4: Increase the quantity and quality of financing

Across countries where we work, we will attempt to bring about a meaningful increase in allocations to water, sanitation and hygiene budgets, and we will drive the use of budget tracking tools and accountability mechanisms. Through our influencing, we will advocate for 'good quality finance' for WASH. This will involve identifying priorities and promoting them at global and national levels, and identifying and cultivating new channels for financing (public and/or private).

Focus countries: Bangladesh, Burkina Faso, Ethiopia, Ghana, Liberia, Madagascar, Malawi, Nepal, Nigeria, Rwanda, Zambia

In 2025–26 we will have two Global Advocacy Priorities:

Health

To improve water, sanitation and hygiene services in healthcare facilities we will advance implementation of the G20 Call to Action on Strengthening Drinking Water, Sanitation and Hygiene Services (linked to the UN resolution on WASH in healthcare facilities) through work with the South Africa government, the G20 Presidency and key G20 Member States. We will drive national government implementation of the UN resolution on WASH in Healthcare Facilities and delivery of the G20 Call to Action by working in-country to support national campaigns.

Climate

To improve the resilience of water, sanitation and hygiene services in the face of climate change, we will work with countries to integrate high-quality WASH planning and commitments into their National Action Plans and Nationally Determined Contributions. We will launch a set of comprehensive principles and a framework for a Just Water Partnership at COP30 and seek the endorsement of stakeholders. And we will launch the first modules of the Corporate WASH Roadmap and advocate for their uptake by businesses.

Inspired by our plans for the year ahead? Find out how you can support us at wateraid.org/uk/get-involved

Our wonderful supporters

In 2024–25 we did so much together to support people across the world to stay healthy, get an education, earn a living and unlock their potential. Everything we do is made possible by you sharing our vision of a world where everyone, everywhere has clean water, decent toilets and good hygiene.

Whether you have supported WaterAid financially, as a volunteer, through partnering with us, or by campaigning – THANK YOU.

Here are just some of the people and organisations that have been part of the WaterAid team this year.

Trailblazers

The Trailblazers programme, launched by the Wessex Water WaterAid Committee, empowers staff to gain project management experience by delivering their own fundraising event. One inspiring team, taking a cue from Race Across the World, created Race Across Wessex. Teams of two to five people raced between checkpoints across the region, using maps and teamwork to reach the finish line. Supported by family, friends and colleagues, the team smashed their £5,000 target, raising an incredible £16,046 for WaterAid. A huge thank you to everyone involved!


WaterAid

Belu Water

Social enterprise Belu Water has partnered with WaterAid since 2011, and this year celebrated the milestone of donating over £6 million to support our work. By donating 100% of its net profits to WaterAid, Belu sets an incredible example, proving that by aligning purpose and profit, organisations and their customers can have a transformative global impact. We are so proud of our unique partnership.

Jill Hiatt

Known locally as 'The WaterAid Lady', Jill has been selling her hand-made cards for WaterAid for over 20 years. In doing so, she has raised more than £30,000! Jill has also featured in her local newspaper and on BBC radio, helping to raise awareness and inspire many more people to support WaterAid. We thank Jill for her fantastic commitment to standing alongside those without clean water and changing lives.

Armani beauty

Armani beauty has been a WaterAid partner since 2018, investing over €4.6 million to date. In this time, the global clean water initiative Acqua for Life has supported 16 WaterAid projects across 11 countries. In 2025 WaterAid, along with other implementing partners, are proud to help Armani beauty reach a significant milestone – providing clean water for over 1 million people, five years ahead of its 2030 target.

Glastonbury Festival

In 2024 we marked 30 years of our partnership with Emily and Michael Eavis and all the team at Glastonbury Festival. Over the years, we've delivered clean water, sanitation and hygiene services to support the running of the festival. Since the partnership began, we've raised over £5 million, and thousands of festival goers have added their voices to our campaigns.



WaterAid/ Oliver Dixon

Volunteers at Glastonbury Festival. June 2024.

Dave Padfield

Thank you to long-time Speaker Dave Padfield, who kindly volunteered with WaterAid for more than a decade. In this time, retired teacher Dave has delivered more than 270 talks and workshops and always received excellent feedback from groups across Wales.


WaterAid/ Oliver Dixon

Dave Padfield at the National Volunteers' Week 2022 Speaker Network Thank You Event in London. June 2022.

People's Postcode Lottery

Players of People's Postcode Lottery have supported our work since 2013, standing with us for over a decade as we change the world through water. In 2024–25, players raised an incredible £3 million to support our mission. The long-term, flexible funding we receive thanks to players of People's Postcode Lottery is truly transformational. It helps people around the world to shape their own future with dignity and confidence – today and for generations to come. Funds are awarded by Postcode Global Trust.


WaterAid/ Oliver Dixon

The WaterAid Garden at RHS Chelsea Flower Show. May 2024.

RHS Chelsea Flower Show

Thanks to sponsorship from the grant-making charity Project Giving Back, we were lucky enough to exhibit The WaterAid Garden at last year's show. This was an opportunity to highlight that the climate crisis is a water crisis. We collaborated with award-winning landscape designer Tom Massey and celebrated architect Je Ahn. It was a huge hit, winning an RHS Gold Medal and praise from HM King Charles III. The WaterAid Garden has been gifted to Castlefield Viaduct, a National Trust sky park in Manchester and is expected to open in 2026.

David Holman

David Holman left a generous gift to WaterAid in his will, a decision rooted in a life shaped by compassion, creativity and purpose.
A celebrated children's playwright, David dedicated his work to themes of justice and empowerment. He chose WaterAid after careful thought, knowing clean water is a basic human right that transforms children's lives and creates lasting change. His legacy gift reflects his lifelong belief in giving quietly but meaningfully. David never sought recognition in his lifetime; he simply believed it was the right thing to do. We sincerely thank David, his partner Deborah, and every supporter who has chosen to make this special life-changing gift.

Thank you

We are so grateful to everyone who has supported WaterAid this year. Every donation, campaign action or partnership has been essential to our work to change the world through water.

The following people and organisations played an important role in 2024–25 towards our shared vision of a world where everyone, everywhere has clean water, decent toilets and good hygiene. We think you're amazing and we're so happy to have you by our side – thank you!



Martha Ralulimi in Mamburu community, Limpopo province, South Africa. April 2025.

Companies and partners

- AB InBev Foundation
- Armani beauty
- Belu Water Ltd
- Diageo Plc
- DP World
- European Society of Clinical Microbiology and Infectious Diseases (ESCMID)
- GSK
- Hogan Lovells
- IHS Towers
- Kimberly-Clark
- Liquid I.V.
- Sulzer
- Wimbledon Foundation

Philanthropists, trusts and foundations

- Allan & Nesta Ferguson Charitable Trust
- Arab Gulf Programme for Development – AGFUND
- Band Aid Charitable Trust
- Barzilai Foundation Trust
- Fondation Prince Albert II de Monaco
- Jersey Overseas Aid and the people of Jersey
- Lord Howard and Lady Jennifer Leigh of Hurley
- Medicor Foundation
- Mr Angus Vassie
- Players of People's Postcode Lottery
- ShareGift
- Stiftung Drittes Millennium
- Tetra Laval
- The Alchemy Foundation
- The Constance Travis Charitable Trust
- The Georg and Emily von Opel Foundation
- The Reo Stakis Charitable Foundation
- The Waterloo Foundation
- The Zochonis Charitable Trust

Legacy givers

Everyone who made the special decision to leave a gift in their will.

Individual and community supporters

- Angela Stone
- Bruce Knight
- Connor Blundell
- Dave Trenery
- Geoff and Annie Hartwright
- Hayley Woof
- Helen Chadwick
- High Ham C of E Primary School
- Lions Clubs
- Matthew Beal
- Melissa Purdy
- Richard Frostrick
- Rotary Clubs of Great Britain and Ireland
- Sara Wilmut
- Sarah Houldcroft
- Sing for Water Choirs
- Sonja Healy
- Steve Cheshire
- Totally Thames Festival
- Year 9 Pupils of Bredon School

Faith-based communities

We are deeply grateful to the individuals and communities who contributed to our mission through their faith-based giving.

Zakat contributors

Sincere thank you to everyone who contributed their Zakat, upholding a key pillar of Islamic giving and enabling people to live with better health and dignity.

Church donors

We gratefully acknowledge the compassion and commitment to service of churches and congregants whose donations have made a lasting impact.

Volunteers

All our volunteers who supported our work through the Speaker Network, Local Groups, at festivals, at school, university or the workplace, and beyond.

Institutional fundraising

- Adaptation Fund
- Austrian Development Agency (ADA)
- Cummins
- European Commission
- Foreign, Commonwealth and Development Office (FCDO)
- Global Center on Adaptation (GCA)
- Government of Ethiopia
- Japanese International Cooperation Agency (JICA)
- KFW Development Bank
- London School of Hygiene and Tropical Medicine
- Punjab Rural Municipality Services Company
- Swedish International Development Agency (SIDA)
- Swiss Agency for Development and Cooperation
- UNICEF

UK water industry staff, supply chain and customers of:

- Affinity Water
- Anglian Water Alliance partners – Beacon Project
- Anglian Water Services Ltd
- Bournemouth Water
- Bristol Water Plc
- Dŵr Cymru Welsh Water
- Environment Agency
- Essex and Suffolk Water
- Northern Ireland Water
- Northumbrian Water Ltd
- Scottish Government International Development Fund
- Scottish Water
- SES Water
- Severn Trent
- South East Water
- South Staffs Water
- South West Water
- Southern Water
- Thames Water
- Wessex Water
- Yorkshire Water

Financial summary

Income

Total income in 2024–25 was 1% higher compared with the prior year driven mainly by increased income from legacy gifts. Income from our water industry partnerships also increased. Grants of a general nature and donations from community events and faith groups remained steady. We are immensely proud and grateful for the continued generosity of our supporters, especially during times of economic uncertainty. This directly impacts on our ability to respond to the difficult and often volatile circumstances currently being experienced in the countries where we work. We have seen a decrease in income from corporate partnerships and trusts this year and grant funding for specific activities reduced by 3% reflecting a number of bigger projects coming to an end during the year and new projects just launching. The stop work order relating to USAID funding affected seven of the countries where we work. This represented a risk to income for 2024-25 of £0.5m which is reflected in the accounts and discontinuation of funding for these projects by USAID for future years.

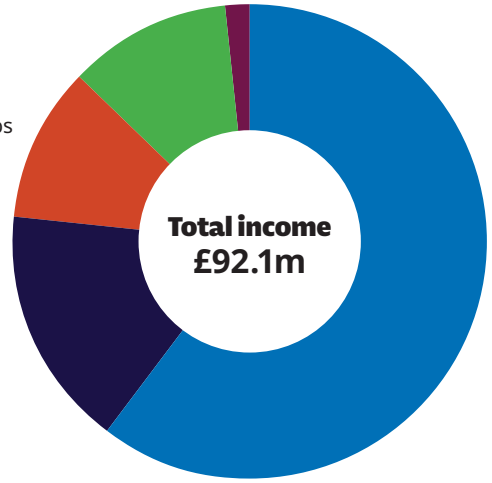
Unrestricted funds

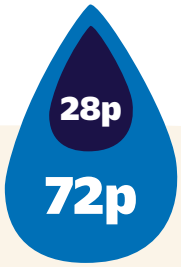
We ended the year with an unrestricted deficit of £4.6m, which was lower than planned due to additional income which reduced our general income fund at the end of March 2025 to £19m (2024: £22m). This is above the target range of £13m to £17m which we will draw on to manage future risks and to invest in our strategic priorities as planned for the 2025-26 financial year. Designated funds currently consist of the Fixed Asset Fund of £3m (2024: £5m) which represents the estimated cost of replacing our fixed assets. More detail on our reserves policy can be found on page 42.

Restricted funds

Restricted funds of £12m (2024: £12m) represent funds that have a specified purpose as expressed by the donor. Expenditure is charged to the specific fund in line with the terms of the donor contract. The trustees have no discretion to allocate the funds to any other use.

- Individual supporters **£55.7m**
- Corporate partnerships and trusts **£15m**
- Other WaterAid member countries **£9.7m**
- Governments and other institutions **£10.3m**
- Other income **£1.4m**



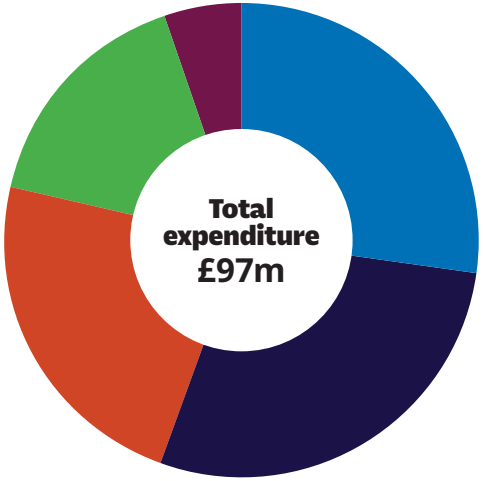


In every £1 spent, 72p went on delivering services and making change happen and 28p went on fundraising and governance.

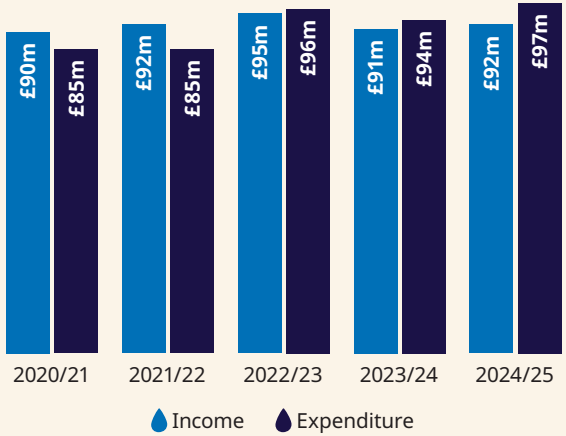
Expenditure

Total expenditure increased by 3% on the previous year. The increase in expenditure was due to planned investments in policy and campaign activities and investing in strategic partnerships and other members to secure future funding. The decrease seen in the spend on delivering water, sanitation and hygiene is representative of some significant devaluations in a number of local currencies where we work, making it cheaper to deliver our progammes in GBP terms. It is also due to some funding contracts ending and not being renewed, most notably due to the the USAID stop work order.

- Fundraising **27%**
- Supporting partners to deliver water, sanitation and hygiene **28%**
- Strengthening national and local capacity to deliver services **23%**
- Influencing policy in water, sanitation and hygiene **16%**
- Supporting WaterAid globally **6%**



Income and expenditure 2020–2025



Fund balances

At the end of March 2025, the closing total charity funds were £34m (2024: £39m), made up of the following:

£19m
General funds

£3m
Designated funds (fixed assets fund)

£12m
Restricted funds

Our values

Our values define our culture and unite us across the many countries in which we work. They are at the very heart of WaterAid – who we are, what we do and how we do it.

Respect We treat everyone with dignity and respect, and champion the rights and contribution of all to achieve a fairer world.

Accountability We are accountable to those we work with and to those who support us.

Courage We are bold and inspiring in our actions and words, and uncompromising in our determination to pursue our mission.

Collaboration We work with others to maximise our impact, embracing diversity and difference in the pursuit of common goals.

Innovation We are creative and agile, always learning, and prepared to take risks to accelerate change.

Integrity We act with honesty and conviction, and our actions are consistent with openness, equality and human rights.

Safeguarding

Our commitment

We 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 – our staff, volunteers, contractors and partners – commit to our Global Code of Conduct which sets out our high standards of expected behaviour, and outlines the consequences if these standards are not met. This Global Code of Conduct was reviewed and updated this year to ensure it remains relevant and adheres to sector best practice standards.

Safeguarding activity

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 has zero tolerance towards inaction.

In 2024–25, our Global Safeguarding Team received 61 reports from across the WaterAid Federation. 50 of these related to the UK or UK country programmes. All reports are reviewed centrally by our Global Safeguarding Team; some may be assessed as non-safeguarding issues and passed to other departments.

Safeguarding reports 2024–25	Total
Resolved	48
Referred internally to another team for further action	12
Referred to statutory services	3
Received advice from the Global Safeguarding Team	14
Received appropriate mitigation measures	10
Safeguarding learning review conducted	1
Reported to the Charity Commission and security learning review conducted	1
WaterAid safeguarding investigation completed	7
Open with actions underway	13
Reports received from across the WaterAid Federation	**61**

Seven reports led to a full safeguarding investigation relating to sexual harassment, sexual abuse, domestic abuse, organisational misconduct, inappropriate behaviour or physical abuse. Four members of staff were dismissed and one case was reported to the Charity Commission which agreed with our investigation, outcome and recommendations. Three cases led to individual action plans, training recommendations, improved security measures and enhanced awareness of safeguarding, family violence and gender sensitisation.

This year we have seen an encouraging 30% increase in reporting, which reflects our conscious and growing engagement with partners and communities. However, given the scale or our operations and partnerships, and the challenging contexts in which we work, we recognise there is likely to be a degree of underreporting. We remain dedicated to strengthening and improving reporting with partners and the communities we work with.

Governance

Each WaterAid Federation member has a safeguarding lead trustee who ensures WaterAid boards deliver on their safeguarding responsibilities. These trustees form WaterAid's Safeguarding Community of Practice Group, meeting twice a year to ensure effective safeguarding governance across the federation.

Our Global Safeguarding Director provides written reports to all WaterAid boards, attends the WaterAid UK Board meetings, and liaises regularly with senior stakeholders, safeguarding trustees, and the chairs of each WaterAid board.

All WaterAid trustees complete safeguarding training online and in person every two years.

The Global Safeguarding Team now has five full-time members of staff who are globally dispersed and reflective of the locations in which we work, ensuring safeguarding is adequately resourced across the federation.

Training and awareness

Our global network of 66 Safeguarding Focal Points across 30 countries play a key role in advancing and strengthening our safeguarding work. They deliver training to staff, partners, contractors and consultants, and work closely with government partners and communities to integrate safeguarding at every level of our engagement. This collaborative approach is strengthened through community engagement, placing communities at the centre of safeguarding efforts through inclusive, culturally grounded practices and continuous engagement.

In Mali, Safeguarding Focal Points launched a pilot in eight villages to train eight community safeguarding champions to lead awareness initiatives and promote safeguarding policies, procedures and commitments in their communities. In the UK, Safeguarding Focal Points have integrated WaterAid's Representation in Communications Policy into safeguarding inductions and established a network of champions with expertise in representing the communities we work with accurately, respectfully and collaboratively in our external communications. This importantly demonstrates the effective integration of safeguarding into all aspects of WaterAid's work.

WaterAid's Safeguarding Focal Points have trained 1,419 staff and 5,549 partner staff and community members during the year. The Global Safeguarding Team trained 699 individuals and delivered seven support visits to Cambodia, Colombia, Ghana, Malawi, Nigeria, Niger, Pakistan and the US.

We produced a new film to raise safeguarding awareness and demonstrate our accountability.

In February 2025 we celebrated Safer WaterAid Week across the federation with activities to raise safeguarding awareness and foster cross-team learning. This featured discussions on integrating safeguarding into daily actions and interactions and an immersive case study, reflecting our collective commitments to a strong safeguarding culture.

Strengthening the sector

WaterAid values the collaborative efforts of the international development sector in strengthening safeguarding knowledge. We are actively involved in local safeguarding networks and our Global Safeguarding Director sits on the Bond Safeguarding Steering Group for the UK. Our Senior Global Safeguarding Specialist is part of peer investigation groups, and our Community Engagement Adviser sits on safeguarding network panels within West Africa.

WaterAid is a member of the Harmonized Reporting Scheme, ensuring more transparency of data across the international development and humanitarian sector. WaterAid also follows the Common Approach to Preventing Sexual Exploitation and Abuse throughout our work and is a counter signatory.

For more information, please see our Safeguarding page.

Modern slavery

Our full Modern Slavery Statement is available at wateraid.org/uk/modern-slavery-statement. It outlines our commitment and coordinated action in relation to the Modern Slavery Act 2015 in respect of our policies for staff and partners, and our operations and supply chains. During the year, we continued to strengthen our community safeguarding awareness and engagement activities through a dedicated Community Safeguarding Engagement Adviser post. This will ensure those we work with are empowered in accessing and claiming their safeguarding rights. Any concerns around modern slavery or trafficking are reported, recorded and dealt with through safeguarding procedures.

During 2024–25, no safeguarding concerns about modern slavery were reported.

Anyone can raise a safeguarding concern by contacting the Global Safeguarding Team on **+44 (0)207 793 4468** or at **safeguarding@wateraid.org** You can also report concerns to our independent whistleblowing service, **Safecall**.

Diversity, equity and empowerment

We are passionately committed to being an organisation where everyone is welcome and included and where differences are valued. We seek to represent and celebrate the diversity of our staff, partners and everyone we work with, and create a culture where everyone can feel safe, reach their full potential and bring their unique and valuable contribution. We are dedicated to achieving the highest standards of diversity, equity and inclusion and welcome people of all backgrounds, beliefs, customs, traditions and ways of life to work with us.

We emphasise global unity, personal growth and collective efforts to end the water, sanitation and hygiene (WASH) crisis. Increasingly, we challenge our own assumptions and practices as an organisation to remove internal power imbalances and inequalities that get in the way of us achieving our mission.

Our diversity, equity and empowerment commitments

The rich diversity of experiences and perspectives of our people, partners and the communities we work with are crucial to the sustainable achievement of our mission. Every WaterAider plays a role in delivering four commitments to diversity, equity and empowerment:

1. We will continually strengthen our individual and collective understanding, allyship and action, and learn from the knowledge and expertise of our staff closest to the water, sanitation and hygiene challenges we seek to overcome.
2. We will ensure inclusive practices in all areas of our programme, policy, advocacy, fundraising, communications, people, finance, IT and assurance work.
3. We will ensure that we are mission-centric in our organisational design, resourcing and partnerships, and our structures, systems, processes and approaches empower and enable impactful programmes and influence.
4. Our communications will be inclusive and respectful, representing our people, communities and supporters in an accurate, authentic and consensual way that is free from bias.

Activity

Our Global Power and Diversity Steering Group, made up of representatives from across the WaterAid Federation, champions our four commitments and oversees actions being taken to deliver against these.

We continue to improve the representation and diversity of staff from all parts of our organisation in strategic decision making for maximum impact. Inclusive leadership is part of our groundbreaking Accelerate to 2030 leadership programme and a number of roles.

The Executive Directors Team extends its membership for its monthly meetings to include three senior leaders from our country or regional teams. The WaterAid Board has a lead Trustee for diversity, equity and empowerment and we aim to maintain a Board with a gender balance and at least 40% representation from global majority ethnic backgrounds.

More than 950 WaterAiders have attended workshops exploring the power we hold within ourselves and how we leverage our personal power. Learning modules on diversity and gender have been developed and piloted with our teams in South Asia.

Our People Team implemented a new structure, where people services are primarily provided locally and local people teams own and lead the people agenda. To ensure further localisation of our work, 21 country directors contributed to an exploratory discussion of what localisation means in their context.

All country programmes have defined objectives to enable the delivery of our diversity, equity and empowerment commitments in their own contexts. We have representation guidelines and a language guide to ensure our external communications are accurate and authentic, and respect and protect the people we work with.

In the UK, we have staff-led employee groups supporting neurodiversity, LGBTQ+ colleagues, and colleagues with a global ethnicity majority background. We support flexible working and encourage staff to develop to match their circumstances and aspirations.

In East Africa, teams took part in an assessment on gender equality and social inclusion and produced recommendations focusing on achieving gender balance and standards for family leave, accessibility and menstrual health management.

75 staff in South Asia took part in a gender sensitivity workshop to promote a gender inclusive and equitable workplace culture, facilitated by a group of gender focal points. Countries within this region developed gender training plans for senior managers and new staff. Provisions for family leave, family-friendly work environments, and guidance for returning mothers were updated and women's forums have been established.

In the UK, training was given to hiring managers on how to address prejudice and bias in recruitment, and policies are in place to ensure candidates, existing staff and volunteers have equal opportunities to succeed. More than 80 people contributed to meaningful conversations on inclusion and lived experience to help staff understand the accountability every person holds in creating an environment where all WaterAiders can thrive and feel supported to deliver our vision. Staff were also invited to a webinar to understand our gender and ethnicity pay gap information.

Managing risk

We have an active risk management process in place ensuring appropriate steps are taken to identify, monitor and manage risks across the organisation.

For WaterAid to achieve our vision of a world where everyone, everywhere has sustainable and safe water, sanitation and hygiene it is necessary for us to take managed risks and to capitalise on opportunities.

WaterAid is risk averse when it comes to the protection of our reputation and the safety of communities, volunteers and staff, so will seek to minimise risk in these areas, but has a greater risk appetite for taking managed risks when investing in our work and developing the organisation to have a greater impact.

Roles and responsibilities for managing risk

Board of Trustees	• Statutory responsibility for risk management with day-to-day risk management delegated to the Executive Directors Team • Trustees assure themselves that management have identified and assessed risks and their consequences, that risks are being monitored and managed, and that risks are reviewed regularly • 'Deep dive' sessions and discussion of emerging risks as needed
Audit & Risk Committee of the Board	• Oversight of the risk management policy and process, including the internal control framework and financial controls • Monitors the adequacy and effectiveness of internal controls on behalf of the Board and approves internal and external audit plans • Reviews in greater detail specific key risks and managements handling of those risks
Executive Directors Team	• Implementation of the Risk Management Framework • Prepares Entity Risk Management Plan • Drive for continuous improvement in risk management

Principal risks and uncertainties

The table below sets out the principal risks monitored by the Board of Trustees, and how the risks were addressed over the course of the year.

Risk	Mitigations
Geopolitical uncertainty Rapidly changing global and national contexts could negatively affect our ability to achieve strategic objectives. Risk to fundraising and the financial resilience of our partners due to the reduction in overseas aid and the continuing cost of living crisis. Increasing costs caused by inflation or foreign exchange volatility.	• Immediate compliance with USAID's Stop Work Order. • Advocacy strategies with flexibility to respond to changing circumstances. • Close cooperation with key partners. • Diversity of fundraising sources and a focus on innovation, testing and learning. • Close monitoring of spend against budget and impacts of inflation or FX volatility.
Health, safety and security Risk of harm to people we work with and for.	• Global security framework, policies, and reporting mechanisms in place. • Risk-based training in place for staff, including in crisis response.
Safeguarding Risk of harm to people we work with and for.	• Global safeguarding framework, policies and reporting mechanisms in place. • Full staff, consultant, volunteer and trustee mandatory safeguarding training.

Cyber security Critical cyber-attack could take down our systems, resulting in loss of sensitive data, GDPR breaches and/or substantial business disruption, potential fines and reputational damage.	• Cyber security and data protection functions in place to embed policies and procedures. • Mandatory training for all staff on cyber security and data protection. • Systems in place to detect unusual activity on our network. • Cyber Essentials accredited.
People The ability to recruit, develop and retain talent to deliver our ambitious global strategy. High workloads puts pressure on teams.	• Staff sentiment monitored through our Global Employee Engagement Surveys. • Wellbeing Strategy in place. • Continuous efforts to upskill staff and streamline processes. • Salary and reward is benchmarked to the sector to ensure it remains competitive.

Our public fundraising approach

We raise a significant percentage of our funds from the public. Our primary aim is to ensure we do this in a respectful and inspiring way, consistent with our core values and in line with all relevant laws and regulations, specifically the Code of Fundraising Practice. We also support measures that will improve public trust and support for fundraising in the charity sector as a whole.

In order to raise funds and awareness and enable supporters to get involved, we rely on a variety of activities including: fundraising over the telephone, through letters and emails, and by television; digital and press advertising; promoting legacies, events, payroll giving and community fundraising; and engaging philanthropists, trusts, foundations, public sector bodies and corporate partners.

We speak to many supporters about fundraising by telephone each year, if they have given prior consent for this. We use a professional telephone fundraising agency, Angel, to carry out this work on our behalf in accordance with our own high standards and sector regulation. We closely monitor our agency's compliance, training and call quality to ensure we provide our supporters with the best experience. We use an independent assessor to monitor a minimum of 2% of calls made, providing the agency with detailed feedback and training actions where appropriate. Should a call fail to meet our quality expectations, we will take immediate action such as removing a fundraiser from the WaterAid account pending retraining, or permanently for more serious call quality concerns.

We provide training on vulnerability to Angel fundraisers every quarter and campaign managers carry out separate training for any appeals being managed at Angel. As part of their induction to working on a WaterAid campaign, all Angel fundraisers are required to sign a Code of Conduct stating they will protect people in vulnerable circumstances and uphold WaterAid's high standards in their fundraising.

We have quarterly reviews with Angel to discuss performance. Campaign managers have more frequent calls when campaigns are live, and we have fortnightly calls to discuss call quality and supporter experience.

To ensure our telephone fundraising is of the highest standard, we run a full tender every three years to ensure we partner with an agency that can deliver the exceptional quality our supporters expect.

You can learn more about our approach to telephone fundraising at wateraid.org/uk/telephone-fundraising

We work with professional fundraising organisations (PFOs) who are invited into workplaces to sign people up for payroll giving. All PFOs are registered with the Fundraising Regulator, meaning they are committed to fundraising in line with the Code of Fundraising Practice. All the PFOs we work with have shared their training plans with us, providing assurance that the right training is in place to ensure responsible fundraising practice. None of the PFOs we work with do door-to-door fundraising, they only fundraise on invitation of the employers.

To protect potentially vulnerable supporters, all new fundraisers who join WaterAid must complete the mandatory Fundraising Compliance Induction training, delivered by the Fundraising Compliance Team, on protecting people in vulnerable circumstances, what vulnerability means, and how to recognise and respond appropriately to a potentially vulnerable supporter.

You can read our Vulnerable Supporter Policy, informed by industry guidelines, on our website at wateraid.org/uk/our-fundraising-promise

As per our Privacy Policy, we provide supporter details to agency partners fundraising on our behalf. However, we do not give or sell our supporters' details to anyone else, and we do not contact people from 'cold' lists.

Whenever a partner fundraises on our behalf, we put in place data sharing agreements to ensure the security and fair processing of personal data in accordance with the General Data Protection Regulation (GDPR).

When considering a new partner that would process personal data, we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the Chartered Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy seriously and are committed to protecting our supporters' personal information. You can read our Privacy Policy on our website at wateraid.org/uk/privacy-policy

We are registered with the Fundraising Regulator and pay an annual levy as required. We support public consultations on their Code of Fundraising Practice, work diligently to ensure compliance with the code and champion its standards across all our fundraising, and adhere to the requirements of the Fundraising Preference Service.

It is vital that we communicate with our supporters in the manner they prefer, respecting their privacy and communication preferences. We actively encourage supporters to contact us with any feedback, and we give complaints our utmost attention, to help us improve our fundraising approach.

During 2024–25, we made 5,768,644 contacts using email, mail and telephone.

We received 133 complaints about our fundraising, 0.003% of the total contacts we made. These were 84% of all complaints received. Our Supporter Care Team investigates every complaint, responding within three working days. We do all we can to resolve complaints and ensure supporters are happy to be part of our work. The main causes of the complaints were direct mail (41%), online activity (9%) and unaddressed mailings (8%).

Data protection

We take privacy seriously so that our supporters can trust us with their data.
We always demonstrate our accountability to the principles of the UK GDPR and the requirements of the Data Protection Act 2018.
We have the following in place to help protect personal data:

- Data protection policies and guidance
- Simple processes allowing our supporters to easily exercise their UK GDPR rights
- Internal governance arrangements that support our data security and management
- Contracts with our data processors (e.g. our mailing house) to ensure they adhere to the same data protection standards we do
- New starter and bespoke training programmes to ensure our staff get relevant and helpful guidance on their data protection responsibilities
- Data protection impact assessments to ensure data protection is at the centre of everything we do

For more information on how we use and protect personal data, please see our privacy notice at wateraid.org/uk/privacy-policy



Therese, latrine mason, Bugesera, Rwanda. March 2025.

WaterAid/ Tracy Keza

Managing our finance

Reserves policy

Our reserves policy seeks to retain a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. Trustees review winding down costs, current risks based on the risk register, and strategic investment requirements in setting the target range. The operational reserve is reviewed on an annual basis and for 2024–25 the target range was £13m to £17m, with the minimum set at £9.2m. If at anytime during the year the reserves are predicted to go below the minimum reserve level, remedial action must be taken. Any funds above the minimum reserve level are considered as the available strategic reserve that can be used at the discretion of the Trustees. The general income fund at the end of March 2025 was above this range, at £19m.

The majority of our unrestricted income is generously donated by individuals through regular gifts, legacies or fundraising events. Throughout the year, cost of living pressures continued to challenge our fundraising ambitions. At the same time, economic uncertainty across the globe put pressure on our ability to raise programme funding as planned, and the Stop Work Order issued by the US government in January forced us to provide for £0.5m bad debt risk against our USAID funded programmes. We had planned to end the year with an unrestricted deficit of £6.1m but this reduced by the end of the year to a deficit of £4.6m primarily due to better than expected fundraising from individuals in the UK.

Total funds at 31 March 2025 were £34m, of which £12m was in restricted funds and £3m was in designated funds (fixed assets fund). Restricted funds are received from governments, trusts, foundations, corporations and individuals.

The restrictions that these partners place on the funds they give us can range from a focus on a theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

We aim for as much flexibility in our funding portfolio as we can achieve, working in partnership with those that fund us. We are stringent in our management of all our funding, whether restricted or unrestricted.

Investment policy and performance

We hold short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits. Accordingly, our investment policy is to hold cash or invest in short-term liquid deposit accounts only at those banks with a high credit rating. We don't invest in stocks and shares. Due to stable interest rates in the UK, investment income increased to £1,098,000 in 2024–25 (2023–24: £701,000); we expect good rates of return on cash balances to continue in 2025–26, depending on the prevailing interest rate on deposits.

Going concern statement for 2025–26

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of 18 months following the signing of these accounts, so the period to at least the end of March 2027.

Our annual budget and plan, presented to the Board in March 2025, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base. The Board approved the annual budget for the year ending 31 March 2026 on that basis.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared with the budget assumptions reflect lower income and a higher cost base.

We have also prepared an acute or 'severe but plausible downside' scenario, which combines high inflation with other economic pressures affecting stock and property prices, a material reduction in regular giving and no continued funding received from key donors.

Although the impact of the acute scenario is severe and would require the consideration of mitigating actions which are wholly within our control to reduce our discretionary cost base, the analysis indicates that the Group would have sufficient liquidity and reserves to honour our committed funding obligations and to maintain sufficient liquidity throughout the going concern period.

Robust monitoring processes are in place to ensure that the organisation is able to react quickly to any downturn in income and the short-term deposit investments held can be liquidated quickly in the event that they are required. The Group currently has no bank financing or loan agreements and therefore there are no covenants to consider.

For 2025-26, the Group is aiming its reserves level to be within a range of £13-15m with a minimum target of £11.5m. As at 31 March 2025 the Group had managed cash and short-term deposits of £33m, well above our level of contractual commitments.

Taking into account our current position, our principal risks, and analysis on severe but plausible downside scenarios, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 18 months after the approval of these financial statements, namely the period to March 2027 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

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.

How we operate

WaterAid is a member of a global federation of which there are six other members in America, Australia, Canada, India, Japan and Sweden. All federation members are independently constituted organisations with their own boards. WaterAid receives funding from other members of the federation to deliver services and make change happen. At the same time, WaterAid invests in other members to support their future growth. WaterAid also funds part of the running costs of WaterAid international – a requirement of all members.

Legal structure

WaterAid was established by Trust Deed on 21 July 1981, incorporated on 30 January 1984 and registered as a charity in England on 22 February 1984. WaterAid registered as a charity in Scotland on 3 April 2008. WaterAid has a Memorandum which sets out the objects and powers of the organisation and is governed in accordance with its Articles of Association.

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. WaterAid is a member of the WaterAid Federation. Federation members include include America, Australia, Canada, India, Japan and Sweden. WaterAid international was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid international accounts do not require consolidation into WaterAid accounts as WaterAid does not exercise control or significant influence over WaterAid international.

Trading company

The principal activity of WaterAid Trading Limited (the 'Company') is identifying and undertaking commercial licensing deals. WaterAid Trading Ltd made a net profit of £204,997 (2023–24: £546,984). A deed of covenant is in place whereby all profits generated by the company are gift aided to the parent charity. This trading company is wholly owned by WaterAid and primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

Organisation structure

WaterAid is led by our Chief Executive, Tim Wainwright, and a team of five executive directors. The Internal Audit department reports to the Chair of the Audit & Risk Committee and the Chief Executive. The executive directors are responsible for the departments of International Programmes; Policy and Campaigns; Finance, Technology and Strategic Planning; Communications and Fundraising; and People and Organisational Development.

As of 31 March 2025, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa as well as a London office.

Country directors in each branch report into a regional director. All are appointed by and accountable to the Executive Director of International Programmes. Country heads of finance report to the country directors and have a dotted line to the UK-based Executive Director of Finance, Technology and Strategic Planning. WaterAid also works in partnership with civil society networks and other organisations in countries where there is no WaterAid presence.

Streamlined Energy and Carbon Reporting (SECR)

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 2024–25, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK Government's Streamlined Energy and Carbon Reporting (SECR) Policy.

Additional WaterAid emissions reporting has been included following the implementation of WaterAid's own Greenhouse Gases Emissions Standard. WaterAid has a global ambition to halve its global emissions by the end of our current strategy (2032), and a Global Sustainability Policy and Emissions Standard in place. These were developed in line the GHG Protocol and science-based targets.

How our carbon footprint and energy consumption are calculated

Our methodology to calculate our greenhouse gas emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard, incorporating, where possible, data supplied directly by WaterAid's suppliers.

The table below includes greenhouse gas emissions calculated by tonne of carbon dioxide equivalent (tCO_2e), along with our carbon intensity ratio:

		2024–25	2023–24	
Emissions source	**Data source**	kWh	kWh	
Office energy consumption	Total WaterAid office energy usage	221,476	226,313	
Mandatory carbon reporting				
		tCO_2e	tCO_2e	**Scope**
Owned vehicles	WaterAid does not own/operate our own vehicles in the UK	0	0	1
UK office – purchased energy	Energy consumption from provider; 2024 UK electricity grid published conversion factor (0.20705kgCO_2e per kWh)	46	47	2
UK office – facilities	Further electricity used for shared building services; conversion factor as above	5	4	2
	Total gross tCO_2e	**51**	**51**	
Intensity ratio	**Gross tCO_2e per UK employee**	**0.115**	**0.135**	

Additional WaterAid carbon reporting				
UK office – purchased energy	*Alternative calculation using conversion factor of 0 based on WaterAid's use of a supplier with a 100% renewable fuel mix disclosure*	*0*	*0*	2
Printed materials	Carbon cost of printing and transport for mass distribution materials	617	890	3
Travel – WaterAid staff and volunteers	Employee and volunteer commuting, and business travel emissions, calculated using distance travelled and journey type	1,445	1,178	3
Other reported	Including purchased IT hardware and the use of leased vehicles	52	37	3
	Total gross tCO_2e	**2,114**	**2,105**	
Intensity ratio	**Gross tCO_2e per UK employee**	**4.79**	**5.58**	

Carbon reduction and energy efficiency actions

Mandatory carbon reporting requires that we provide the UK grid electricity conversion factor for the use of WaterAid's purchased energy. WaterAid's own carbon reporting reflects that the UK office's energy is purchased from a certified 100% renewable energy supplier, supporting the development of new wind and solar parks.

The carbon intensity of printed materials has significantly reduced in 2024–25 driven by targeted efficiencies from the use of lower weight paper and an overall decrease in volume.



Noel washing his school uniform in clean water in Monze district, Zambia. November 2024.

WaterAid/ Cian Oba-Smith

WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company.

We are committed to the highest standards of governance and seek to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, we meet all applicable areas of key compliance of the Charity Governance Code.

Trustees serve a four-year term (renewable once). In occasional circumstances, these periods may be further extended to retain specific skills.

The Board of Trustees has four sub-committees:

1. The Audit & Risk Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management processes, IT and communications systems, capital spend projects, and internal and external audit. Significant activities over the year included approval of the internal audit plans and inspection of reports from the internal auditors, review and endorsement of the Reserves Policy, and scrutiny of the external audit report. The committee also reviewed and endorsed the financial statements.
2. The Nominations and Governance Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees to achieve an appropriate and diverse mix of skills and experience across the Board as a whole. It also oversees and monitors any matters of governance that may be remitted to it. During the year, the committee commenced recruitment for new Trustees to join the Board in 2025. No new Trustees were appointed during the year 2024–25.
3. The People Committee reviews the development of our people management strategies, policies and practices, including our salary policy, with a particular focus on executive remuneration. Significant discussions over the year included our global employee engagement survey results, gender and ethnicity pay gaps, and the UK Employment Rights Bill 2025. The committee also endorsed annual pay awards across the different countries where WaterAid works.
4. The Communications and Fundraising Committee oversees and monitors fundraising procedures, policies and activities. It also provides advice on activities that may pose financial, regulatory or reputational risk. During the year, the committee held deep-dive sessions on brand review and development, gift aid, fundraising performance, data protection and fundraising compliance.

All these committees have terms of reference published in the governance manual, which is on our website. An induction programme is held for Trustees joining the Board. Trustees are invited to participate in seminars with staff as well as being expected to visit our work in country programmes to familiarise themselves with our operations. As part of the development of the Board, a Board evaluation is held biennially and individual Trustees are performance assessed each year.

The members of the Board of Trustees who have served during the year are listed in the Board of Trustees section on page 52, together with the Royal Patron, Vice President and Executive Directors Team.

Day-to-day management of the charity is delegated by the Trustees to the Chief Executive. The planning and reporting arrangements in place give Trustees confidence that the charity is being managed effectively.

Registers of Interests

We have a Conflicts of Interest Policy and Procedure, and a Register of Interests for all Trustees and Directors is held by the Company Secretary.

Section 172 (1) Statement of Directors' duties

WaterAid is governed by the charitable objectives which set out the purpose and mission of the charity. The consequences of all decisions and activities of WaterAid are assessed by how they drive us towards achieving that long-term purpose. As Company Directors, the Trustees must act in accordance with duties outlined in section 172 of the Companies Act 2006, summarised as follows:

- **The impact of the company's operations on the community and the environment:**
  In agreement with all federation member boards, one of our global principles is for us to be a sustainable organisation. We have increased focus on the interlinkages between WASH and climate change to ensure we deliver sustainable and resilient WASH services for the communities that need them most. The UK, alongside all members of the federation, has committed to measurement criteria related to economic health, safeguarding and wellbeing of communities and staff, and environmental impact.
- **The reputation for a high standard of business conduct:**
  The Board of Trustees supports the pace and sensitivity in which we are approaching the crucially important work on diversity, equity and empowerment. Mala Rao is our lead Trustee in this area, championing this work and encouraging, challenging and advising the Board and Directors on the integration of this work into our thinking. The Board receives regular updates on progress, supports our global commitments, and has agreed diversity objectives.
- **The interests of the company's employees:**
  Spending time with staff, both formally and informally, is important to Trustees. New Trustees receive face-to-face and virtual inductions with all departments. A programme of engagement is scheduled each year for the Board; this includes webinars and seminars, networking, and Q&A sessions.
- **The need to foster the company's business relationships with suppliers, customers and others:**
  During the year, Trustees visited Zambia, meeting with communities, implementing partners, and local and national government officials. They visited schools and health centres, met with community groups and participated in high-level meetings.
- **The need to act fairly between members of the company:**
  The Trustees are the sole members of the charity, and the charity is not run in the interests of the members but of the objectives of the charity. As a member of the WaterAid Federation, Trustees work to ensure the work of WaterAid is well aligned with the rest of the federation.
- **The likely consequences of any decision in the long-term:**
  During the year, the Board approved the decision to establish the Resilient Water Accelerator as a wholly owned subsidiary of WaterAid. This enables the Resilient Water Accelerator to focus on its principle aim of generating high quality, climate-resilient and low-carbon programming for protecting water resources and improving water security for vulnerable and water-stressed people in low-income and middle-income countries. The Resilient Water Accelerator supports WaterAid's aims through its efforts to mobilise high quality finance at scale to address WASH needs in countries where we operate.

The activities and decision making of both the executive and the Board's sub-committees are an integral part of the way in which Trustees carry out their duty. As such, many of the key illustrations of how we comply with this duty are contained throughout this report.



A new water point has reduced the challenges of accessing clean water for Aslam, 60, who has a disability, Lodhran district, Pakistan. January 2025.

WaterAid/ Shahzad Iqbal

Statement of Trustees' responsibilities

The Trustees (who are also Directors of WaterAid for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

(a) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Board of Trustees approved the Trustees' Report, including the Strategic Report, on 16 September 2025. Signed on its behalf by:

Andy Green CBE
Chair of the Board of Trustees
16 September 2025

Royal Patron
HM King Charles III [ix]

Vice President
The Rt Hon Baroness Chalker of Wallasey [ix]

Board of Trustees
Manuel Alvarinho

Mamadou Biteye OBE (until August 2025)

Alyson Clark [v, vi]

Ashvin Dayal

Andy Green CBE [vi, vii, viii] Chair of the Board of Trustees and Chair of the People Committee

Nina Jasinski [viii] Chair of the Communications and Fundraising Committee

Simi Kamal [vii]

Heidi Mottram CBE [vii]

Sanjay Nair [v] Treasurer

Mala Rao CBE [vi,vii] Vice Chair

Guido Schmidt-Traub

Peter Simpson [v]

Heather Skilling [v] (until January 2025)

Hilary Wild [v] Chair of the Audit & Risk Committee

Chief Executive and Company Secretary
Tim Wainwright

Executive Directors Team
Amaka Godfrey, Executive Director of International Programmes

Syed Abdul Muntakim, Executive Director of Finance, Technology and Strategic Planning

Sol Oyuela, Executive Director of Policy and Campaigns

Rachel Westcott, Executive Director of People

Jennie York, Executive Director of Communications and Fundraising

Principal banker
Barclays Bank plc, 1 Churchill Place, London E14 5HP

Independent auditor
PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH

Principal solicitor
Bates, Wells and Braithwaite, 10 Queens Street Place, London EC4R 1BE

Company number
1787329

Charity numbers
288701 (England and Wales) SC039479 (Scotland)

Registered office and operational address
6th floor, 20 Canada Square, London E14 5NN

v Audit & Risk Committee member
vi Nominations and Governance Committee member
vii People Committee member
viii Communications and Fundraising Committee member
ix Honorary positions

Independent auditors' report to the members and trustees of WaterAid

Report on the audit of the financial statements

Opinion

In our opinion, WaterAid 's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Group and Charity balance sheets as at 31 March 2025; the Consolidated statement of financial activities, Charity statement of financial activities and the Consolidated cash flow statement for the year ended; and the notes to the financial statements, which include a description of the 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 group and parent 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 group and parent 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 group's and parent 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 Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and 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, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

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' reponsponibilities, the trustees 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 group's and parent 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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 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 group and parent charitable company/industry, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). 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 risk was related to the posting of inappropriate journal entries. Audit procedures performed included:

- enquiring of management and the Board of Trustees, including consideration of any known or suspected instances of fraud, and non-compliance with laws and regulations;
- reading minutes of meetings of the Board of Trustees and Board subcommittees, including the Audit and Risk Committee;
- reviewing any correspondence with regulators including the Charity Commission for England and Wales, and the Office of the Scottish Charity Regulator;
- understanding and evaluating the group's 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 the 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 and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and 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

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) 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 and proper accounting records have not been kept by the parent 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 parent charitable company financial statements are not in agreement with the accounting records and returns.

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
18 September 2025

Consolidated statement of financial activities

(including consolidated income and expenditure account)
For the year ended 31 March 2025

	Note	Unrestricted £000	Restricted £000	2025 Total £000	Unrestricted £000	Restricted £000	2024 Total £000
Income from:							
Donations and legacies							
Donations	2	58,200	4,628	**62,828**	55,665	4,611	**60,276**
Grants of a general nature	2	3,586	-	**3,586**	3,562	-	**3,562**
Gifts in kind	2	322	-	**322**	640	-	**640**
Charitable activities							
Grant funding for specific activities	4	-	23,691	**23,691**	-	24,392	**24,392**
Other trading activities	3	528	-	**528**	919	96	**1,015**
Other income		63	-	**63**	275	-	**275**
Investment income		1,098	-	**1,098**	701	-	**701**
Total income		63,797	28,319	**92,116**	61,762	29,099	**90,861**
Expenditure on:							
Raising funds							
Expenditure on raising grants, donations and legacies	5	25,514	367	**25,881**	23,462	247	**23,709**
Expenditure on other trading activities	5	61	-	**61**	(4)	-	**(4)**
Charitable activities							
Supporting partners to deliver water, sanitation and hygiene	5	12,015	15,036	**27,051**	11,465	18,726	**30,191**
Strengthening national and local capacity to deliver services	5	13,394	9,330	**22,724**	13,762	9,030	**22,792**
Influencing policy in water, sanitation and hygiene	5	12,530	3,406	**15,936**	11,782	1,540	**13,322**
Supporting WaterAid globally	5	4,904	461	**5,365**	3,006	623	**3,629**
Total expenditure		68,418	28,600	**97,018**	63,473	30,166	**93,639**
Net expenditure		(4,621)	(281)	**(4,902)**	(1,711)	(1,067)	**(2,778)**
RECONCILIATION OF FUNDS							
Net movement in funds	21	(4,621)	(281)	**(4,902)**	(1,711)	(1,067)	**(2,778)**
Funds brought forward at 1 April	16	26,884	12,328	**39,212**	28,595	13,395	**41,990**
Total funds carried forward at 31 March	16	22,263	12,047	**34,310**	26,884	12,328	**39,212**

The statement of financial activities includes all gains and losses recognised during the year. There were no realised gains during the year on investment assets. All income and expenditure derive from continuing activities. The notes supporting the Financial Statements are on pages 61 to 83.

Charity statement of financial activities

(including an income and expenditure account)
For the year ended 31 March 2025

	Note	Unrestricted £000	Restricted £000	2025 Total £000	Unrestricted £000	Restricted £000	2024 Total £000
Income from:							
Donations and legacies							
Donations	2	58,200	4,628	**62,828**	55,665	4,611	**60,276**
Grants of a general nature	2	3,586	-	**3,586**	3,562	-	**3,562**
Gifts in kind	2	322	-	**322**	640	-	**640**
Charitable activities							
Grant funding for specific activities	4	-	23,691	**23,691**	-	24,392	**24,392**
Other trading activities	3	262	-	**262**	472	-	**472**
Other income		268	-	**268**	726	96	**822**
Investment income		1,098	-	**1,098**	701	-	**701**
Total income		63,736	28,319	**92,055**	61,766	29,099	**90,865**
Expenditure on:							
Raising funds							
Expenditure on raising grants, donations and legacies	5	25,514	367	**25,881**	23,462	247	**23,709**
Charitable activities							
Supporting partners to deliver water, sanitation and hygiene	5	12,015	15,036	**27,051**	11,465	18,726	**30,191**
Sector strengthening and capacity building to deliver water, sanitation and hygiene	5	13,394	9,330	**22,724**	13,762	9,030	**22,792**
Influencing policy in water, sanitation and hygiene	5	12,530	3,406	**15,936**	11,782	1,540	**13,322**
Supporting WaterAid globally	5	4,904	461	**5,365**	3,006	623	**3,629**
Total expenditure		68,357	28,600	**96,957**	63,477	30,166	**93,643**
Net expenditure		(4,621)	(281)	**(4,902)**	(1,711)	(1,067)	**(2,778)**
RECONCILIATION OF FUNDS							
Net movement in funds	21	(4,621)	(281)	**(4,902)**	(1,711)	(1,067)	**(2,778)**
Funds brought forward at 1 April	16	26,884	12,328	**39,212**	28,595	13,395	**41,990**
Total funds carried forward at 31 March	16	22,263	12,047	**34,310**	26,884	12,328	**39,212**

The statement of financial activities includes all gains and losses recognised during the year. There were no realised gains during the year on investment assets. All income and expenditure derive from continuing activities. The notes supporting the Financial Statements are on pages 61 to 83

Group and Charity balance sheets

At 31 March 2025
Company number: 01787329

	Note	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Fixed assets					
Intangible assets	9	**1,121**	2,223	**1,121**	2,223
Tangible assets	9	**2,200**	2,814	**2,200**	2,814
Fixed asset investments	12	**182**	182	**-**	-
Total fixed assets		**3,503**	5,219	**3,321**	5,037
Current assets					
Debtors	10	**10,105**	11,138	**10,384**	11,341
Cash at bank and in hand	13	**29,378**	26,878	**28,955**	26,294
Short-term deposits	13	**3,731**	4,200	**3,731**	4,200
Total current assets		**43,214**	42,216	**43,070**	41,835
Liabilities					
Creditors: amounts falling due within one year	14	**(10,606)**	(6,541)	**(10,598)**	(6,297)
Provision for liabilities and charges	15	**(1,540)**	(1,473)	**(1,222)**	(1,154)
Total current liabilities		**(12,146)**	(8,014)	**(11,820)**	(7,451)
Net current assets		**31,068**	34,202	**31,250**	34,384
Provisions for liabilities and charges	15	**(261)**	(209)	**(261)**	(209)
Net assets		**34,310**	39,212	**34,310**	39,212
The funds of the charity					
Unrestricted income funds					
Designated funds	16	**3,321**	4,901	**3,321**	4,901
General income funds	16	**18,942**	21,983	**18,942**	21,983
Total unrestricted income funds		**22,263**	26,884	**22,263**	26,884
Restricted income funds	16	**12,047**	12,328	**12,047**	12,328
Total charity funds		**34,310**	39,212	**34,310**	39,212

The financial statements and notes on pages 57 to 83 form an integral part of these financial statements and were approved by the Board of Trustees on 16 September 2025 and signed on its behalf by:



Andy Green
Chair



Sanjay Nair
Treasurer

Consolidated cash flow statement

For the year ended 31 March 2025

	2025 £000	2024 £000
Net expenditure for the year	**(4,902)**	(2,778)
Interest receivable	**(1,098)**	(720)
Amortisation of intangible assets	**1,236**	1,050
Depreciation of tangible assets	**902**	876
Loss on disposals of tangible assets	**53**	28
Impairment reversal	**-**	(82)
Decrease/ (increase) in debtors	**1,033**	(2,063)
Increase/ (decrease) in short-term creditors	**4,065**	(2,045)
Increase in long-term creditors	**52**	52
Increase in provisions	**67**	29
Cash generated from/(used in) operating activities	**1,408**	(5,653)
Bank interest received	**1,098**	720
Payments to acquire tangible fixed assets	**(293)**	(347)
Payments to acquire intangible fixed assets	**(182)**	(994)
Net cash provided by/(used in) financing activities	**623**	(621)
Change in cash and cash equivalents in the year	**2,031**	(6,274)

Analysis of cash as shown in the balance sheet	**2025 £000**	2024 £000
Cash and cash equivalents at the beginning of the year	**31,078**	37,352
Net cash inflow/(outflow)	**2,031**	(6,274)
Cash and cash equivalents at the end of the year	**33,109**	31,078

Cash and cash equivalents include funds held in short-term deposit accounts that can be accessed without notice. The charity held no borrowings, related derivatives or obligations under finance leases during the year.

Cash and cash equivalents	**2025 £000**	2024 £000
Cash at bank and in hand	**29,378**	26,878
Short-term deposits	**3,731**	4,200
Balance at 31 March	**33,109**	31,078

Analysis of changes in net debt	**At 1 April 2024 £000**	**Cash flows £000**	**At 31 March 2025 £000**
Cash at bank and in hand	26,878	2,500	29,378
Cash equivalents	4,200	(469)	3,731
Total cash and cash equivalents	**31,078**	**2,031**	**33,109**

The notes on pages 61 to 83 form an integral part of these financial statements.

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's Financial Statements.

WaterAid is incorporated in the United Kingdom (company number: 01787329) and is a registered charity in England, Wales and Scotland and is a public benefit entity. WaterAid's registered office and operational address is: WaterAid 6th Floor, 20 Canada Square, London E14 5NN.

a) Basis of preparation
The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and under the historical cost accounting rules, except for investments which have been included at fair value or the value considered appropriate by the Board of Trustees.

The Financial Statements are drawn up on the going concern basis which assumes WaterAid will continue in operational existence for the foreseeable future (deemed to be a period of at least 12 months from the date the financial statements were authorised for issue).

b) Basis of consolidation
The group has three wholly owned subsidiaries and a 20% share in an associate. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited, have been prepared on a line by line basis. Two further subsidiaries, WaterAid (WASH and Health) Limited and WaterAid (WASH and Climate Change) Limited, were dormant for the whole of the financial year. Consolidation does not include WaterAid international as there is no ability to direct its activities nor does it include dormant companies or other WaterAid members. Further details can be found in note 11. A 20% fixed asset investment in WEAREGOODGIVING Ltd is treated as an associate and accounted for under the equity method with the consolidated accounts. A separate parent charity cash flow statement hasn't been presented

The activities of the regional fundraising committees in England, Wales, Scotland and Northern Ireland raising funds for WaterAid are deemed to be part of the activities of the charity. As such, they are included in full in the Financial Statements of the charity and group.

c) 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 and losses are included within support costs and reallocated across charitable activities in the Statement of Financial Activities (SOFA) as per note 5.

d) 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:

- Grant income Grants are credited to the SOFA when the charity is entitled 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 the charity's control, the income is recognised when there is sufficient evidence that conditions have been met.

  Grants that have specific restrictions placed upon their use are included within income for charitable activities and are credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.
- Grants of a general nature Income from grants of a general nature is from grant-making or public institutions and have no specific restrictions placed upon their use. Grants of a general nature are credited to unrestricted income within the SOFA on an entitlement basis and disclosed in note 2 if their value is above £150,000 and the donor has not requested to remain anonymous.
- Donations Individual donations are recognised in the period in which they are received or receivable.
- Pecuniary and residuary legacy income Legacy income is recognised when three criteria are met when entitlement is established, receipt of the income is probable and it can be reliably measured:
  - Entitlement is established when named in the will and we receive notification of an interest in an estate.

Notes to the financial statements

For the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

- Probability is based on grant of probate.
- The estate is reliably measurable when the final estate accounts are received.

Legacy income is only recognised in the financial statements when the above criteria are met.

Pecuniary legacies are a fixed value income and we accrue all open gifts once probate has been granted and notification received. Residuary legacies are accrued once final estate accounts have been approved and final payment confirmed or an interim payment has been confirmed.

- Other income Other income in the Group is income from disposal of fixed assets and in Charity is a gift aid donation by virtue of the Deed of Covenant and licence fee paid by WaterAid Trading.
- Investment income Investment income is bank interest received and is recognised when earned.
- Gifts in kind Donated facilities and services for the charity's use, where the benefit is quantifiable and the facilities 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.
- Fundraising events Fundraising events income is included in donation and legacies income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which the charity has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis. Fundraising event income received in advance is deferred until the event has taken place.

e) Expenditure

Expenditure is recognised in the period in which it is incurred on an accruals basis. Expenditure includes attributable VAT which can only be partially recovered.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities together with associated support costs. Charitable expenditure is reported as it relates to work undertaken by the charity, in supporting partners, sector strengthening, capacity building and influencing policy to deliver water, sanitation and hygiene, and supporting WaterAid globally.

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. Partner agreements and funding contracts may be for longer than one year.

The costs of raising funds relate to the costs incurred by the group and the charity in raising funds for the charitable work.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Support costs comprise the salary and overhead costs of the central function. The central function includes costs relating to the Departments of Finance, Facilities, Information Services, People and the Chief Executive's Office. Governance costs include internal and external audit costs, legal and tax advice, Trustee expenses and Directors' time spent on the governance of the organisation. Governance costs and other support costs have been allocated to expenditure on charitable activities based upon full time equivalent staff numbers. These staff numbers are listed in note 6 to the Financial Statements.

f) Fund accounting

General 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, nor had any specific restrictions applied.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 16.

Restricted funds are used for specified purposes as laid down by the donor. Qualifying project expenditure is allocated to the fund, together with a proportion of overhead costs where agreed by the donor. Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

g) Fixed assets and depreciation

Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

Section 3
Financial statements

Notes to the financial statements

For the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

Motor vehicles	3 years
Equipment and furniture UK and overseas	3 years
Computer hardware and software	3 years
Lease improvements	10 years

Items of equipment are capitalised where the purchase price exceeds £1,500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use, and meets the capitalisation criteria as per FRS 102.

h) Investment policy

The group's investment in an associate company is measured at cost less impairment. If there is any indication of impairment then the carrying amount will be tested and adjusted accordingly (note 12).

i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the Charities SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 23).

j) Investments

The investment in the subsidiaries is valued at cost.

Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible and proceeds recognised as income.

k) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. Cash is held in current accounts or deposit accounts which can be readily converted to cash with insignificant risk to change in value.

l) Pension cost

The charity operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in independently administered funds. Contribution payments are charged to the SOFA. Similarly our staff in country programmes and regions are provided with post-employment benefits that comply with local employment legislation.

m) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA on a straight line basis for the duration of the lease contract.

n) Provision for liabilities and charges

Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

o) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Accounting estimates and judgements with significant impact on financial statements are concerned with grant and legacy income. These and other estmates and judgements are listed below. It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the Group's accounting policies
The Charity has through its trading company a 20% shareholding in WEAREGOODGIVING Ltd, a payroll giving company. The Charity does not have the power to significantly influence financial and reporting decisions made by WEAREGOODGIVING Ltd, therefore, the share capital has been classified as an investment in the accounts (note 12).

For grant income, entitlement is dependent upon fulfilment of conditions within the charity's control; the income is recognised when there is sufficient evidence that conditions have been met. This judgement is made based on the income being reliably measured and probable based on contracted terms and progress made against agreed donor outcomes.

Notes to the financial statements

For the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

Critical accounting estimates and assumptions

WaterAid's estimate of legacy income entitlement is based on the following policy:

Pecuniary legacies are a fixed value income and we accrue all open gifts once probate has been granted and notification received.

Residuary legacies often involve the sale of assets such as stocks and property that vary over time and therefore WaterAid maintains a policy of only recognising the income from these legacies once final estate accounts have been issued. This is when the value is known with a high degree of probability and is a prudent interpretation of the SORP 2019. This interpretation is considered to be appropriate by the Trustees in the context of WaterAid and has been consistently applied year on year. Those residuary legacies that do not meet recognition criteria are disclosed as part of the legacy pipeline as per note 2. Future residuary legacy income is based on a calculated estimate of the average value of a residuary gift. A less prudent policy to recognising residuary legacy income would be based on draft estate accounts which would increase income and decrease the pipeline value by £3m (2024: £3m)

The estimated cost for dilapidations work to be completed at the end of the lease period for the UK office building is recorded annually as a provision. We have made a provision for cost of dilapidations up to 2025 of £261K (2024: £209K). An increase in lease cost per square foot of 10% would increase the current provision estimate by £25K in 2025 (2024: £20K).

Where WaterAid staff members are involved in more than one activity between raising funds, delivery of charitable activities or support and governance, an estimate of their time spent on each is made and costs allocated accordingly. WaterAid also estimates that support and governance costs are most reasonably allocated to raising funds and charitable activities in proportion to the respective levels of expenditure (note 5). An increase in time allocation to support and governance of 5% would increase expenditure in support and governance and reduce expenditure on charitable activities by £562K in 2025 (2024: £578K).

Going concern assumptions

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of 18 months following the signing of these accounts, so the period to at least the end of March 2027.

Our annual budget and plan, presented to the Board in March 2025, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base. The Board approved the annual budget for the year ending 31 March 2026 on that basis.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared with the budget assumptions reflect lower income and a higher cost base.

We have also prepared an acute or 'severe but plausible downside' scenario, which combines high inflation with other economic pressures affecting stock and property prices, a material reduction in regular giving and no continued funding received from key donors.

Although the impact of the acute scenario is severe and would require the consideration of mitigating actions which are wholly within our control to reduce our discretionary cost base, the analysis indicates that the Group would have sufficient liquidity and reserves to honour our committed funding obligations and to maintain sufficient liquidity throughout the going concern period.

Robust monitoring processes are in place to ensure that the organisation is able to react quickly to any downturn in income and the short-term deposit investments held can be liquidated quickly in the event that they are required. The Group currently has no bank financing or loan agreements and therefore there are no covenants to consider.

For 2025-26, the Group is aiming its reserves level to be within a range of £13-15m with a minimum target of £11.5m. As at 31 March 2025 the Group had managed cash and short-term deposits of £33m, well above our level of contractual commitments.

Taking into account our current position, our principal risks, and analysis on severe but plausible downside scenarios, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 18 months after the approval of these financial statements, namely the period to March 2027 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

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For the year ended 31 March 2025 (continued)

2. Income from donations and legacies – Group and Charity

	Unrestricted £000	Restricted £000	**2025 Total £000**	Unrestricted £000	Restricted £000	**2024 Total £000**
Donations						
Regular giving, donations and appeals	42,469	2,657	**45,126**	41,910	2,753	**44,663**
Legacy income	14,195	131	**14,326**	12,299	392	**12,691**
Fundraising events	1,536	1,840	**3,376**	1,456	1,466	**2,922**
Total donations	58,200	4,628	**62,828**	55,665	4,611	**60,276**
Grants of a general nature						
Other WaterAid member countries	586	-	**586**	462	-	**462**
People's Postcode Lottery	3,000	-	**3,000**	3,100	-	**3,100**
Total grants of a general nature	3,586	-	**3,586**	3,562	-	**3,562**
Gifts in kind						
Water industry partnerships	143	-	**143**	144	-	**144**
Customer appeal	84	-	**84**	105	-	**105**
Audit fees	62	-	**62**	48	-	**48**
IT Infrastructure	33	-	**33**			
Resilient Water Accelerator (RWA)	**-**	**-**	**-**	**343**	**-**	**343**
Total gifts in kind	322	-	**322**	640	-	**640**
Total	62,108	4,628	**66,736**	59,867	4,611	**64,478**

At 31 March 2025, WaterAid had been notified it will benefit from a number of legacies from estates whereby the value of the gift can only be estimated and timing of receipt of funds is uncertain. In addition to £1.2m (2024: £2.2m) of legacy income accrued in the financial statements as per our policy in note 1 (d) we estimate a further £19.2m (2024: £17.1m) of future legacy income. This pipeline value has not been recognised as income during the financial year as a significant proportion of the value relates to investments or property prices which can vary significantly between notification and receipt of funds. Conditional or contingent legacy income is not included in the pipeline where the outcome of the conditions can't be reliably ascertained. Contentious legacies are excluded from the pipeline until entitlement is legally established.

Gifts in kind provided by our water industry partners relate to support for fundraising events and delivery of charitable activities (customer appeal relates to printing services). The auditors remuneration was £112k (2024: £81k) and they also provided donated services of £62k by way of a subsidy allocation (2024: £48k). See note 21 for more detailed information. The subsidy allows the firm to provide audit services at a reduced fee while still ensuring the financial performance of the audit is sustainable.

3. Other trading activities – Group and Charity

	Unrestricted £000	Restricted £000	**2025 Total £000**	Unrestricted £000	Restricted £000	**2024 Total £000**
Lotteries	262	-	**262**	472	-	**472**
Trading company	266	-	**266**	447	96	**543**
Total	528	-	**528**	919	96	**1,015**

Notes to the financial statements

For the year ended 31 March 2025 (continued)

4. Income from charitable activities – Group and Charity

Grant funding for specific activities	2025 Total £000	2024 Total £000
Other WaterAid member countries	**9,109**	9,725
The Foreign, Commonwealth and Development Office (FCDO)	**3,232**	2,151
Swiss Agency for Development and Cooperation	**1,417**	1,166
Swedish International Development Cooperation Agency	**1,106**	1,133
DP World	**1,000**	500
Kimberley-Clark	**948**	1,108
Austrian Development Agency	**748**	-
Armani beauty	**740**	588
Japan International Cooperation Agency	**679**	922
Adaptation Fund	**559**	-
The Wimbledon Foundation	**555**	425
Punjab Rural Municipality Services Co	**490**	-
CUMMINS NIGERIA	**331**	369
UNICEF*	**325**	954
Diageo	**314**	137
London School of Hygiene and Tropical Medicine	**265**	107
Jersey Overseas Aid	**252**	-
GSK	**199**	205
Global Center on Adaptation	**178**	51
Unilever*	**170**	300
AB InBev Foundation	**-**	791
Scottish Government	**-**	464
European Commission	**-**	462
Sustainable Safe WASH in Eastern Province	**-**	449
BandAid	**-**	250
Climate Bridge Fund (CBF)	**-**	229
UNDP	**-**	218
Deltares	**-**	175
Global Development Incubator (GDI)**	**-**	174
Concern Worldwide	**-**	158
Other grants	**1,074**	1,181
Total	**23,691**	24,392
**Hygiene Behaviour Change Coalition – received through Unilever*	**-**	300
***Resilient Water Accelerator – received through Global Development Incubator*	**-**	174
UK Aid received indirectly from the Foreign, Commonwealth and Development Office (FCDO)	**-**	474
UK Aid Match – Promoting a gender responsive, climate resilient WASH in drought-prone communities in Ethiopia	**410**	1,147
Gender and Adolescent Inclusive School in Nepal	**675**	589
WASH Systems for Health – South Asia	**308**	252
Just Water Security Transition initiative	1,758	-
One WASH	**81**	162
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	**3,232**	2,150
Total UK Aid received from the Foreign, Commonwealth and Development Office (FCDO)	**3,232**	2,624

Grant funding for specific activities is displayed where total funding was greater than £150k for the current year. Additional information on transactions with other WaterAid member countries can be found in note 22.

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For the year ended 31 March 2025 (continued)

5. Expenditure – Group and Charity

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2025 Total £000	2024 Total £000
Raising funds							
Expenditure on raising grants, donations and legacies		8,341	14,595	553	2,392	**25,881**	23,709
Expenditure on other trading activities		30	31	-	-	**61**	(4)
		8,371	14,626	553	2,392	**25,942**	23,705
Charitable activities	7						
Supporting partners to deliver water, sanitation and hygiene		9,497	13,983	596	2,975	**27,051**	30,191
Strengthening national and local capacity to deliver services		7,626	9,850	185	5,063	**22,724**	22,792
Influencing policy in water, sanitation and hygiene		5,968	7,787	232	1,949	**15,936**	13,322
Supporting WaterAid globally		178	5,034	-	153	**5,365**	3,629
		23,269	36,654	1,013	10,140	**71,076**	69,934
Governance		945	170	-	(1,115)	**-**	-
Support costs		4,428	6,415	574	(11,417)	**-**	-
Governance and support costs		**5,373**	**6,585**	**574**	**(12,532)**	**-**	-
		37,013	**57,865**	**2,140**	**-**	**97,018**	93,639

Governance and support costs have been allocated on the basis of actual full time equivalent staff numbers over the year in each area of activity. These staff numbers are listed in note 6 to the Financial Statements.

The governance and support costs and gains on exchange rates were incurred as follows:	2025 Total £000	2024 Total £000
Finance, people and information services	**9,323**	8,855
Chief Executive's Office, internal audit and governance	**1,115**	1,061
Premises and facilities	**1,814**	2,030
Strategy transition	**22**	981
Gifts in kind	**64**	45
Support costs	**12,338**	12,972
Realised and unrealised exchange loss/(gains) on assets	**193**	(343)
Total of governance and support costs and exchange gains	**12,531**	12,629

The exchange rate movement is the net of the operational gains/losses incurred in delivering our services funded in GBP in local currencies and the gains/losses made on asset values held in currencies other than GBP.

Notes to the financial statements

For the year ended 31 March 2025 (continued)

Prior year expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2024 Total £000
Raising funds						
Expenditure on raising grants, donations and legacies		7,364	13,441	502	2,402	**23,709**
Expenditure on other trading activities		26	(30)	-	-	**(4)**
		7,390	13,411	502	2,402	**23,705**
Charitable activities	7					
Supporting partners to deliver water, sanitation and hygiene		9,091	16,938	556	3,606	**30,191**
Sector strengthening and capacity building to deliver water, sanitation and hygiene		7,308	10,965	188	4,331	**22,792**
Influencing policy in water, sanitation and hygiene		4,500	6,485	185	2,152	**13,322**
Supporting WaterAid globally		-	3,491	-	138	**3,629**
		20,899	37,879	929	10,227	**69,934**
Governance		864	197	-	(1,061)	**-**
Support costs		4,892	6,176	500	(11,568)	**-**
Governance and support costs		5,756	6,373	500	(12,629)	**-**
		34,045	**57,663**	**1,931**	**-**	**93,639**

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For the year ended 31 March 2025 (continued)

6. Staff costs and numbers

Staff costs for the charity and group were as follows:

	2025 £000	2024 £000
Wages and salaries	**31,852**	29,440
Social security costs	**1,792**	1,523
Other pension costs	**3,370**	3,082
	37,014	34,045

The average number of employees, calculated on a full time equivalent basis and analysed on a functional basis, was as follows:

	2025 No.	2024 No.
Fundraising staff (cost of generating funds)	**160**	152
Staff delivering charitable activities	**669**	639
Support staff	**78**	72
Governance	**15**	13
	922	876

The average monthly headcount was 933 staff (2024: 888). The total number of WaterAid employees at 31 March 2025 was 949 (2024: 909).

The charity paid termination payments totalling £187k (2024: £227k). The majority relates to USAID end of funding which led to severance payments for staff in country programmes impacted by the cancellation of projects funded by USAID.

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

	2025 No.	2024 No.
£60,000 - £69,999	**51**	32
£70,000 - £79,999	**22**	14
£80,000 - £89,999	**15**	11
£90,000 - £99,999	**5**	9
£100,000 - £109,999	**3**	3
£110,000 - £119,999	**2**	3
£120,000 - £129,999	**1**	2
£130,000 - £139,999	**2**	0
	101	74

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £142,110 (2024: £137,481) and pension contributions of £16,124 (2024: £15,975). The Chief Executive's salary is shown in the table above net of employer national insurance contributions of £10,409 (2024: £9,616).

In the UK, WaterAid makes contributions for its employees to a defined contribution scheme operated by Aegon.

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Executive Directors' Team. The total employee salary and benefits (including employer national insurance contributions but excluding pension) of the key management personnel of the group was £764k (2024: £773k). The number of key management personnel was six (2024: seven).

Notes to the financial statements

For the year ended 31 March 2025 (continued)

7. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	2025 Total £000	Unrestricted £000	Restricted £000	2024 Total £000
West Africa						
Burkina Faso	851	751	**1,602**	722	959	**1,681**
Ghana	460	1,305	**1,765**	431	1,261	**1,692**
Liberia	639	516	**1,155**	596	625	**1,221**
Mali	954	1,155	**2,109**	908	1,646	**2,554**
Niger	350	842	**1,192**	373	676	**1,049**
Nigeria	491	2,003	**2,494**	657	2,148	**2,805**
Sierra Leone	-	-	**-**	331	134	**465**
Regional management and support costs	1,002	46	**1,048**	1,071	101	**1,172**
	4,747	6,618	**11,365**	5,089	7,550	**12,639**
East Africa						
Ethiopia	1,154	1,204	**2,358**	1,152	2,263	**3,415**
Rwanda	750	2,070	**2,820**	736	2,136	**2,872**
Tanzania	1,089	416	**1,505**	1,194	555	**1,749**
Uganda	796	2,060	**2,856**	811	1,726	**2,537**
Regional management and support costs	1,089	8	**1,097**	1,072	47	**1,119**
	4,878	5,758	**10,636**	4,965	6,727	**11,692**
Southern Africa						
Kingdom of eSwatini (previously Swaziland)	-	-	**-**	175	(12)	**163**
Madagascar	1,037	674	**1,711**	924	880	**1,804**
Malawi	172	1,821	**1,993**	527	1,659	**2,186**
Mozambique	1,162	1,052	**2,214**	890	1,658	**2,548**
Zambia	1,024	350	**1,374**	787	1,422	**2,209**
Regional management and support costs	679	177	**856**	794	541	**1,335**
	4,074	4,074	**8,148**	4,097	6,148	**10,245**
Asia						
Bangladesh	688	4,254	**4,942**	1,077	3,154	**4,231**
Myanmar	-	-	**-**	299	224	**523**
Nepal	677	1,619	**2,296**	603	1,790	**2,393**
Pakistan	872	1,724	**2,596**	718	1,202	**1,920**
Regional management and support costs	624	361	**985**	445	159	**604**
	2,861	7,958	**10,819**	3,142	6,529	**9,671**
UK and other						
Supporting WaterAid globally	4,768	444	**5,212**	2,881	609	**3,490**
Other UK direct international programme support costs (including technical and programme effectiveness)	4,329	1,687	**6,016**	4,176	1,287	**5,463**
UK-based policy, campaigns and education costs	6,877	1,775	**8,652**	5,669	843	**6,512**
Allocated UK support costs to charitable activities	10,171	(32)	**10,139**	10,602	4	**10,606**
Exchange (gains)/losses	140	(51)	**89**	(604)	220	**(384)**
	26,285	3,823	**30,108**	22,724	2,963	**25,687**
Total	**42,845**	**28,231**	**71,076**	**40,017**	**29,917**	**69,934**

The total spend on charitable activities, as per the consolidated statement of financial activities, was £50m (2024: £53m) on delivery of water, sanitation and hygiene, including sector strengthening, and £16m on influencing policy in water, sanitation and hygiene (2024: £13m).

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For the year ended 31 March 2025 (continued)

8. Payments to partner organisations

WaterAid has transferred a total of £7.6m (2024: £7.9m) to partners for the delivery of some of our programmatic work for the year ended 31 March 2025. Funding was provided to 76 (2024: 75) different partners under separate partnership agreements.

Transfer has been made to partners as follows:	2025 No.	2024 No.
£0–£49,999	**46**	32
£50,000–£99,999	**11**	17
£100,000–£149,999	**3**	10
£150,000–£199,999	**7**	5
£200,000–£249,999	**1**	2
£250,000 and over	**8**	9
	76	75

The top 20 financial implementing partner recipients during the year ended 31 March 2025 and 2024 are listed below. The implementation costs are included in the charitable expenditure outlined in notes 5 and 7.

	Name of partner	Country	2025 £000	2024 £000
1	Les Compagnons Fontaniers du Rwanda	Rwanda	**763**	774
2	Nabolok	Bangladesh	**601**	417
3	Backward Society Education (BASE)	Nepal	**536**	305
4	Rupantar	Bangladesh	**493**	274
5	Dushtha Shasthya Kendra - DSK	Bangladesh	**455**	417
6	AYATEKE Star Company LTD	Rwanda	**442**	322
7	Strengthening Participatory Organization	Pakistan	**387**	111
8	APROFEM	Mali	**353**	382
9	Village Education Resource Center - VERC	Bangladesh	**219**	156
10	SNV Netherlands Development Organisation	South Asia	**198**	-
11	Laar Humanitarian Development Program	Pakistan	**184**	405
12	Dalit Janakalyan Yuwa Club	Nepal	**173**	206
13	Eco-Social Development Organization - ESDO	Bangladesh	**170**	158
14	Bauchi Rural Water Supply and Sanitation Agency	Nigeria	**168**	117
15	DevCon-As association for Rural Development	Pakistan	**167**	144
16	ALPHALOG	Mali	**154**	249
17	Centre de Sante de Reference de Bla	Mali	**152**	74
18	Sajida Foundation	Bangladesh	**144**	159
19	Guinii Creek United Development Association	Liberia	**101**	69
20	Swisscontact	Bangladesh	**99**	104
	Other partners		**1,621**	3,061
Total payments to implementing partners			**7,580**	7,904

Notes to the financial statements

For the year ended 31 March 2025 (continued)

9. Fixed assets

Group and charity	Intangible assets	Tangible assets			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2024	6,724	2,464	3,488	2,048	**14,724**
Additions in year	182	-	185	108	**475**
Disposals in year	(982)	-	(361)	(199)	**(1,542)**
At 31 March 2025	**5,924**	**2,464**	**3,312**	**1,957**	**13,657**
Accumulated amortisation/depreciation					
At 1 April 2024	4,501	861	2,928	1,397	**9,687**
Charge for the year	1,236	246	333	323	**2,138**
Disposals in year	(934)	-	(349)	(206)	**(1,489)**
At 31 March 2025	**4,803**	**1,107**	**2,912**	**1,514**	**10,336**
Net book value					
At 31 March 2025	**1,121**	**1,357**	**400**	**443**	**3,321**
At 31 March 2024	2,223	1,603	560	651	5,037

Prior year fixed assets

Group and charity	Intangible assets	Tangible assets			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2023	8,004	2,464	3,687	3,299	**17,454**
Additions in year	994	-	316	31	**1,341**
Disposals in year	(2,274)	-	(515)	(1,282)	**(4,071)**
At 31 March 2024	**6,724**	**2,464**	**3,488**	**2,048**	**14,724**
Accumulated amortisation/depreciation					
At 1 April 2023	5,725	615	3,112	2,352	**11,804**
Charge for the year	1,050	246	321	309	**1,926**
Disposals in year	(2,274)	-	(505)	(1,264)	**(4,043)**
At 31 March 2024	**4,501**	**861**	**2,928**	**1,397**	**9,687**
Net book value					
At 31 March 2024	**2,223**	**1,603**	**560**	**651**	**5,037**
At 31 March 2023	2,279	1,849	575	947	5,650

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For the year ended 31 March 2025 (continued)

10. Debtors

Amounts due within one year:	Group		Charity	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Amounts owed by WaterAid Trading Limited	**-**	-	**379**	264
Amounts owed by WaterAid international	**86**	161	**86**	161
Amounts owed by other WaterAid members	**-**	76	**-**	76
Grant debtors	**3,290**	2,953	**3,290**	2,953
Other debtors	**1,129**	1,095	**1,029**	1,034
Gift Aid tax recoverable	**849**	1,129	**849**	1,129
Prepayments	**1,748**	1,453	**1,748**	1,453
Accrued income	**3,003**	4,271	**3,003**	4,271
Amounts due within one year	**10,105**	11,138	**10,384**	11,341

Amounts owed by WaterAid Trading Limited are unsecured, interest free, have no fixed date of repayment and are payable on demand. Other debtors consist of mainly advance payments to partners and contractors for programmatic activities. Grant debtors amount is net of the bad debt provision made against USAID funded grants.

Notes to the financial statements

For the year ended 31 March 2025 (continued)

11. Group companies

WATERAID TRADING LIMITED Company number 02362892

WaterAid Trading Limited is incorporated in England and Wales (company number: 02362892). WaterAid Trading Limited's registered office and operational address is: WaterAid, 6th Floor, 20 Canada Square, London E14 5NN, England.

a) Profit and loss account	**2025 £000**	2024 £000
Turnover	**262**	526
Cost of sales	**(8)**	(14)
Gross profit	**254**	512
Administrative and selling expenses	**(52)**	(48)
Impairment reversal	**-**	82
Operating profit	**202**	546
Interest receivable	**3**	17
Profit	**205**	563
Corporation tax	**-**	(16)
Gift Aid to WaterAid under Deed of Covenant	**(205)**	(547)
Retained earnings	**-**	-

b) Balance sheet	**2025 £000**	2024 £000
Non-current assets		
Investment in associated companies:		
WEAREGOODGIVING Ltd	**182**	182
	182	182
Current assets		
Debtors	**103**	62
Cash at bank and in hand	**102**	264
	205	326
Creditors		
Amounts due within one year	**(387)**	(508)
Net assets	**-**	-
Represented by:		
Share capital	**-**	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2024: two £1 ordinary shares).

A deed of covenant is in place whereby all profits generated by the company are distributed to the parent charity in the form of a 'qualifying distribution'.

Wholly owned subsidiaries

WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772
Registered Office: 6th Floor, 20 Canada Square, London E14 5NN

WATERAID (WASH AND HEALTH) LIMITED Company number 12508779
Registered Office: 6th Floor, 20 Canada Square, London E14 5NN

On 10 March 2020, two new companies guaranteed by WaterAid, without share capital, were incorporated in England and Wales for the purpose of funding lotteries. WaterAid holds 100% of the voting rights of each company and has the right to appoint a majority of the board of directors of the companies. In accordance with sections 394A and 448A of the Companies Act 2006, Directors confirm that both companies were dormant throughout the financial year. Directors are exempt from the requirement to deliver a copy of the companies' annual accounts in accordance with these sections.



Sisters Merifa (left) and Fanny (right) collecting clean water in REGION, Malawi. June 2024.

WaterAid/ Sophie Harris-Taylor

Notes to the financial statements

For the year ended 31 March 2025 (continued)

12. Fixed asset investments – Group

Wateraid Trading Ltd invested £82k in March 2022 for a 20% shareholding in a new payroll giving company WEAREGOODGIVING Ltd with registered company number 13256341. An additional £100k was invested in February 2023. The other equal shareholders are four other charities. The company was set up in 2021 with an independent Managing Director and three Non-Executive Directors nominated from the charities. In addition to the articles of association, the company governance is established by the Subscription and Shareholding Agreement. There were no distributions in the financial year. The carrying value of the asset is £182k (see table below).

Cost	**2025 £000**	2024 £000
At 1 April	**182**	100
Asset reversal	**-**	82
Net book value at 31 March	**182**	182

13. Cash at bank and in hand

	Group		**Charity**	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Cash and bank balances in UK	**26,579**	23,895	**26,156**	23,311
Cash and bank balances overseas	**2,799**	2,983	**2,799**	2,983
Short-term deposits in UK	**3,731**	4,200	**3,731**	4,200
	33,109	31,078	**32,686**	30,494

The short-term deposits are readily convertible to cash with insignificant risk to change in value.

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For the year ended 31 March 2025 (continued)

14. Creditors: amounts falling due within one year

	Group		**Charity**	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Amount due to other WaterAid members	**570**	-	**570**	-
Trade creditors	**5,384**	2,791	**5,384**	2,791
Taxation and social security	**1,001**	1,017	**1,001**	788
Other creditors	**941**	184	**941**	184
Accruals	**2,544**	2,346	**2,536**	2,331
Deferred income	**166**	203	**166**	203
	10,606	6,541	**10,598**	6,297

The deferred income relates to funding received for activities in a future period.

The movements in deferred income are analysed as follows:

Group and charity	**2025 £000**	2024 £000
Deferred income at the beginning of the year	**203**	229
Amounts released from previous years	**(203)**	(229)
Income deferred in the year	**166**	203
Deferred income at the end of the year	**166**	203

15. Provision for liabilities and charges

	Group		**Charity**	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Provision falling due under one year				
Provisions at beginning of the year	**1,473**	1,444	**1,154**	1,125
Amount charged to statement of financial activities	**1,643**	1,724	**1,643**	1,724
Amount released to statement of financial activities	**(1,576)**	(1,695)	**(1,575)**	(1,695)
Provisions at end of the year	**1,540**	1,473	**1,222**	1,154
Provision falling due in more than one year				
Dilapidation provision	**261**	209	**261**	209
	261	209	**261**	209

Provisions include end of contract provisions for staff on non-UK contracts and contract retention amounts on programme construction works. Contract provisions for staff include lump sums paid at the end of contract, similar to a pension scheme and/or loyalty payment which is paid on full completion of service. Dilapidation provision is charged for the rental of office space in the UK at 20 Canada Square, London E14 5NN.

16. Movements in funds – Group and Charity

	At 1 April 2024 £000	Income £000	Expenditure £000	**At 31 March 2025 £000**
Unrestricted funds:				
Designated funds: fixed assets fund	4,901	388	(1,968)	**3,321**
Total designated funds	4,901	388	(1,968)	**3,321**
General funds	21,983	63,409	(66,450)	**18,942**
Total unrestricted funds	26,884	63,797	(68,418)	**22,263**
Restricted funds:				
Bangladesh	2,528	4,045	(4,512)	**2,061**
BurkinaFaso	444	312	(751)	**5**
East Africa Region	4	-	(8)	**(4)**
Ethiopia	318	1,835	(1,346)	**807**
Ghana	1,220	664	(1,379)	**505**
Liberia	83	597	(519)	**161**
Madagascar	276	822	(695)	**403**
Malawi	987	1,631	(1,884)	**734**
Mali	500	701	(1,167)	**34**
Mozambique	(105)	1,975	(1,123)	**747**
Myanmar	22	-	-	**22**
Nepal	1,224	1,391	(1,766)	**849**
Niger	(436)	1,299	(844)	**19**
Nigeria	1,898	3,096	(2,141)	**2,853**
Pakistan	24	1,551	(1,746)	**(171)**
Rwanda	1,844	1,640	(2,215)	**1,269**
Southern Africa Region	190	6	(180)	**16**
South Asia Region	120	332	(416)	**36**
Tanzania	(150)	1,061	(429)	**482**
Uganda	1,136	1,656	(2,148)	**644**
West Africa Region	48	-	(46)	**2**
Zambia	(66)	564	(45)	**453**
UK	219	3,141	(3,240)	**120**
Total restricted funds	12,328	28,319	(28,600)	**12,047**
Total funds	39,212	92,116	(97,018)	**34,310**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £4m (2024: £4m). In accordance with SORP 2019 paragraph 2.15, restricted fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

16. Movements in funds – Group and Charity (continued)

	At 1 April 2023 £000	Income £000	Expenditure £000	**At 31 March 2024 £000**
Unrestricted funds:				
Designated funds: fixed assets fund	5,748	674	(1,521)	**4,901**
Total designated funds	5,748	674	(1,521)	**4,901**
General funds	22,847	61,088	(61,952)	**21,983**
Total unrestricted funds	28,595	61,762	(63,473)	**26,884**
Restricted funds:				
Bangladesh	1,636	4,275	(3,383)	**2,528**
Burkina Faso	495	925	(976)	**444**
East Africa Region	60	-	(56)	**4**
Ethiopia	303	2,512	(2,497)	**318**
Ghana	612	1,873	(1,265)	**1,220**
Kingdom of eSwatini	(24)	14	10	**0**
Liberia	129	588	(634)	**83**
Madagascar	(577)	1,765	(912)	**276**
Malawi	686	1,978	(1,677)	**987**
Mali	174	1,972	(1,646)	**500**
Mozambique	852	822	(1,779)	**(105)**
Myanmar	12	247	(237)	**22**
Nepal	1,340	1,782	(1,898)	**1,224**
Niger	29	220	(685)	**(436)**
Nigeria	1,431	2,633	(2,166)	**1,898**
Pakistan	19	1,238	(1,233)	**24**
Rwanda	1,992	2,062	(2,210)	**1,844**
Sierra Leone	(55)	187	(132)	**0**
Southern Africa Region	359	383	(552)	**190**
South Asia Region	100	180	(160)	**120**
Tanzania	(157)	557	(550)	**(150)**
Uganda	1,923	988	(1,775)	**1,136**
West Africa Region	94	56	(102)	**48**
Zambia	873	529	(1,468)	**(66)**
UK	1,089	1,313	(2,183)	**219**
Total restricted funds	13,395	29,099	(30,166)	**12,328**
Total funds	41,990	90,861	(93,639)	**39,212**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £4m (2023: £4m). In accordance with SORP 2019 paragraph 2.15, restricted fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

Notes to the financial statements

For the year ended 31 March 2025 (continued)

16. Movements in funds (continued)

Designated funds
Designated funds currently consist of the fixed assets fund of £3.3m (2024: £4.9m) which represents the net book value of the charity's intangible and tangible fixed assets.

General funds
The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2024–25 was a range of £13m–£17m. The balance as at 31 March 2025 was £18.9m (2024: 22.0m).

Restricted funds
Restricted funds are used for specified purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund, together with a fair allocation of support costs in line with the terms of the contract.

Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

17. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	**2025 Total funds £000**	Fixed assets £000	Net current assets £000	2024 Total funds £000
Restricted income funds	-	12,047	**12,047**	-	12,328	12,328
Designated funds	3,321	-	**3,321**	4,901	-	4,901
General income funds	-	18,942	**18,942**	-	21,983	21,983
Total funds as at 31 March	3,321	30,989	**34,310**	4,901	34,311	39,212

18. Taxation and charitable status

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary WaterAid Trading Limited pays available profits to the charity through Gift Aid under deed of covenant. There was no corporation tax charged for the year (2024: £16k).

19. Company limited by guarantee

The liability of 14 members (2024: 14) of the charity is limited by guarantee to £1 each.

20. Operating lease commitments

The charity had the following future minimum lease payments under noncancellable operating leases for each of the following periods:

	Land and buildings	
	2025 £000	2024 £000
Within one year	**956**	1,114
1–2 years	**1,035**	929
2–5 years	**2,220**	3,448
	4,211	5,491

WaterAid holds a 15-year operating lease from 31 December 2019 for the rental of office space in the UK with a break option after 10 years.

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Financial statements

Notes to the financial statements

For the year ended 31 March 2025 (continued)

21. Net movement in funds or net income for the year – Group and Charity

This is stated after charging/(crediting):	**2025 £000**	2024 £000
Amortisation and depreciation	**2,138**	1,926
Trustees' indemnity insurance	**9**	7
Trustees' reimbursed expenses	**28**	42
Auditors' remuneration – PwC:		
Audit – WaterAid UK	**99**	108
Audit – WaterAid Trading Limited	**13**	13
Audit Gift in Kind	**62**	48
Auditors' remuneration – other audit firms	**79**	80
Exchange loss / (gain)	**193**	(343)
UK operating lease rentals – buildings	**902**	988

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. During the year, 10 Trustees were reimbursed for expenses totaling £28,446 (2024: 14 Trustees; £41,720).

Trustee indemnity insurance covers Trustees against personal liability in certain circumstances if legal claims were to be made against them.

The group paid £191k total audit fees excluding gift in kind in the year ended 31 March 2025 (2024: £201k). This figure includes £112k, exclusive of VAT (2024: £81k) for the consolidated statutory audit provided by PwC UK, which also provided audit services as a gift in kind with a value of £62k (2024: £48k). Other audit fees relate to services provided by firms other than PwC for overseas country office external audits, project audits and donor grant audits as required by the conditions of funding contracts. PwC provided £nil (2024: £300) of non-audit services to the group.

Notes to the financial statements

For the year ended 31 March 2025 (continued)

22. Related party transactions

WaterAid, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid India (Jal Seva Charitable Foundation), WaterAid Japan and WaterAid Sweden are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. All these organisations share the same objectives and vision. WaterAid receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan and WaterAid Sweden. WaterAid has provided grants to support WaterAid America, WaterAid Sweden and WaterAid India in 2024–25 for programmatic, fundraising and organisational development.

Transactions between WaterAid and other member countries of the WaterAid Federation were as follows:

	Received from:		Paid to:	
	2025 £000	2024 £000	**2025 £000**	2024 £000
WaterAid America	**6,117**	7,330	**2,116**	1,042
WaterAid Australia	**-**	45	**-**	-
WaterAid Canada	**1,779**	995	**390**	-
WaterAid Japan	**493**	45	**100**	-
WaterAid Sweden	**1,306**	1,691	**439**	460
WaterAid India	**-**	-	**1,122**	1,456
WaterAid international	**-**	80	**745**	532
	9,695	10,186	**4,912**	3,490

During the year, WaterAid paid expenses on behalf of WaterAid international of £211k (2024: £197k). At 31 March 2025 the outstanding debtor balance with WaterAid international and other members was £nil (2024: £147k) but the charity owes other members £106k which is due to be settled early in the 2025–26 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £702k (2024: £667k).

Full declarations of interest are obtained from Trustees and Directors for their own activities outside of WaterAid governance as well as those of their spouses/partners and dependants.

Hilary Wild personally donated £250 in 2025 (2024: £nil).

Heidi Mottram is CEO of Northumbrian Water Group. During the year, WaterAid received £92,870 from Northumbrian Water Group Ltd (2024: £103,522). Heidi also personally donated £11,000 in 2025 (2024: £14,009).

Alyson Clark personally donated £120 in 2025 (2024: £120).

Peter Simpson was CEO of Anglian Water. During the year, WaterAid received £1,167,469 from Anglian Water Services Limited (2024: £820,765). Peter also personally donated £5,000 in 2025 (2024: £950).

Mala Rao personally donated £600 in 2025 (2024: £940).

Andrew Green personally donated £6,000 in 2025 (2024: £6000).

The charity has disclosed the financial statements of the subsidiary, WaterAid Trading Limited, detailed in note 11.

Section 3
Financial statements

Notes to the financial statements

For the year ended 31 March 2025 (continued)

Transactions between WaterAid UK and WaterAid Trading Ltd	**Net income to charity £000**	**Balance owed to charity at 31 March 2025 £000**	**Net income / (expense) to charity £000**	**Balance owed to charity at 31 March 2024 £000**
Trademark – logo	**7**	**-**	33	-
Deed of Covenant	**(205)**	**-**	(547)	-
Admin expenses	**36**	**-**	32	-
Group undertaking	**-**	**379**	-	264

23. Financial instruments

Financial Liabilities	**2025 £000**	2024 £000
Cash and cash equivalents	**33,109**	31,078
Grant receivables	**3,290**	2,952
Other receivables	**1,978**	2,225
Accrued income	**3,003**	4,271
Financial assets	**41,380**	40,526
Financial Assets		
Trade creditors	**570**	2,791
Other creditors	**1,942**	972
Accruals	**2,536**	2,331
Financial liabilities	**5,048**	6,094

In respect of disclosure of financial instruments, sections 11 and 12 of FRS 102 have been adopted.

All financial assets and liabilities are payable or receivable within one year are therefore measured at an undiscounted value.



Aryan (left), Kristina (middle) and Chadani (right) washing their hands with clean water and soap at their primary school in Siraha district, Nepal. June 2024.

WaterAid

WaterAid has one goal: to change the world through water. Along with decent toilets and good hygiene, a reliable supply of clean water is essential for health, dignity and a life full of opportunity.

WaterAid/ Vivek Vadoliya

Best Workplaces™ Large Organisations Great Place To Work. UK 2020

disability confident EMPLOYER

WaterAid, 6th Floor, 20 Canada Square, London E14 5NN

Registered charity numbers 288701 (England and Wales)
and SCO39479 (Scotland) Company number: 1787329

WATERAID

England & Wales - Charity number 288701

Accounts



WaterAid/ Basile Ouedraogo

Our impact

UK Annual Report 2023–24

WaterAid



School WASH club girls members, left to right, Stéphanie, 17, Phasila, 16, Juvanah, 13, Kennie, 15, and the president Anita, 13, standing outside the girl's toilet blocks, Ambataria secondary school, Fenerive Est, Analanjirofo region, Madagascar, April 2024.
WaterAid/ Ernest Randriarimalala

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WaterAid/ Khaula Jamil

▲ Shahzadi, 13, collects water from a newly built handpump in her village in Badin, Sindh, Pakistan. November 2023.

Find out more about our latest achievements and the issues facing our work at:
/wateraid /wateraidUK /wateraid

On the cover: Mayaman Malle, 55, watering onions crops inside the women's market garden, in the village of Tigama, Bla, Segou Region, Mali, March 2022.

▼ Manaisoa, 29, playing with Fitiavantsoa outside their home in Andavabaza village, Behara commune, Amboasary District, Anosy Region, Madagascar, June 2022.


WaterAid/ Ernest Randriarimalala

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WaterAid



WaterAid/ Katie McCraw

Sidney, 9, washing his hands at one of the handwashing stations outside the primary school's new sanitation block, Vhembe district, Limpopo province, South Africa, June 2023.



WaterAid/ Ernest Randriarimalala

Moving into a new chapter

In 2023–24 the combined efforts of the global WaterAid community brought us another step closer to our vision – everyone, everywhere with clean water, decent toilets and good hygiene. Around the world, through our work with communities, millions more people tasted clean water, used a safe and private toilet and washed their hands with soap for the first time. With these three things, children have swapped buckets for schoolbooks, adults have unlocked the doors to small businesses, and everyone has a better chance to stay healthy and happy. What an incredible difference you helped to make.

Together we achieved all this despite significant challenges. Extreme weather, made worse and more frequent by climate change, diverted resources and threatened to undo progress. Global inflation made it more expensive to get things done in the countries where we work. And the ongoing cost-of-living crisis at home put pressure on our supporters' ability to give. But none of this could stop the determination of our staff, volunteers and supporters to make good things happen.

A global strategy for local change

This year we completed the transition to our new ten-year Global Strategy, beginning an exciting new chapter in our journey.

This builds on decades of experience supporting people to change their lives with clean water, toilets and hygiene. It continues the approaches we know deliver results – working with communities, service providers and local governments to build waterpoints and toilets, run behaviour change campaigns, and plan for ongoing maintenance and repairs.



Jenitha, 21, gives her baby Regina water from one of the new community taps in their coastal community in East Sepik, Papua New Guinea, April 2024.

WaterAid/ Tariq Hawari

Now we seek to work alongside hundreds of millions more people to bring clean water, toilets and hygiene to their communities. Our work will be focused on four aims:

1. Achieve universal, sustainable and safe services in focused geographic areas to influence wider change
2. Prioritise water, sanitation and hygiene across the health sector to improve public health
3. Strengthen the resilience of water, sanitation and hygiene to climate change
4. Increase the quantity and quality of financing.

We know change happens at the country level, with global leadership. So our in-country teams have each chosen strategic areas to focus on that will have the most impact in their contexts. This will lead to bigger, faster, more sustainable changes.

Everything is connected

In 2023–24 we saw an encouraging trend in the integration of water, sanitation and hygiene into high-level conversations about health and climate change. National decision makers increasingly understand that these fundamentals are the foundation on which progress towards other Sustainable Development Goals (SDG) can be built.

Throughout the year, we engaged with health ministers and health sector workers to advocate and support urgent action to put clean water and toilets in all healthcare facilities. These essential services are relatively simple and cost-effective ways to tackle emerging challenges such as pandemics and antimicrobial resistance. So it is encouraging to see water, sanitation and hygiene now being an integral part of many national policies and plans on health.

At COP28 in Dubai WaterAid raised awareness of the links between climate change and access to clean water at the highest level. In Uganda we were contracted to manage and execute the Adaptation Fund, recognising our climate change work in the country to date. And in November we headed to Nigeria to discuss with political leaders and heads of commerce the impact of a warming planet on services in Lagos. While the risks to people's safety, health and livelihoods are enormous, there is still time to build resilience and support communities to adapt. The Resilient Water Accelerator – a WaterAid initiative attracting considerable private sector investment – is showing the scale of the response that is needed and possible with political will.

Strength in diversity

In 2023–24 we continued to recruit and promote staff in-country across our global federation, while increasing representation and diversity at our most senior levels. We welcomed Amaka Godfrey as Executive Director, International Programmes and Syed Abdul Muntakim in the role of Executive Director of Finance and Strategic Planning. And we appointed five new trustees to our board – Mamadou Biteye OBE, Ashvin Dayal, Simi Kamal, Sanjay Nair and Nina Jasinski – bringing more expertise and experience from the countries where we work.

We are extremely grateful and honoured that HM King Charles III will continue his close relationship as our Royal Patron, having played a hugely significant role over the past three decades of support.

And our special thanks go to all of our supporters who continue to believe in the transformative power of clean water, decent toilets and good hygiene. As we begin to implement our new strategy, we will need every one of you by our side to meet the challenges that lie ahead and reach everyone, everywhere. Thank you for your generosity, partnership and belief in our shared vision.

Tim Wainwright
Chief Executive

Andy Green CBE
Chair of Trustees

Our impact

Working in partnership

In 2023–24 WaterAid worked with **224 partner organisations** on **222 projects.** Our partners included:

104 governmental bodies and **73 non-governmental organisations** from the local to the global.

18 primary networks or alliances, alongside a wide range of others.

Rural and urban authorities, and public utilities.

Our direct reach

Since 1981 WaterAid has directly reached:

28.9 million
people with
clean water

29.2 million
people with
decent toilets

28.7 million
people with
good hygiene


WaterAid/ James Kiyimba

Nambi Joy, 26, Plumber, fixing a burst water pipe in the community, Namutumba Water Supply Scheme, Namutumba District, Uganda, April 2023.


WaterAid/ Ernest Randriarimalala

Dylan, 2 years and seven months old, sitting in the doorway holding a glass of clean water, Antsakambahiny village, Manjakandriana commune, Analamanga region, Madagascar, May 2024.

Delivering services directly

People we directly reached in 2023–24:

Number of people we reached directly with	Communities (in or near people's homes)	Schools	Healthcare facilities	Public facilities
Clean water	436,771	74,844	686,699	144,839
Decent toilets	252,599	106,100	860,894	20,059
Good hygiene through better facilities	105,925	219,061	872,030	21,924
Good hygiene through behaviour change activities	854,624	221,160	215,456	

Wider scale*

Below are the people we reached through influencing and capacity strengthening in nine of the countries we worked in.


WaterAid/Aboday Sotam Tudu

Number of people we helped through influencing	Communities (in or near people's homes)	Schools	Healthcare facilities	Public facilities
Clean water	430,629	6,106	217,850	1,976
Decent toilets	60,895	9,072	36,513	0
Good hygiene through behaviour change activities	864,523	8,712	0	

*During 2023–24 many countries were transitioning to new strategies, winding down legacy projects, aligning to new selected aims, and starting up new projects. Some countries did not have projects running that contributed to indirect reach or met the eligibility criteria for reporting indirect reach.

Riya Danuwar, 18, taking a break to readjust her bamboo basket and gagri (a traditional waterpot), on the way towards a water source to fetch drinking water, Dukuchhap, Nepal, March, 2024.



Manaisoa, 29, getting ready for church inside her kitchen in Andavabaza village, Behara commune, Amboasary District, Anosy Region, Madagascar, June 2022.

Aim 1

Achieve universal, sustainable and safe services in focused geographic areas to influence wider change

Local examples of universal, sustainable and safe services inform and influence those in power to make bigger changes. In districts and towns, we have been working with partners to deliver and improve services for households, schools and healthcare facilities. We have partnered with public, private and non-governmental organisations to strengthen the systems that keep services working and hygiene habits reinforced. And we have enhanced the voice and representation of service users, especially women and girls.

Analysing sanitation in Madagascar

In Madagascar we have been working in our two focus districts in the south, Ambovombe and Ambosary Sud, to tackle open defecation and improve sanitation services. The Madagascar Sanitation Roadmap aims to achieve open defecation free (ODF) status in 76 urban and 99 rural communes. This includes comprehensive sanitation planning and treatment at the commune level, along with pilot projects in rural areas promoting market-based sanitation and in-situ treatment models. The two focus communes, characterised by arid climates, have populations of between 35,000 and 80,000. Challenges in the central towns are hindering overall progress towards ODF status. However, there are opportunities to involve more stakeholders and increase public investment in sanitary blocks and inclusive local development plans. This year, to get a clear picture of the current sanitation situation, we worked alongside the public sector to collect data about existing services, identify barriers to progress, and assess the situation using WHO/UNICEF Joint Monitoring Programme (JMP) indicators. This included household, school and healthcare facility surveys. The data has enhanced local government understanding of investment needs and areas for improvement. Stakeholders have adopted a responsibility charter to clarify roles as we support them in planning and improving services based on the collected data.

Demonstrating partnership working in Nepal

In Nepal's Lahan municipality WaterAid's Beacon Project is a multi-stakeholder partnership working towards universal access to clean water, toilets and hygiene in communities, institutions and public places to influence wider change. Lahan is one of 23 towns where the Nepal Water Supply Corporation (NWSC) is providing piped water. However, 75% of the population still doesn't have access and most are using water of unknown quality. While many people can use



A water tower base at the Nepal Water Supply Corporation facility, Lahan, Nepal, October 2023.

a basic toilet, waste is not safely removed or treated. And only 15% of houses have handwashing facilities. We have been working in Lahan with financial and technical support from the Anglian Water Alliance (AWA) since 2017. In the last year, more than 2,000 additional people now have access to safely managed water as a result of project activities, including drilling three new boreholes, installing waterpoints in two separate schools and facilitating a record number of household connections to the town's piped water supply. We supported the construction of toilets and handwashing facilities in the community, four schools and one healthcare facility, alongside the promotion of good hygiene practices. To better understand the situation in Lahan and inform our behaviour change and advocacy work, we carried out a survey to measure water quality, identify key contaminants and quantify the public health risk. We completed a Climate Resilient Water Safety Plan (CRWSP) audit report recommendation and risk mitigation plan together with NWSC and AWA. Thanks to this demonstration of effective partnership working and our combined influencing, the WASH Plan and WASH Act have now been endorsed by the municipal assembly.

Laying the foundations for education in Ghana

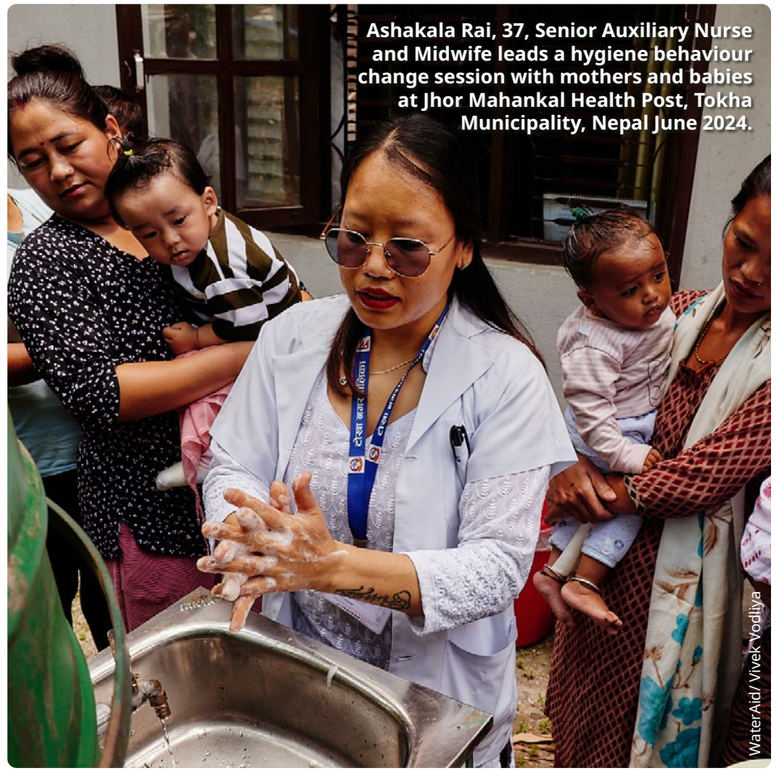
We are working with Ghana's Ministry of Education to improve the water, sanitation and hygiene services in schools. At Moshidaboro Basic School in Bongo district we have been supporting the health, wellbeing and performance of more than 200 pupils and 5 teachers. This year we built school toilets with separate facilities for girls, boys and people with disabilities, installed a new water source, constructed handwashing stations, and carried out hygiene education. We also engaged parents and teachers, established a water, sanitation and hygiene committee, and implemented regular cleaning schedules to ensure the ongoing management of the facilities. Feedback from parents, teachers and students has been positive, with many observing a cleaner school compound and safer environment for all. We also supported decision makers at the district and regional levels with training on the life cycle cost approach (LCCA). This led to effective planning and budgeting to manage and maintain facilities in schools across Bongo district.

Towards universal access in Rwanda

Bugesera in eastern Rwanda has faced significant challenges in improving access to water due to its geography and climate. Many communities have relied on distant and unreliable sources such as swamps, lakes and seasonal streams. In recent years WaterAid has partnered with the district and the Water and Sanitation Corporation (WASAC) to address the issue collectively. Through the Mwogo-Juru Water Supply System (WSS) project, together we have dramatically increased the availability of clean water in the district. We successfully constructed a water supply scheme, including a pumping station, 44km of pipeline and 35 public taps, providing 35,000 people with clean water. We developed and implemented hygiene behaviour change campaigns, including 'Run for Hygiene' at the Bugesera Marathon in 2023. To ensure the sustainability of the scheme, we trained water user committees in operations and maintenance (O&M), mobilised the community to encourage payment for water, and trained WASH Board members to support and challenge the district's plans. We also established a joint monitoring framework involving WASAC, Bugesera district and COFORWA (Compagnons Fontainiers du Rwanda) to ensure the scheme continues to deliver and meet required standards. Throughout this work, women's involvement in decision-making was actively encouraged.



Bonface Chione, 31, Nurse Midwife Technician conducting a hygiene behaviour change session with women at the Ntchisi District Hospital's guardian shelter, Ntchisi, Malawi, May 2023.



Ashakala Rai, 37, Senior Auxiliary Nurse and Midwife leads a hygiene behaviour change session with mothers and babies at Jhor Mahankal Health Post, Tokha Municipality, Nepal June 2024.

WaterAid/ Vivek Yodiya

Aim 2

Prioritise water, sanitation and hygiene across the health sector to improve public health

Universal, sustainable and safe water, sanitation and hygiene services are essential foundations for human health. We have been working to embed these services into health policies and programmes. This includes improving the availability and quality of inclusive and sustainable facilities and enabling safe hygiene behaviours to be practised. Our priority has been the requirements of women and girls, who make up the majority of health service users and health workers.

Modelling hand hygiene in Tanzania

In collaboration with the Government of Tanzania and local partners, and with funding from the Japan International Cooperation Agency (JICA), WaterAid has implemented a behaviour change project in healthcare facilities in Kisarawe district in Tanzania. This project aims to build on the impact of water and sanitation services in the area with improved hand hygiene practices among healthcare workers, preventing the spread of infectious diseases. Through the project, we have installed a rainwater harvesting system, upgraded sanitation facilities, and put new handwashing stations in 15 healthcare facilities serving around 40,000 patients a year, adhering to both national and international standards. We have also designed an evidence-based hygiene behaviour change intervention through a creative process targeting healthcare staff. This year, we facilitated six hygiene behaviour change sessions with more than 60 health workers to establish sustainable hygiene behaviours in the workplace. Various behavioural nudges were placed in key locations in healthcare facilities. The project results provide evidence that combining infrastructure improvements with behaviour change interventions supports positive hygiene practises among staff. The overall outcomes of this project will be assessed in May/June 2024.

Promoting hygiene through immunisation in Nepal

Routine immunisation programmes present an ideal opportunity to raise awareness of safe hygiene practices. With support from WaterAid and partners, the Government of Nepal scaled up its Hygiene Promotion Through Routine Immunisation programme back in 2020/21 to annually engage around 530,000 mothers or guardians taking children below 15 months for their vaccinations. This year we influenced the government to increase the share of the national immunisation budget allocated to hygiene intervention activities by 3%. We contributed to the National Immunisation Strategy (NIS) 2023–30 which improves government accountability. And we assisted in the procurement of 20,000 new hygiene promotion packages and 400,000 take-home materials to reinforce and prompt hygiene behaviours. More than 1,700 new health workers received hygiene promotion training and more than 13,000 had a refresher, ensuring the continued impact and scale of this government-led work.

Breaking the silence on menstrual health in Liberia

Funded by Global Affairs Canada (GAC), WaterAid and partners in Liberia have been working on a menstrual health and sexual and reproductive health and rights (SRHR) project. HerWASH is taking place in 15 communities and 11 schools in Grand Cape Mount County. In this rural county in Western Liberia, social cultural barriers undermine gender equality and women's and girls' access to SRHR services. The project aims to improve comprehensive sexual and reproductive health and rights with a focus on women and adolescent girls through menstrual health interventions. This year we trained 120 menstrual hygiene champions and 40 menstrual pad producers in 15 communities. We ensured sanitation facilities were equipped for menstrual hygiene management (MHM) in 10 schools. And we supported the development and launch of the National MHM Guidelines. These activities have broken the silence around menstruation, empowered women and girls to stay healthy, and laid the foundations for wider changes in the country.

Aim 3



▲ Gita Roy leader of Golap Dol with another member, inside of the Maricchap Reverse Osmosis Water Plant at Tengrakhali village, Bangladesh, June 2022.

Strengthen the resilience of water, sanitation and hygiene to climate change

Universal, sustainable and safe water, sanitation and hygiene can only be achieved if services are designed to withstand climate threats and be quickly restored after extreme weather. We have been supporting communities, institutions and service providers to assess climate vulnerabilities and develop services that can withstand shocks. At the same time, we have been influencing investment in climate-resilient water, sanitation and hygiene finance and engaging with high-water-use sectors to improve water security.

Strengthening water security in Burkina Faso

In Burkina Faso we have been working with local authorities, farmers and communities to improve the climate resilience and water security of rural populations. Together we are achieving this through: improving access to reliable and inclusive water services; making the management of water resources more effective and equitable; and supporting people to manage threats to water security, such as droughts, heightened demand in the dry season and catchment degradation. This year, we drilled boreholes and constructed two solar powered water schemes; trained local people on managing their water supply, monitoring rainfall and testing water quality; provided rain and river gauges; raised awareness and took action to protect against catchment degradation; and strengthened sub-catchment management. Communities are now collecting water resource data, planting trees in buffer zones around reservoirs to prevent erosion, and involving women and people living with disabilities in decision making.

▼ Ganda Lallogo, a community relay (volunteer) of the village of Belga, reading the newly installed rain gauge, in the village of Belga, commune of Boulsa, Centre-North region, Burkina Faso, June 2021.



Promoting climate-resilient services in Bangladesh

In Southwest Bangladesh, the Water Entrepreneurship for Women's Empowerment (WE-WE) project, supported with fundraising from staff and suppliers of Severn Trent, is making safe drinking water available to communities vulnerable to climate change while empowering women. Communities in Assasuni face excess salt in their water supplies due to sea-level rise and increasingly frequent cyclones. This is forcing communities to either buy expensive water from private vendors or spend hours a day walking for water. Salinity-related diseases are common, especially among women. The WE-WE approach is supporting women entrepreneurs to construct and manage water treatment facilities that treat saline water using reverse osmosis (RO) serving 38,000 people. On average, these plants are making a profit of 23.6% enabling the women's groups to lend money to other women to establish small businesses of their own. This year we provided training for 95 women entrepreneurs on managing the plants and using the micro-finance loans, negotiated longer warranty periods with plant manufacturers and suppliers, and facilitated exchange visits for the operators of the plants to share what they have learned so far.



Fidèle, 12, Abdoul,13, Youssoufa, 13, standing in front of the block of latrines for boys, at Basgana's school A, Village of Basgana, Center-South region, Burkina Faso, April 2023.

Aim 4 Increase the quantity and quality of financing

Inadequate financing is a major barrier to progress on water, sanitation and hygiene. Substantially increasing the quantity and quality of financing is essential to ensure universal, sustainable and safe services. We have been working to secure higher and more efficient government spending, including more affordable services for low-income users. We have also been advocating increases in aid and climate finance to close SDG 6: clean water and sanitation financing gaps, and for resources to be allocated in a more transparent, efficient and equitable way.

Following financial flows in Niger

The financing needs of Niger's water, sanitation and hygiene sector are estimated at US$5.3 billion (2016–2030). However, less than a third of the budget for the first phase was mobilised, leaving major challenges ahead. In collaboration with WHO and IRC WASH, and under the leadership of the Ministry of Hydraulics, Sanitation and the Environment, we have worked to develop country WASH accounts that provide a clear overview of financial flows in the water, sanitation and hygiene sector in both development and emergency situations. Through this initiative we aim to influence the government and donors to increase the water, sanitation and hygiene budgets, allocate funds to the regions most in need, and spend the money well. This year we established steering and technical committees, facilitated meetings between the government, NGOs and development agencies, carried out training on data collection and validation, and participated in analysing the data collected.

Getting Liberia talking water funding

In Liberia, more than 95% of funding for water, sanitation and hygiene is from donors. However, the new government has made sanitation a top priority through its ARREST (Agriculture, Roads, Rule of Law, Education, Sanitation, Tourism) national agenda. We are working with the government and our partners to increase allocations to water, sanitation and hygiene from the national budget from the current US$1.8m to at least US$4m annually. Our work is also focused on ensuring financing is transparent, gender-sensitive and equitable. And we are advocating that funds are effectively disbursed, monitored and appropriately accounted for. This year, our advocacy led to 2 presidential and 46 legislative election candidates pledging to increase financing, 36 newly elected lawmakers holding talks on decision-making and financing, and a 7-member Standing Committee on Water, Sanitation and Hygiene & Environment being established to oversee strategic financing decisions.

Making finance information more accessible in Zambia

In Zambia, despite access to water, sanitation and hygiene standing at 72%, 54% and 24% respectively, investment in these services accounts for only 2% of the annual national budget. To address this, we have been working as part of the NGO WASH Forum to call for increased use of the Constituency Development Fund (CDF) for water, sanitation and hygiene and raise awareness among communities of their rights to safe and inclusive services. This year we supported the simplification of the CDF guidelines and developed an easy-to-read version for community engagement. We produced a CDF analysis report, brief and infographic to support our advocacy work. And we appeared before parliamentary committees to input into the CDF Bill of 2023 and call for increased investment in water, sanitation and hygiene.

Increasing the sanitation budget in Burkina Faso

We have been working with the government and sector partners to reform the national sanitation policy in Burkina Faso and implement it in line with the African Sanitation Policy Guidelines (ASPG). In this country that is heavily reliant on outside aid, an estimated 28% of the population lacks a decent toilet. Through this project we are working alongside the government, in line with the ASPGs, to increase the budget allocation for sanitation and hygiene and ensure decision makers are accountable for providing services. This year we carried out and shared the results of studies into the degree to which water, sanitation and hygiene appear in finance laws. We built the capacity of parliamentarians on financing and budget monitoring by demonstrating the gaps established in funding for drinking water and sanitation and deepening understanding around the critical role of parliamentarians in the budgetary process. And provided evidence to enable them advocate for an increase in the amount allocated to WASH. And we advocated for an increase in the water, sanitation and hygiene budget, the development of an action plan for the national water strategy, and adoption of the strategy. As a result of this work, we have seen an increase in the state budget for sanitation and hygiene in the finance law, from CFA1.5 billion in 2023 to more than CFA4 billion in 2024.

Neomi Giana, 23, washes and hangs laundry, Mukobela community, Zambia. November 2023.



Catalysing water security investment across the world

Despite the need for urgent action, there is a global investment gap of US$200 billion per year in water infrastructure, especially in important medium-sized projects, which not only supply water for households but also industry and agriculture. To address this, WaterAid has set up the Resilient Water Accelerator, as part of the UK Government's Just Transitions for Water Security programme. The Accelerator supports policy makers, utilities and the wider water sector to identify critical threats to water security and build a shared vision as the basis for prioritising water investment. Recognising the need to boost investment from all sources, the programme also supports investors to identify barriers to investment and catalyse increased finance. The Accelerator is already working in Lagos, Nigeria, where 90% of the 20 million residents lack access to a municipal water supply. This year we facilitated the launch of the Lagos Water Partnership, led by the Governor of Lagos, to build collaborative action and work towards mobilising private and public finance for climate-resilient water and sanitation projects. The Accelerator is also working in Bangladesh, another fast-growing economy facing major water stress. This year we worked with international consultancy firm Deloitte to engage policy makers, civil society and investors to prioritise water risk and identify investable solutions so water stress does not hinder the country's economic growth.

Looking forward to 2024–25

2024–25 is the first full delivery year of our ambitious new Global Strategy (2022–2032) after a two-year transition period. Our work will now be focused on four strategic aims to accelerate progress towards our vision of a world where everyone, everywhere has sustainable and safe water, sanitation and hygiene.

Aim 1: Achieve universal, sustainable and safe services in focused geographic areas to influence wider change

In the year ahead we will work with our partners to increase access to water, sanitation and hygiene in selected geographic areas, showing that change is possible and providing evidence on how to make it happen. To do this we will collect baseline data on national, regional and local access to understand where the need is greatest and which areas present most potential to model success. Our focus areas will include making service improvements sustainable, accelerating progress on sanitation, and ensuring women and girls have equal representation in decision making.

Aim 2: Prioritise water, sanitation and hygiene across the health sector to improve public health

In the countries where we work, we will engage with ministers and other health stakeholders to embed water, sanitation and hygiene in health policies and plans. We will show examples of the quality of services required to protect healthcare workers, patients and visitors, and advocate that national and international standards in service delivery are met. And we will promote hygiene messaging in health services, such as routine immunisation programmes, and in public buildings, such as schools, hospitals and marketplaces, to better protect people's health.

Aim 3: Strengthen the resilience of water, sanitation and hygiene to climate change

We will revise the minimum standards for climate-resilient services to move beyond infrastructure and advise on service delivery systems. Through our collaborations with governments and service providers we will strengthen their ability to respond quickly and effectively when extreme weather events occur. And we will advocate that water, sanitation and hygiene are included in climate policies and plans, making communities more resilient to climate change.

Aim 4: Increase the quantity and quality of financing

To assess where there are financing gaps and where investment needs to be better targeted, our country teams will track national budgets for water, sanitation and hygiene. We will continue to call for greater and more effective investment in services so the people most in need are reached and coverage is equitable. By supporting governments to apply for and manage funding, we will ensure money is invested where and how it can have the biggest impact.

In an exciting development of our approach, for the next three years our country teams have chosen to focus on one, two or three of these strategic aims. This will ensure their efforts best fit their national context and have the biggest potential for change.

Find out how you can support WaterAid in the year ahead, visit: wateraid.org/uk/get-involved



Tesfanesh, a 12th grader in Haro Dumal secondary school, washing her hands using the newly constructed hand-washing facility in the school, Haro Dumal Town, Berbere District, Oromia Regional State, Ethiopia, October 2023.
WaterAid/ Frehiwot Gebrewold

Our wonderful supporters

All our work in 2023–24 was made possible by the generosity, energy and commitment of the individuals and organisations that chose to support us. Because of the important part you've played, millions more people now have the clean water, toilets and hygiene services they need to stay healthy and unlock their potential.

We would like to say a massive THANK YOU to all of you who have supported WaterAid, either financially, as a volunteer, through partnering with us, or by campaigning.

People's Postcode Lottery

This year marks a decade of partnership with People's Postcode Lottery, with players raising over £25m during this time. With this funding, we've directly reached more than 2.3 million people with clean water, decent toilets and good hygiene. In 2023–24 alone the Postcode Global Trust awarded WaterAid £3.1m. Thanks to this support, many more people will be able to build healthier, more dignified and more fulfilled lives.



WaterAid/ Oliver Dixon

▲ Celebrating 10 years of partnership with the People's Postcode Lottery: WaterAid hosted a 10 year anniversary party at the London office in September 2023. Jennie York, Director of Communications and Fundraising at WaterAid as well as Callum Aitken, International Development Advisor at People's Postcode Lottery, gave speeches. Hazel Johnstone, Head of Long-term Partnerships at People's Postcode Lottery, also attended.

Doug Muncey MBE

Doug was a longtime WaterAid supporter who sadly died in January, aged 97. He was instrumental in establishing our partnership with Rotary in Great Britain and Ireland (RIBI), influencing the service organisation to choose WaterAid as its International Charity of Choice in 1992–93. Since then, close ties have been maintained and millions of pounds have been raised from more 200 clubs across the country. A volunteer for over 30 years, Doug was one of the first recipients of our President's Award in 2002 and was awarded an MBE for services to WaterAid in 2008.

Coteford Junior School

Children and young people are often in the audience at our volunteer Speaker talks and workshops. But pupils from Coteford Junior School got in touch with a unique invitation – to give a talk to us, about WaterAid. This original presentation was part of their fundraising Global Village event in summer 2023, which included international food and drink, a raffle, a magician, a cake sale, a joke teller and a dance routine. The event finished with two pupils giving a talk that was passionate, well prepared and delivered with much enthusiasm. They raised £1,100 – their highest charity fundraising total yet!

Marcus Mumford

Starting back in 2005 Marcus has now taken on more than ten fundraising challenges for WaterAid, including three London Marathons, bicycle rides across the UK and various other supporter events. Setting several Guinness World Records along the way, at the beginning of the year he became fastest person to run the London Marathon dressed as a tap - he truly is a champion WaterAid supporter!

Diageo

Global beverage company Diageo has been a valued WaterAid partner for over a decade. This year our partnership continued to develop with programmatic work across Africa and joint communications and events. Together we have showcased the importance of businesses investing in water, sanitation and hygiene to achieve the co-benefits this brings. We thank Diageo for its continued commitment to action on clean water, both within its own supply chains and through inspiring others to support our mission.

Lord Howard Leigh of Hurley

Lord Howard Leigh of Hurley began supporting WaterAid in 2011 and has since raised over £445,000 from his annual charity runs. Over the last year, Lord Leigh raised another £49,543 for our work. Since 2022 He has also supported our mission by raising awareness of water, sanitation and hygiene in Parliament, as Co-Chair of the All-Party Parliamentary Group (APPG) on WASH. We are enormously grateful for his continued support which helps us deliver lasting change at scale.

Wimbledon Foundation

Since 2020, with funding from the Wimbledon Foundation, we have been working with our local partners to improve the water, sanitation and hygiene services and behaviours in four healthcare facilities, serving more than 300,000 patients per year in Ntchisi district, Malawi. Facilities include solar-powered water supply systems, toilets and handwashing stations. Alongside these we have developed hygiene behaviour change interventions and WASH and infection prevention and control (IPC) training materials targeting healthcare workers, patients and visitors. In this last year of the project, we finalised the WASH and IPC training package, made it available through the government website, and shared materials with both national and global stakeholders for wider rollout. The Ministry of Health is now integrating the training materials into its national IPC training curriculum for the health workforce, which will be used by national and district-level trainers across the country.

Shahbaz Arshad at Severn Trent

Shahbaz became the Severn Trent WaterAid Regional Representative in 2023, and in that time has shown outstanding passion, commitment and kindness in raising funds for our joint project in Bangladesh. He has gone above and beyond to support volunteers, organise events and engage his community. We look forward to continuing our journey together.



WaterAid/ Richard Blaxall

◀ London Landmarks Half Marathon, 7 April 2024.

Glynn Trow

Glynn Trow, who sadly passed away in June 2024, was one of WaterAid's most-loved volunteers. As a member of the Speaker Network he delivered more than 90 talks and workshops, consistently receiving excellent feedback from audiences as "the best guest Speaker we have had". Along with being a dedicated Speaker, he took part in our 'Walk for Water' fundraiser and featured in the campaign, hand-delivered the WaterAid campaigning manifesto to his local MP's office, and volunteered with us at festivals and the RHS Chelsea Flower Show. He contributed an incredible amount to WaterAid and our cause. We will miss his warmth, energy and passion.

John Wareing, Anne Allister and Sam Wareing

John, Anne and son Sam have made fundraising for WaterAid a family affair, together supporting us for decades. John's volunteering goes back all the way to 1982, having spent most of his career in the water industry. Following this, he was a member of the Lancashire WaterAid Local Group, raising vital funds, and with Anne, became a volunteer Speaker, spreading the word about the importance of clean water to thousands. Since 2005, John and Anne have volunteered with WaterAid at Glastonbury Festival, recently joined by Sam who has been supporting us both before we're onsite and during the festival. Together the family has taken on an impressive number of WaterAid fundraising events including Coast Along, the Munro Challenge, RideLondon 100, the WaterAid Mountain Challenge and March for Water. Once again, they were back at the Glastonbury Festival this year - there's no stopping them!

Thank you

If you have supported WaterAid this year, through a donation, campaign action or partnership, you have helped make everything we've achieved possible. We can't thank everyone we'd like to in these pages but here are some of the people and organisations who have played their part in making clean water, decent toilets and good hygiene a reality for everyone, everywhere. To all our wonderful supporters and partners – thank you!



▼ Channan, 3, and Devit, 5, drinks cups of clean water in Kampong Chhnang Province, Cambodia, Feburary 2023.

Companies and partners

Apex Group
Belu Water Ltd
Diageo Plc
DP World
Giorgio Armani Beauty
GSK
Hogan Lovells
Kimberly-Clark
Spirax-Sarco Engineering
Sulzer
Wimbledon Foundation

Philanthropists, trusts and foundations

Mr Angus Vassie
Arab Gulf Programme for Development – AGFUND
Band Aid Charitable Trust
Fondation Prince Albert II de Monaco
Lord Howard and Lady Jennifer Leigh of Hurley
Medicor Foundation
Players of People's Postcode Lottery
Professor Robert Hillenbrand and Professor Carole Hillenbrand
Sharegift
Stiftung Drittes Millennium
Tetra Laval
The Alchemy Foundation
The Constance Travis Charitable Trust
The Georg and Emily von Opel Foundation
The Reo Stakis Charitable Foundation
The Waterloo Foundation
The Zochonis Charitable Trust

Legacy givers

Everyone who made the special decision to leave the world with water in their will.

Individual and community supporters

Coteford Junior School
Frank Lawson
Glastonbury Festival
Glynn Trow
John Wareing, Anne Allister and Sam Wareing
Lions Clubs
Marcus Mumford
Matthew Beal
Rotary Clubs of Great Britain and Ireland
Sara Wilmut
Sing for Water choirs
Steve Cheshire

All our volunteers who supported our work, through the Speaker Network and our Local Groups, at festivals, universities and beyond.

Institutional fundraising

British Council Pakistan
Cowater International
Cummins
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
European Commission
Foreign, Commonwealth and Development Office (FCDO)
Global Center on Adaptation (GCA)
International Development Research Centre (IDRC)
Irish Aid
Japanese International Cooperation Agency (JICA)
KFW Development Bank
London School of Hygiene and Tropical Medicine
Punjab Rural Municipality Services Company
Scottish Government
Swedish International Development Agency (SIDA)
Swiss Agency for Development and Cooperation
UNICEF
United Nations Development Programme (UNDP)
University of Liverpool

UK water industry staff, supply chain and customers

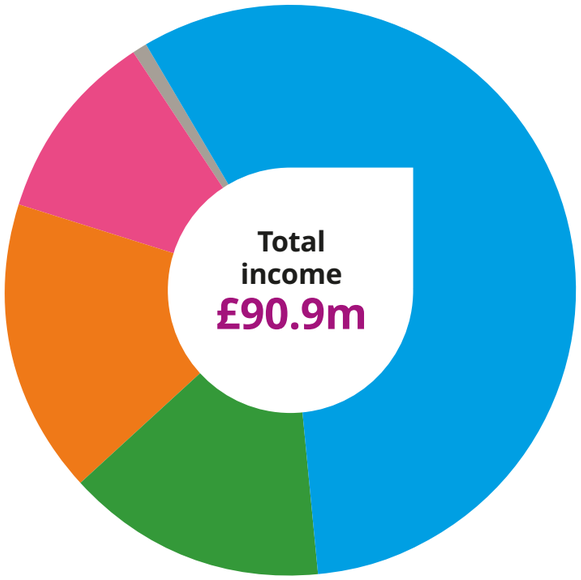
Affinity Water
Anglian Water Alliance partners – Beacon project
Anglian Water Services Ltd
Bournemouth Water
Bristol Water Plc
Dŵr Cymru Welsh Water
Environment Agency
Essex and Suffolk Water
Northern Ireland Water
Northumbrian Water Ltd
Scottish Government International Development Fund
Scottish Water
SES Water
Severn Trent
South East Water
South Staffs Water
South West Water
Southern Water
Thames Water
United Utilities
Wessex Water
Yorkshire Water

Financial summary

Income

Total income in 2023 - 24 was 4% lower compared to the prior year, driven by a reduction in grant funding for specific activities as major projects reached completion. Donations from individual supporters remained steady. Increased income from legacy and in memoria gifts offset a small decrease in regular giving. Donations from community events and faith groups increased on the previous year, as did funding from philanthropic donors. Income from corporate partnerships and trusts increased with new relationships being established. However total income from other WaterAid members decreased with fewer grants for specific activities being secured. We are immensely proud and grateful for the continued generosity of our supporters, as it has a direct impact on our ability to respond to the difficult and often volatile circumstances currently being experienced in the countries where we work.

- Individual supporters **£54m**
- Corporate partnerships and trusts **£14.7m**
- Other WaterAid member countries **£10.2m**
- Governments and other institutions **£10.6m**
- Other income **£1.4m**

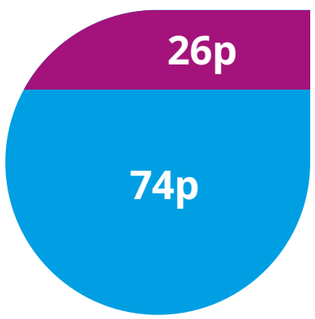


Unrestricted funds

We ended the year with an unrestricted deficit of £1.7m which reduced our general income fund at the end of March 2024 to £22m (2022-23: £23m). This is above the target minimum range of £13m to £17m million which we will draw on to manage future risks and to invest in our strategic priorities. More detail on our reserves policy can be found on p32.

Restricted funds

Restricted funds of £12m (2023: £13m) represent funds that have a specified purpose as expressed by the donor. Expenditure is charged to the specific fund in line with the terms of the donor contract. The trustees have no discretion to allocate the funds to any other use.

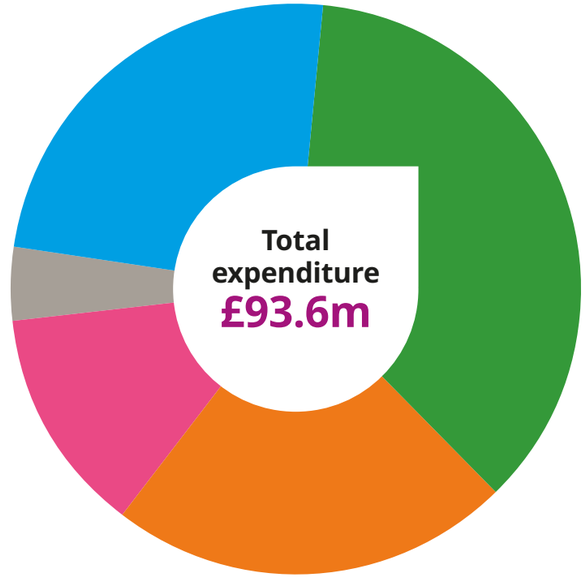


In every £1 spent 74p went on delivering services and making change happen and 26p went on fundraising and governance.

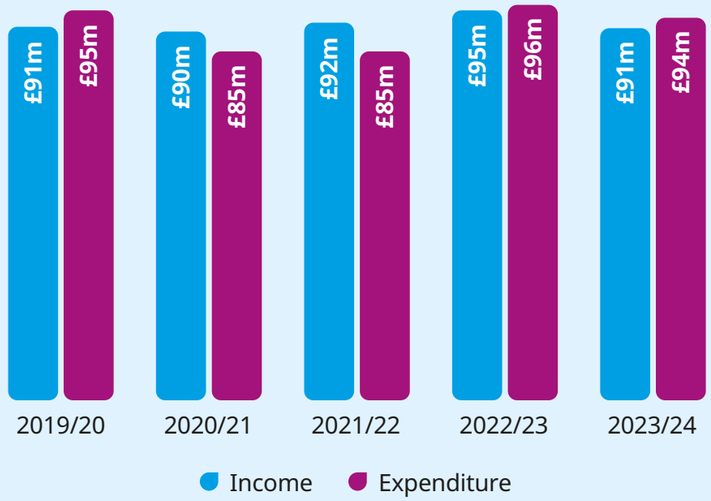
Expenditure

Total expenditure reduced by 3% on the previous year. Spending was reduced due to some funding contracts coming to an end and not being renewed, including in the three countries where we closed our programmes during the year. The decrease in expenditure is also attributable to high levels of local currency depreciation in some countries where we work, making it cheaper to deliver our programmes in GBP terms. The decrease seen in the spend on delivering water, sanitation and hygiene is representative of the decrease in grant funding for specific activities.

- Fundraising **25%**
- Supporting partners to deliver water, sanitation and hygiene **32%**
- Strengthening national and local capacity to deliver services **25%**
- Influencing policy in water, sanitation and hygiene **14%**
- Supporting WaterAid globally **4%**



Income and expenditure 2019-2024



Fund balances

At the end of March 2024, the closing total charity funds were £39m (2023: £42m), made up of the following:

- General funds **£22m**
- Designated funds (fixed assets fund) **£5m**
- Restricted funds **£12m**

Our values

Our values define our culture and unite us across the many countries in which we work. They are at the very heart of WaterAid – who we are, what we do and how we do it.

Respect We treat everyone with dignity and respect, and champion the rights and contribution of all to achieve a fairer world.

Accountability We are accountable to those we work with and to those who support us.

Courage We are bold and inspiring in our actions and words, and uncompromising in our determination to pursue our mission.

Collaboration We work with others to maximise our impact, embracing diversity and difference in the pursuit of common goals.

Innovation We are creative and agile, always learning, and prepared to take risks to accelerate change.

Integrity We act with honesty and conviction, and our actions are consistent with openness, equality and human rights.

Safeguarding

Our commitment

We 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 – our staff, volunteers, contractors and partners – commit to our Global Code of Conduct which sets out our high standards of expected behaviour, and outlines the consequences if these standards are not met.

Safeguarding activity

All reports of misconduct are fully investigated by trained staff, with a survivor-centred approach, and appropriate actions are taken to protect and safeguard everyone involved.

In 2023–24, our Global Safeguarding Team received 47 reports from across the WaterAid Federation. 31 of these related to WaterAid UK directly. All reports are managed centrally by our Global Safeguarding Team.

We resolved 18 reports following an initial safeguarding review and 17 reports were referred internally to another team for further action. Four reports were referred to an external authority, agency or support service, and one report prompted a safeguarding and culture review.

Seven reports led to a safeguarding investigation by WaterAid or partner staff. One of these reports related to sexual abuse and two related to sexual exploitation. These three reports were reported to the Charity Commission, who agreed with our investigations, outcomes and recommendations. The remaining four reports related to inappropriate behaviour, sexual harassment and bullying.

The outcome of the safeguarding investigations led to the following actions:

- Two staff members and one volunteer were dismissed.
- A member of staff from a partner received a written warning from their employer.

Other cases led to individual action plans, recommendations for training and greater safeguarding awareness.

The number of reports has increased this year and we are seeing a trend of increased reporting from within the communities where we work. We believe this is positive, reflecting a growing understanding and confidence to report, linked to our expanded Safeguarding Focal Point network and increased focus on safer programming. However, given the scale of our operations and partnerships, and the challenging contexts in which we work, we recognise there is likely to be a degree of underreporting and we remain dedicated to improving and strengthening our safeguarding reporting with partners and the communities we work with.

Governance

Each WaterAid Federation member has a safeguarding trustee who ensures WaterAid boards achieve their safeguarding responsibilities.

Our Global Head of Safeguarding provides written reports to all WaterAid boards, attends the WaterAid UK Board meetings, and liaises regularly with Global Leads, safeguarding trustees and WaterAid boards. This year we introduced WaterAid's Global Safeguarding Community of Practice group, consisting of a lead trustee from each WaterAid member organisation, to ensure strong governance of safeguarding across the Federation.

We launched WaterAid's new Global Safeguarding Framework, capturing our strategic priorities. We also further strengthened our Global Safeguarding Team with the introduction of new Safeguarding Coordinator and Community Engagement Advisor roles.

Training and awareness

Our global network of Safeguarding Focal Points has grown to 56 individuals across 30 countries. These safeguarding champions have introduced training sessions for new staff and contractors and collaborated with government partners and communities for effective safeguarding implementation.

This network came together for the first time in October 2023 for a training event, collaborating to develop skills and strengthen confidence to protect the wellbeing of everyone involved in or affected by our work. In addition, our Safeguarding Focal Points and the Global Safeguarding Team provided training to over 2,780 participants, including WaterAid staff, board members, partners, and other non-government organisations over the year.

Strengthening the sector

WaterAid values the collaborative efforts of the international development sector in strengthening safeguarding knowledge. We are actively involved in local safeguarding networks and our Head of Global Safeguarding sits on the Bond Safeguarding Steering Group for the UK. To share tools and knowledge across the sector, we created a learning animation on identifying barriers to reporting, to support wider case learning.

For more information, please see our Safeguarding page at wateraid.org/us/safeguarding-at-wateraid

Modern slavery

Our full Modern Slavery statement is available at wateraid.org/uk/modern-slavery-statement. It outlines our commitment and coordinated action in relation to the Modern Slavery Act 2015 in respect of our policies for staff and partners, and our operations and supply chains. During the year, we have increased the level of training provided to our Safeguarding Focal Point Network. This is to ensure that safeguarding is down streamed throughout all areas where WaterAid works. Any concerns around modern slavery or trafficking are reported, recorded and dealt with through safeguarding procedures. During 2023–24, no safeguarding concerns about modern slavery were reported.

Anyone can raise a safeguarding concern by contacting the Global Safeguarding Team on **+44 (0)207 793 4468** or at **safeguarding@wateraid.org** You can also report concerns to our independent whistleblowing service, Safecall.

Diversity, equity and empowerment

We are passionately committed to being an organisation where everyone is welcome and included and where differences are valued. We seek to represent and celebrate the diversity of our staff, partners and everyone we work with, and create a culture where everyone can feel safe, reach their full potential and bring their unique and valuable contribution. We are dedicated to achieving the highest standards of diversity, equity and inclusion and welcome people of all backgrounds, beliefs, customs, traditions, and ways of life to work with us.

Addressing power imbalances

We emphasise global unity, personal growth, and collective efforts to end the water, sanitation, and hygiene crisis. This commitment to growth extends to our organisation, as we strive to become an ever-more diverse and inclusive global team. Increasingly, we have been challenging our own assumptions and practices as an organisation to remove internal power imbalances and inequalities that get in the way of us achieving our mission.

In 2021, over 650 staff across the world contributed to a review of how internal power inequalities affected their work and hindered our mission. Feedback ranged from being too UK-centric; not recognising expertise and contribution, allocating resources and opportunities equally, or ensuring enough decision-making autonomy within and between the countries we work in; and not having enough diversity of voices at Board and senior leadership levels.

Our Global Power and Diversity Steering Group, made up of representatives from across the WaterAid Federation, drives the One WaterAid programme of five priority areas for change: diversity and inclusion; culture and change; organisation structure; decision autonomy; and resource allocation.

Commitments

The rich diversity of experiences and perspectives of our people, partners, and the communities we work with are crucial to the sustainable achievement of our mission. This year we developed and launched four commitments to diversity, equity and empowerment, asking every WaterAider to play their part in the delivery:

1. We will continually strengthen our individual and collective understanding, allyship, and action, and learn from the knowledge and expertise of our staff closest to the water, sanitation, and hygiene challenges we seek to overcome.
2. We will ensure inclusive practices in all areas of our work from our programmes, policy, advocacy, fundraising, communications, people, finance, IT, and assurance.
3. We will ensure that we are mission-centric in our organisational design, resourcing, and partnerships, and our structures, systems, processes, and approaches empower and enable impactful programmes and influence.
4. Our communications will be inclusive and respectful, representing our people, communities and supporters in an accurate, authentic, and consensual way that is free from bias.

Senior teams will develop action plans, allocate budgets and report on progress regularly to ensure transparency and accountability for these commitments.

Training and awareness

We continue to run training programmes to deepen awareness and allyship, and build a shared understanding of concepts related to diversity, equity and empowerment across the WaterAid Federation.

590 staff have completed a recent module exploring the power we hold within ourselves and how we leverage our personal power. Future modules are being developed for gender and intersectionality; and racism, ethnicity and caste.

Section 2 Key policies and processes

Activity

We are improving the representation and diversity of staff from all parts of our organisation in strategic decision making for maximum impact. We extended the Executive Directors' Team to involve senior leaders outside the UK, and we have introduced an approach to succession planning to support leadership team diversity and representation objectives. Nearly 60 roles which might previously have been UK based are now held by people based in global majority countries. Inclusive leadership is now also part of our groundbreaking Accelerate to 2030 leadership programme. The WaterAid UK Board has a lead trustee for diversity, equity and empowerment, equal numbers of women and men, and 40% of the Board currently identify as being from the global majority.

Our International Programmes Department began implementing a new structure, devolving more power to country teams and we have reviewed the allocation of income to provide greater transparency to our teams. We launched representation guidelines and a language guide to ensure our external communications are accurate and authentic, and respect and protect the people we work with.

We have staff-led employee groups to support neurodiversity, LGBTQ+, women and the global ethnicity majority. We amplify voices, share updates, and promote wellness through our internal DEE eMagazine. We celebrated our values of respect, collaboration, and courage through illustrations of the cultural diversity of our organisation during our annual 'My WaterAid' week. This internal engagement activity gave an opportunity to pause, reflect and celebrate our diversity and create a sense of belonging at WaterAid.

In the UK, staff are now able to opt out of faith-based national holidays at Easter and we launched a toolkit with guidance on menopause. We have made progress in addressing prejudice and bias in recruitment with training for managers. We have policies in place to ensure we give candidates, existing staff, and volunteers equal opportunities to succeed. We are a Level Two Disability Confident Employer. We support flexible working and encourage staff to develop to match their circumstances and aspirations.

See our gender and ethnicity pay gap information on our website at www.wateraid.org/uk/Gender-and-Ethnicity-Pay-Gap

Managing risk

We work in countries where a level of risk is inevitable. We have an active risk management process in place to make sure appropriate steps are taken to manage and mitigate risk across the organisation.

The Board of Trustees and Directors Team have been clear that the areas where risk should be assessed most cautiously relates to the health, welfare, safeguarding and security of people and the reputation of WaterAid. In other areas, there is an evaluation of risk and reward before taking opportunities. Managed risks will be taken where there is a reasonable basis for believing that this will be to the benefit of people in relation to clean water, decent toilets and good hygiene.

The Board of Trustees has overall responsibility for ensuring that we have a system of internal control, management and audit to take advantage of opportunities and manage risk effectively. Assessment of risk and opportunity is central to WaterAid's decision-making processes, planning and monitoring.

Our process

- Risk registers that capture the risks identified across WaterAid by individual departments, including prioritisation based on likelihood and materiality as well as controls and future mitigating actions to be taken.
- An annual risk management plan which is produced by the Directors team for review and approval by the Board of Trustees.
- Quarterly risk register review by the Directors team and update to the Board of Trustees.
- A risk management review is carried out by the Audit & Risk Committee twice a year.
- An annual emerging risk session with Directors and the Board of Trustees.
- Regular audits are carried out by our Internal Audit team and reported to the Audit & Risk Committee.
- Multi-year planning and budgeting which focuses on milestones linked to delivering the Global Strategy.
- Financial reporting which compares results with the budget on a monthly, quarterly and yearly basis.
- Value for money principles which guide when and where we source goods and services, how we benchmark salaries, and our policies on investment and reserves.

Significant risks in the year under review

The high risk areas we identified are as follows:

- **Global turbulence impacting programme delivery, advocacy and fundraising:** Conflicts, political instability, extreme weather events and high inflation in countries where we operate may disrupt our ability to deliver on programme commitments within expected timeframes. Governments' and donor attention may be diverted from the wider development agenda, including the WASH sector. The cost of living crisis may impact our supporters' ability to donate. These risks were mitigated through close monitoring of the political context, contingency planning, adhering to security protocols, financial and programme monitoring, financial modelling and scenario planning to check that our plans remained affordable, and regular communication with our partners. We worked with sector-wide coalitions to make the case for retaining support for the poverty-reduction agenda, specifically WASH.
- **Safeguarding and security:** Risk of harm to people due to a safeguarding or security incident continued to be an elevated risk. Global leads for safeguarding and security were in place along with safeguarding and security focal persons in country programmes and UK departments.
- **Systems and cyber security:** Cyber security breaches are still a high risk to any organisation. We have invested in several new technologies that are monitored 24/7 including Multi Factor Authentication. We continue with our staff and training awareness program focusing on Phishing and Ransomware. WaterAid are Cyber Essentials Certified and we remain committed to continuing to improve our security as we consider this an ongoing high risk area.

Main risks for the year ahead

Continued political uncertainty: Uncertain and turbulent global and national political contexts, including national elections, may affect programme delivery and advocacy. We will mitigate this risk by regular scanning of the political environment, contingency planning, and financial and programme monitoring. We will rally support for WASH ahead of national elections.

Critical skills vacancies: One of our key risks relates to recruitment and retention. For example, our priority to develop climate-resilient WASH solutions requires specific skills which can be difficult to recruit for. To migitate this risk we regularly benchmark our salary offer to peer organisations and we are committed to the wellbeing of our staff. We invest in our staff to build the necessary skills to deliver our strategy and develop existing and future leadership to confidently manage change.

Changes to legislation: Changes to legislation and national rules around NGO registration in countries where we operate may negatively impact on our ability to deliver programme work and to send or receive funds. We will mitigate this risk by monitoring changes to legislation and we will seek legal advice where necessary to ensure we remain compliant. We engage with NGO forums and collaborate with multi-laterals such as the World Bank to knowledge share.

Ongoing safeguarding and security risk: We consider that safeguarding and security remain top risks for WaterAid. We will continue our efforts to further strengthen our safeguarding and security measures and monitor that these are working effectively.

Ongoing cyber security risk: Like most organisations, we consider that cyber security remains a top risk. We will continue our efforts to further strengthen our cyber security protocols and adapt to the changing threat environment.

Our public fundraising approach

We raise a significant percentage of our funds from the public. Our primary aim is to ensure we do this in a respectful and inspiring way, consistent with our core values and in line with all relevant law and regulations, specifically the Fundraising Code of Practice. We also support measures that will improve public trust and support for fundraising in the charity sector as a whole.

In order to raise funds and awareness and enable supporters to get involved, we rely on a variety of different activities including – fundraising over the telephone, through letters and emails and by television; digital and press advertising; promoting legacies, events, payroll giving and community fundraising; and engaging philanthropists, trusts, foundations, public sector bodies and corporate partners.

We speak to many supporters about fundraising by telephone each year, if they have given prior consent for this. We use a professional telephone fundraising agency, Angel, to carry out this work on our behalf in accordance with our own high standards and sector regulation. We closely monitor our agency's compliance, training and call quality to ensure we provide our supporters with the best experience. We use an independent assessor to monitor a minimum of 2% of calls made, providing the agency with detailed feedback and training actions where appropriate. Should a call fail to meet our quality expectations, we will take immediate action such as removing a fundraiser from the WaterAid account pending retraining, or permanently for more serious call quality concerns.

We provide training on vulnerability to Angel fundraisers every quarter and campaign managers do separate training for any appeals being managed at Angel. As part of their induction to working on a WaterAid campaign, all Angel fundraisers are required to sign a Code of Conduct stating they will protect people in vulnerable circumstances and uphold WaterAid's high standards in their fundraising.

We have quarterly reviews with Angel to discuss performance. Campaign managers have more frequent calls when campaigns are live and we have fortnightly calls to discuss call quality.

To ensure our telephone fundraising is of the highest standard, we run a full tender every three years to ensure we partner with an agency who can deliver the exceptional quality our supporters expect.

You can learn more about our approach to telephone fundraising at wateraid.org/uk/telephone-fundraising

We work with Professional Fundraising Organisations (PFOs) who are invited into workplaces to sign people up for payroll giving. All PFOs are registered with the Fundraising Regulator, meaning they are committed to fundraising in line with the Code of Fundraising Practice. All of the PFOs we work with have shared their training plans with us, providing assurance that the right training is in place to ensure responsible fundraising practice. None of the PFOs we work with do door-to-door fundraising, they only fundraise on invitation of the employers.

To protect potentially vulnerable supporters, all new fundraisers who join WaterAid must complete the mandatory Fundraising Compliance Induction training, delivered by the Fundraising Compliance Team, on protecting people in vulnerable circumstances, what vulnerability means and how to recognise and respond appropriately to a potentially vulnerable supporter.

You can read our Vulnerable Supporter Policy, informed by industry guidelines, on our website at wateraid.org/uk/our-fundraising-promise

As per our Privacy Policy, we provide supporter details to agency partners fundraising on our behalf. However, we do not give or sell our supporters' details to anyone else, and we do not contact people from 'cold' lists.

Whenever a partner fundraises on our behalf, we put in place data sharing agreements to ensure the security and fair processing of personal data in accordance with the General Data Protection Regulation (GDPR).

When considering a new partner who would process personal data, we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the Chartered Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy seriously and are committed to protecting our supporters' personal information. You can read our Privacy Policy on our website at wateraid.org/uk/privacy-policy

We are registered with the Fundraising Regulator and pay an annual levy as required. We support public consultations on their Code of Fundraising Practice, work diligently to ensure compliance with the Code and champion its standards across all our fundraising, and adhere to the requirements of the Fundraising Preference Service.

It is vital that we communicate with our supporters in the manner they prefer, respecting their privacy and communication preferences. We actively encourage supporters to contact us with any feedback, and we give complaints our utmost attention, to help us improve our fundraising approach.

During 2023-24, we made 4,754,314 contacts using email, mail and telephone.

We received 140 complaints about our fundraising, 0.003% of the total contacts we made. These were 75% of all complaints received. Our Supporter Care team investigates every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work. The key causes were direct mail (65%), telephone fundraising (11%) and online activity (7%).

Data protection

We take privacy seriously so that our supporters can trust us with their data.

We always demonstrate our accountability to the principles of the UK GDPR and the requirements of the Data Protection Act 2018.

We have the following in place to help protect personal data:

- Data protection policies and guidance
- Simple processes allowing our supporters to easily exercise their UK GDPR rights
- Appropriate internal governance arrangements to support data security and management
- Contracts with all of our data processors (e.g. our mailing house) to ensure they adhere to the same data protection standards that we do.
- New starter and bespoke training programmes to ensure our staff get relevant and helpful guidance on their data protection responsibilities
- Data Protection Impact Assessments to ensure data protection is at the centre of everything we do

For more information on how we use and protect personal data, please see our privacy notice at wateraid.org/uk/privacy-policy

Managing our finances

Reserves policy

Our reserves policy seeks to retain a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. Trustees review winding down costs, current risks based on the risk register and strategic investment requirements in setting the target range. The target for the operational reserve is reviewed on an annual basis and for 2023–24 the minimum target range was £13m to £17m. The general income fund at the end of March 2024 was above this range, at £22m. We expect a deficit in the year 2024-25, due to the lower income projections, inflationary pressures on expenditure and also investments we want to make in programmes and fundraising in order to meet our strategic priorities. We expect these factors will bring reserve levels closer to the target range.

The majority of our unrestricted income is generously donated by individuals through regular gifts, legacies or fundraising events. Throughout the year, cost of living pressures continued to challenge our fundraising ambitions. At the same time, high levels of inflation in most countries where we work put pressure on our ability to deliver our programmes within budget. We had planned to end the year with a unrestricted deficit of £5.4m but ended the year with an unrestricted deficit of £1.7m primarily due to better than expected fundraising from individuals in the UK and high levels of currency depreciation in some of the countries where we work, making it cheaper to deliver our planned programmes.

Total funds at 31 March 2024 were £39m, of which £12m was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals. The restrictions that these partners place on the funds they give us can range from a focus on a theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

We aim for as much flexibility in our funding portfolio as we can achieve, working in partnership with those that fund us. We are stringent in our management of all our funding, whether restricted or unrestricted.

Investment policy and performance

We hold short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits. Accordingly, our investment policy is to hold cash or invest in short-term liquid deposit accounts only at those banks with a high credit rating. We don't invest in stock and shares.

Due to stable interest rates in the UK, investment income increased to £701,000 in 2023–24 (2022-23: £379,000); we expect good rates of return on cash balances to continue in 2024–25, depending on the prevailing interest rate on deposits.

Going concern statement for 2023–24

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of at least 18 months following the signing of these accounts, so the period to at least the end of September 2025.

Our annual budget and plan, presented to the Board in March 2024, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base for the years to 31 March 2027. The Board approved the annual budget for the period ending 30 September 2025 on that basis.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared to the budget assumptions reflect lower income and a higher cost base.

We have also prepared an acute or 'severe but plausible downside' scenario, which combines high inflation economic pressures affecting stock and property prices, a material reduction in regular giving and no continued funding received from specific key donors.

Although the impact of the acute scenario is severe and would require the consideration of mitigating actions which are wholly within our control to reduce our discretionary cost base, the analysis indicates that the Group would have sufficient liquidity and reserves to honour our committed funding obligations and to maintain sufficient liquidity throughout the going concern period.

Robust monitoring processes are in place to ensure that the organisation is able to react quickly to any downturn in income and the short-term deposit investments held can be liquidated quickly in the event that they are required.

The Group currently has no bank financing or loan agreements and therefore there are no covenants to consider.

The Group will maintain its investment and cash reserves above its minimum range of £13m to £17m. As at 31 March 2024, the Group had managed cash and investments of £31m, well above the target minimum liquidity that the Trustees have set in order to remain in a financially stable position.

Taking into account our current position and our principal risks, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 18 months after the approval of these financial statements, namely the period to March 2026, and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

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.

How we operate

WaterAid is a Global Federation of which WaterAid UK is a member. There are six other members in America, Australia, Canada, India, Japan and Sweden. All federation members are independently constituted organisations with their own boards. WaterAid UK receives funding from other members of the federation to deliver services and make change happen. At the same time, WaterAid UK invests in other members to support their future growth. WaterAid UK also funds part of the running costs of WaterAid international – a requirement of all members.

Legal structure

WaterAid was established by Trust Deed on 21 July 1981, incorporated on 30 January 1984 and registered as a charity in England on 22 February 1984. WaterAid registered as a charity in Scotland on 3 April 2008. WaterAid has a Memorandum which sets out the objects and powers of the organisation and is governed in accordance with its Articles of Association.

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. WaterAid UK is a member of the WaterAid federation. WaterAid international was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid international accounts do not require consolidation into WaterAid UK accounts as WaterAid UK does not exercise control or significant influence over WaterAid international.

Trading company

The principal activity of WaterAid Trading Limited (the "Company") is identifying and undertaking commercial licensing deals. WaterAid Trading Ltd made a net profit of £546,984. A deed of covenant is in place whereby all profits generated by the company are gift aided to the parent charity. This trading company is wholly owned by WaterAid and primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

Organisation structure

WaterAid has an office in London where the Chief Executive and a team of five Directors and the Internal Audit and Compliance department are based, alongside the secretariat for WaterAid international. The Directors are responsible for the departments of International Programmes; Policy and Campaigns; Finance and Strategic Planning; Communications and Fundraising; and People and Organisational Development.

As of 31 March 2024, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa.

Country Directors and Team Leaders in each branch report into a Regional Director. All are appointed by and accountable to the Director of International Programmes. Country Heads of Finance report to the Country Directors and have a dotted line to the UK-based Director of Finance and Strategic Planning. WaterAid also works in partnership with civil society networks and other organisations in countries where there is no WaterAid presence.

Streamlined Energy and Carbon Reporting (SECR)

- A peer benchmarking study on greenhouse gas reduction commitments and an assessment in line with the GHG Protocol were completed during the year. The assessments identified opportunities for positive environmental impact through our work, and risks for negative environmental impact affecting or affected by our work, including, risks related to environmental degradation, climate change and loss of biodiversity affecting environmental sustainability.
- Total UK emissions registered for 2023-24 amounted to **2,629 tonnes CO_2e**. Air travel remains the largest contributor to emissions, with **1,163 tonnes of CO_2e** recorded during 2023-24. Fulfilment of business-critical travel is essential; in 2023 we completed a travel tender, selecting a supplier who can provide more environmentally sustainable travel options and support better environmental reporting. The assessment also notes that the UK has the largest number of staff with global and regional functions among members of the WaterAid federation.
- The second largest emission area is marketing materials – yielding **890 tonnes CO_2e**. Our main supplier of marketing materials has a strong environmental profile with a Science-Based Target of net zero emissions by 2035.
- The annual quantity of energy we have consumed is 226,313 kWh (2022-23: 213,958 kWh) and the amount of carbon dioxide we have emitted is **43,764 kg** (2022-23: 41,375 kg). These quantities have been calculated using our office online energy portal, which links to our on-floor energy meters. Our intensity ratio was **133.84 kg – CO_2e** (43,764 kg CO_2/327 staff) compared to 118.89 kg last year. The increase in carbon output is marginal and reflects the ongoing impact of our move to hybrid working. The intensity ratio has reduced from 2020 (base year) by 37%. As we further develop our approach to hybrid working, we continue to assess how to maximise the use of our office space while limiting our carbon impact.
- Two of four of our 2023–2032 Global Strategy aims directly target the environment: increase climate change resilience, and scale-up universal, sustainable and safe water, sanitation and hygiene in focused geographic areas to influence wider change. It is imperative that we scale-up our positive impact of addressing the impact of climate change and environmental degradation and understand and address the adverse impacts of our own operations.

WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. We have a Conflicts of Interest Policy and Procedure, and a Register of Interests is held by the Company Secretary. Trustees and senior management are expected to sign a declaration when they join and update this annually.

We are committed to the highest standards of governance and seek to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, we meet all applicable areas of key compliance of the Charity Governance Code.

Following an amendment to our Articles in 2017, Trustees serve a four-year term (renewable once). In occasional circumstances, these periods may be further extended to retain specific skills.

The Board of Trustees has four sub-committees:

1. The Audit & Risk Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management processes, IT and communications systems, capital spend projects and internal and external audit. Significant activities over the year, included; approvals of the Risk Management Policy and a change to the structure of the Internal Audit Team. The Committee also reviewed and endorsed the Financial Statements.

2. The Nominations and Governance Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees to achieve an appropriate and diverse mix of skills and experience across the Board as a whole. During the year, the Committee lead on the recruitment of five new Trustees.

3. The People Committee reviews the development of our people management policies and practices including our salary policy, with a particular focus on executive remuneration. Significant discussions over the year included diversity, equity and empowerment, gender and ethnicity pay gap, succession planning, and development and recruitment of critical skills.

4. The Communications and Fundraising Committee oversees and monitors fundraising procedures, policies and activities. It also provides advice on activities that may pose financial, regulatory or reputational risk. During the year, the Committee held deep-dive sessions on reputation management, brand development and awareness, and fundraising performance.

All these committees have terms of reference published in the governance manual, which is on our website. An induction programme is held for Trustees joining the Board. Trustees are invited to participate in seminars with staff as well as being expected to visit our work in country programmes to familiarise themselves with our operations. As part of the development of the Board, a Board evaluation is held biennually and individual Trustees are performance assessed each year.

The members of the Board of Trustees who have served during the year are listed in the Board of Trustees section on page 40, together with the Royal Patron, Vice President and Directors team.

Day-to-day management of the charity is delegated by the Trustees to the Chief Executive. The planning and reporting arrangements in place give Trustees confidence that the charity is being managed effectively.

Registers of Interests

We keep Registers of Interests for all Trustees and Directors that we regularly review and update as required.

Section 172 (1) Statement of Directors' duties

WaterAid UK is governed by the charitable objectives which set out the purpose and mission of the charity. The consequences of all decisions and activities of WaterAid are assessed by how they drive us towards achieving that long-term purpose. As Company Directors, the Trustees must act in accordance with duties outlined in section 172 of the Companies Act 2006, summarised as follows:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. As a charity we are accountable to our members – people who support us and engage with us. In this regard, our members are:

- those we support with water, sanitation and hygiene;
- staff and volunteers;
- those who provide us with resources to deliver, and those who partner with us to achieve, our vision of water, sanitation and hygiene for everyone, everywhere.

In doing this, Directors have regard (among other matters) to:

- **The impact of the company's operations on the community and the environment:**
  In agreement with all federation member boards, one of our global principles is for us to be a sustainable organisation. We have increased focus on the interlinkages between WASH and climate change to ensure that we deliver sustainable and resilient WASH services for the communities that need them most. The UK, alongside all members of the federation, has committed to new measurement criteria related to economic health, safeguarding and wellbeing of communities and staff, and environmental impact.
- **The reputation for a high standard of business conduct:**
  The Board of Trustees support the pace and sensitivity in which we are approaching the crucially important work on diversity, equity and empowerment. Mala Rao is our lead Trustee in this area, championing this work and encouraging, challenging and advising the Board and Executive on the integration of this work into our thinking. The Board receive regular updates on progress, support our global commitments, and have agreed diversity objectives.
- **The interests of the company's employees:**
  Spending time with staff, both formally and informally, is important to Trustees. New Trustees receive face to face and virtual inductions with all departments. A programme of engagement is scheduled each year for the Board, this includes; webinars and seminars, networking and Q&A sessions.
- **The need to foster the company's business relationships with suppliers, customers and others:**
  During the year, Trustees visited Ghana and Nigeria, meeting with communities, implementing partners, and local and national government officials. They visited schools and health centres, met with community groups and participated in high-level meetings.
- **The need to act fairly between members of the company:**
  The Trustees are the sole members of the charity, and the charity is not run in the interests of the members but of the objectives of the charity. As a member of the WaterAid federation, Trustees work to ensure the work of WaterAid UK is well aligned with the rest of the Federation.
- **The likely consequences of any decision in the long-term:**
  Our ambition is to deliver even more quality and impact at the highest level in the countries where we work. The ambition requires us to be even more focused across our global organization, and to concentrate efforts to maximise the resources and skill levels in country programmes. To make these shifts, the Board approved the decision to exit from three country programmes – Sierra Leone, Eswatini and Myanmar – as part of the 2022–32 Global Strategy. Exit from these countries was completed during 2023–24.

Statement of trustees' responsibilities

The Trustees (who are also Directors of WaterAid for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

(a) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Board of Trustees approved the Trustees' Report, including the Strategic Report, on 13 September 2024. Signed on its behalf by:



13 September 2024

Andy Green CBE
Chair of the Board of Trustees



Bishnu Kumari Thapa drinks clean water, Jogidhada, Shailung, Dolakha District, Nepal. September 2023.
WaterAid/ Nishant Gurung

Our leadership team

Royal Patron
HM King Charles III [ix]

Vice President
The Rt Hon Baroness Chalker of Wallasey[ix]

Board of Trustees
Manuel Alvarinho

Mamadou Biteye OBE (from July 2023)

Alyson Clark[vi]

Ashvin Dayal (from July 2023)

Andy Green CBE[vi, vii, viii]
Chair of the Board of Trustees

Nina Jasinski[viii] Chair of the Communications and Fundraising Committee (from July 2023)

Simi Kamal [vii] (from July 2023)

Heidi Mottram CBE[vii]

Sanjay Nair,[v] Treasurer (Trustee from July 2023 and Treasurer from November 2023)

Mala Rao CBE[vi,vii] Vice Chair

Guido Schmidt-Traub

Peter Simpson[v]

Heather Skilling[v]

Matthew Tweedie[v] Treasurer (until November 2023)

Hilary Wild[v] Chair of Audit & Risk Committee

Chief Executive and Company Secretary
Tim Wainwright

Directors team
Olga Ghazaryan,
Executive Director of International Programmes (until June 2023)

Amaka Godfrey,
Executive Director of International Programmes (from June 2023)

Paula Laird,
Executive Director of Finance and Information Technology (until August 2023)

Syed Abdul Muntakim
Executive Director of Finance and Strategic Planning (from April 2024)

Sol Oyuela,
Executive Director of Policy and Campaigns

Rachel Westcott,
Executive Director of People

Jennie York,
Executive Director of Communications and Fundraising

Principal banker
Barclays Bank plc, 1 Churchill Place, London E14 5HP

Independent auditor
PricewaterhouseCoopers LLP,
1 Embankment Place, London WC2N 6RH

Principal solicitor
Bates, Wells and Braithwaite,
10 Queens Street Place, London EC4R 1BE

Company number
1787329

Charity numbers
288701 (England and Wales) SC039479 (Scotland)

Registered office and operational address
6th floor, 20 Canada Square, London E14 5NN

[v] Audit & Risk Committee member
[vi] Nominations and Governance Committee member
[vii] People Committee member
[viii] Communications and Fundraising Committee member
[ix] Honorary positions

Independent auditors' report to the members and Trustees of WaterAid

Report on the audit of the financial statements

Opinion
In our opinion, WaterAid's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the UK Annual Report (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at 31 March 2024; the consolidated statement of financial activities (including consolidated income and expenditure account), charity statement of financial activities (including an income and expenditure account) and the consolidated cash flow statement for the year ended 31 March 2024; and the notes to the financial statements, which include a description of the 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 group and parent 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 related 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 group and parent 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 group's and parent 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.

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

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 Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Trustees' Report (including the Strategic Report)

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

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 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 group's and parent 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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Section 2 Audit

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 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 group and parent charitable company/industry, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). 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 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 and Board subcommittees, including the Audit and Risk Committee;
- reviewing the terms and conditions of significant contracts;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating the group's 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 including over grant income, gift in kind income, accrued legacy income and allocation of support and governance costs; 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

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

not closely related to events and transactions reflected in the 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 and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and 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

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) 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 and proper accounting records have not been kept by the parent 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 parent charitable company financial statements are not in agreement with the accounting records and returns.

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

16 September 2024

Consolidated statement of financial activities

(including consolidated income and expenditure account)
For the year ended 31 March 2024

	Note	Unrestricted £000	Restricted £000	2024 Total £000	Unrestricted £000	Restricted £000	2023 Total £000
Income from:							
Donations and legacies							
Donations	2	55,665	4,611	**60,276**	54,933	4,096	**59,029**
Grants of a general nature	2	3,562	-	**3,562**	4,179	-	**4,179**
Gifts in kind	2	640	-	**640**	276	-	**276**
Charitable activities							
Grant funding for specific activities	4	-	24,392	**24,392**	-	29,599	**29,599**
Other trading activities	3	919	96	**1,015**	992	88	**1,080**
Other income		275	-	**275**	-	-	**-**
Investment income		701	-	**701**	379	-	**379**
Total income		61,762	29,099	**90,861**	60,759	33,783	**94,542**
Expenditure on:							
Raising funds							
Expenditure on raising grants, donations and legacies	5	23,462	247	**23,709**	23,007	391	**23,398**
Expenditure on other trading activities	5	(4)	-	**(4)**	142	-	**142**
Charitable activities							
Supporting partners to deliver water, sanitation and hygiene	5	11,465	18,726	**30,191**	11,891	22,731	**34,622**
Strengthening national and local capacity to deliver services	5	13,762	9,030	**22,792**	12,609	9,291	**21,900**
Influencing policy in water, sanitation and hygiene	5	11,782	1,540	**13,322**	10,595	1,803	**12,398**
Supporting WaterAid globally	5	3,006	623	**3,629**	3,475	462	**3,937**
Total expenditure		63,473	30,166	**93,639**	61,719	34,678	**96,397**
Net (expenditure)/income		(1,711)	(1,067)	**(2,778)**	(960)	(895)	**(1,855)**
RECONCILIATION OF FUNDS							
Net movement in funds	21	(1,711)	(1,067)	**(2,778)**	(960)	(895)	**(1,855)**
Funds brought forward at 1 April	16	28,595	13,395	**41,990**	29,555	14,290	**43,845**
Total funds carried forward at 31 March	16	26,884	12,328	**39,212**	28,595	13,395	**41,990**

The statement of financial activities includes all gains and losses recognised during the year. There were no realised gains during the year on investment assets. All income and expenditure derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 49 to 71.

Charity statement of financial activities

(including an income and expenditure account)
For the year ended 31 March 2024

	Note	Unrestricted £000	Restricted £000	2024 Total £000	Unrestricted £000	Restricted £000	2023 Total £000
Income from:							
Donations and legacies							
Donations	2	55,665	4,611	**60,276**	54,933	4,096	**59,029**
Grants of a general nature	2	3,562	-	**3,562**	4,179	-	**4,179**
Gifts in kind	2	640	-	**640**	276	-	**276**
Charitable activities							
Grant funding for specific activities	4	-	24,392	**24,392**	-	29,599	**29,599**
Other trading activities	3	472	-	**472**	627	-	**627**
*Other income**		726	96	**822**	223	88	**311**
Investment income		701	-	**701**	379	-	**379**
Total income		61,766	29,099	**90,865**	60,617	33,783	**94,400**
Expenditure on:							
Raising funds							
Expenditure on raising grants, donations and legacies	5	23,462	247	**23,709**	23,007	391	**23,398**
Charitable activities							
Supporting partners to deliver water, sanitation and hygiene	5	11,465	18,726	**30,191**	11,891	22,731	**34,622**
Sector strengthening and capacity building to deliver water, sanitation and hygiene	5	13,762	9,030	**22,792**	12,609	9,291	**21,900**
Influencing policy in water, sanitation and hygiene	5	11,782	1,540	**13,322**	10,595	1,803	**12,398**
Supporting WaterAid globally	5	3,006	623	**3,629**	3,475	462	**3,937**
Total expenditure		63,477	30,166	**93,643**	61,577	34,678	**96,255**
Net expenditure		(1,711)	(1,067)	**(2,778)**	(960)	(895)	**(1,855)**
RECONCILIATION OF FUNDS							
Net movement in funds	21	(1,711)	(1,067)	**(2,778)**	(960)	(895)	**(1,855)**
Funds brought forward at 1 April	16	28,595	13,395	**41,990**	29,555	14,290	**43,845**
Total funds carried forward at 31 March	16	26,884	12,328	**39,212**	28,595	13,395	**41,990**

The statement of financial activities includes all gains and losses recognised during the year. There were no realised gains during the year on investment assets. All income and expenditure derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 49 to 71.

Group and charity balance sheets

At 31 March 2024
Company number: 01787329

	Note	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Fixed assets					
Intangible assets	9	**2,223**	2,279	**2,223**	2,279
Tangible assets	9	**2,814**	3,371	**2,814**	3,371
Fixed asset investments	12	**182**	100	**-**	-
Total fixed assets		**5,219**	5,750	**5,037**	5,650
Current assets					
Debtors	10	**11,138**	9,075	**11,341**	9,981
Cash at bank and in hand	13	**26,878**	34,352	**26,294**	33,085
Short-term deposits	13	**4,200**	3,000	**4,200**	3,000
Total current assets		**42,216**	46,427	**41,835**	46,066
Liabilities					
Creditors: amounts falling due within one year	14	**(6,541)**	(8,586)	**(6,297)**	(8,444)
Provision for liabilities and charges	15	**(1,473)**	(1,444)	**(1,154)**	(1,125)
Total liabilities		**(8,014)**	(10,030)	**(7,451)**	(9,569)
Net current assets		**34,202**	36,397	**34,384**	36,497
Provision falling due over one year	15	**(209)**	(157)	**(209)**	(157)
Net assets		**39,212**	41,990	**39,212**	41,990
The funds of the charity					
Unrestricted income funds					
Designated funds	17	**4,901**	5,748	**4,901**	5,748
General income funds	17	**21,983**	22,847	**21,983**	22,847
Total unrestricted income funds		**26,884**	28,595	**26,884**	28,595
Restricted income funds	17	**12,328**	13,395	**12,328**	13,395
Total charity funds		**39,212**	41,990	**39,212**	41,990

The financial statements on pages 45 to 71 were approved by the Board of Trustees on 13th September 2024 and signed on its behalf by:

Andy Green
Chair

Sanjay Nair
Treasurer

The notes on pages 49 to 71 form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 31 March 2024

	2024 £000	2023 £000
Net (expenditure)/income for the year	**(2,778)**	(1,855)
Interest receivable	**(720)**	(379)
Amortisation of intangible assets	**1,050**	496
Depreciation of tangible assets	**876**	864
Loss on disposals of tangible assets	**28**	-
Asset impairment (reversal)/charge	**(82)**	82
(Increase)/ decrease in debtors	**(2,063)**	1,486
(Decrease)/ increase in short-term creditors	**(2,045)**	1,207
Increase in long-term creditors	**52**	52
Increase in provisions	**29**	18
Cash (used in) / generated from operating activities	**(5,653)**	1,971
Bank interest received	**720**	379
Payments to acquire tangible fixed assets	**(347)**	(913)
Payments to acquire intangible fixed assets	**(994)**	(983)
Purchase of fixed asset investment	**-**	(100)
Cash flows expended in investing activities	**(640)**	(1,617)
(Decrease)/ increase in cash in the year	**(6,274)**	354

Analysis of cash as shown in the balance sheet	**2024 £000**	2023 £000
Cash and cash equivalents at the beginning of the year	**37,352**	36,998
Net cash (outflow)/inflow	**(6,274)**	354
Cash and cash equivalents at the end of the year	**31,078**	37,352

Cash and cash equivalents include funds held in short-term deposit accounts that can be accessed without notice. The charity held no borrowings, related derivatives or obligations under finance leases during the year.

Cash and cash equivalents	**2024 £000**	2023 £000
Cash at bank and in hand	**26,878**	34,352
Short-term deposits	**4,200**	3,000
Balance at 31 March	**31,078**	37,352

The notes on pages 49 to 71 form an integral part of these financial statements.

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's Financial Statements.

WaterAid is incorporated in the United Kingdom (company number: 01787329) and is a registered charity in England, Wales and Scotland and is a public benefit entity. WaterAid's registered office and operational address is: WaterAid 6th Floor, 20 Canada Square, London E14 5NN.

a) Basis of preparation
The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and under the historical cost accounting rules, except for investments which have been included at fair value or the value considered appropriate by the Board of Trustees.

The Financial Statements are drawn up on the going concern basis which assumes WaterAid will continue in operational existence for the foreseeable future (deemed to be a period of at least 12 months from the date the financial statements were authorised for issue).

b) Basis of consolidation
The group has three wholly-owned subsidiaries and a 20% share in an associate. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited have been prepared on a line by line basis. Two further subsidiaries, WaterAid (WASH and Health) Limited and WaterAid (WASH and Climate Change) Limited were dormant for the whole of the financial year. Consolidation does not include WaterAid international as there is no ability to direct nor does it include dormant companies or other WaterAid members. Further details can be found in note 11. A 20% fixed asset investment in WeAreGoodGiving Ltd is treated as an associate and accounted for under the equity method with the consolidated accounts. A separate parent charity cash flow statement hasn't been presented.

The activities of the regional fundraising committees in England, Wales, Scotland and Northern Ireland raising funds for WaterAid are deemed to be part of the activities of the charity. As such, they are included in full in the Financial Statements of the charity and group.

c) 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 and losses are included within support costs and reallocated across charitable activities in the Statement of Financial Activities (SOFA) as per note 5.

d) 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:

- Grant income Grants are credited to the SOFA when the charity is entitled 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 the charity's control, the income is recognised when there is sufficient evidence that conditions have been met.

  Grants that have specific restrictions placed upon their use are included within income for charitable activities and are credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.
- Grants of a General Nature Income from grants of a general nature is from grant-making or public institutions and have no specific restrictions placed upon their use. Grants of a general nature are credited to unrestricted income within the SOFA on an entitlement basis and disclosed in note 3 if their value is above £150,000 and the donor has not requested to remain anonymous.
- Donations Individual donations are recognised in the period in which they are received or receivable.
- Pecuniary and residuary legacy income and in memoria donations Legacy income is recognised when three criteria are met when entitlement is established, receipt of the income is probable and it can be reliably measured:
  - Entitlement is established when named in the will and we receive notification of an interest in an estate.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

1. Accounting policies (continued)

- Probability is based on grant of probate.
- The estate is reliably measurable when the final estate accounts are received.

Legacy income is only recognised in the financial statements when the above criteria are met.

Pecuniary legacies are a fixed value income and we accrue all open gifts once probate has been granted and notification received. Residuary legacies are accrued once final estate accounts have been approved and final payment confirmed or an interim payment has been confirmed.

- Other income Other income in the Group is income from disposal of fixed assets and in Charity is a gift aid donation by virtue of the Deed of Covenant and licence fee paid by WaterAid Trading.
- Investment income Investment income is bank interest received and is recognised when earned.
- Gifts in kind Goods, facilities and services donated for the charity'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.
- Fundraising events Fundraising events income is included in donation and legacies income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which the charity has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis. Fundraising event income received in advance are deferred until the event has taken place.

e) Expenditure

Expenditure is recognised in the period in which it is incurred on an accruals basis. Expenditure includes attributable VAT which can only be partially recovered.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities together with associated support costs. Charitable expenditure is reported as it relates to work undertaken by the charity, in supporting partners, sector strengthening, capacity building and influencing policy to deliver water, sanitation and hygiene, and supporting WaterAid globally.

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. Partner agreements and funding contracts may be for longer than one year.

The costs of raising funds relate to the costs incurred by the group and the charity in raising funds for the charitable work.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Support costs comprise the salary and overhead costs of the central function. The central function includes costs relating to the Departments of Finance, Facilities, Information Services, People and the Chief Executive's Office. Governance costs include internal and external audit costs, legal and tax advice, Trustee expenses and Directors' time spent on the governance of the organisation. Governance costs and other support costs have been allocated to expenditure on charitable activities based upon full time equivalent staff numbers. These staff numbers are listed in note 7 to the Financial Statements.

f) Fund accounting

General 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, nor had any specific restrictions applied.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 16.

Restricted funds are used for specified purposes as laid down by the donor. Qualifying project expenditure is allocated to the fund, together with a proportion of overhead costs where agreed by the donor. Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

g) Fixed assets and depreciation

Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

1. Accounting policies (continued)

Motor vehicles	3 years
Equipment and furniture UK and overseas	3 years
Computer hardware and software	3 years
Lease improvements	10 years

Items of equipment are capitalised where the purchase price exceeds £1,500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use, and meets the capitalisation criteria as per FRS 102.

h) Investment policy

The group's investment in an associate company is measured at cost less impairment. If there is any indication of impairment then the carrying amount will be tested and adjusted accordingly (note 12).

i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the Charities SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 23).

j) Investments

The investment in the subsidiaries is valued at cost.

Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible and proceeds recognised as income.

k) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. A cash equivalent will normally have a short maturity of six months or less from the date of acquisition.

l) Pension cost

The charity operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in independently administered funds. Contribution payments are charged to the SOFA.
Similarly our staff in country programmes and regions are provided with post employment benefits that comply with local employment legislation.

m) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA on a straight line basis for the duration of the lease contract.

n) Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

o) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Accounting estimates and judgements with significant impact on financial statements are concerned with grant, legacy and gift-in-kind income. These and other estimates and judgements are listed below. It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the Group's accounting policies

The Charity has through its trading company a 20% shareholding in WEAREGOODGIVING, a payroll giving company. The Charity does not have the power to significantly influence financial and reporting decisions made by WEAREGOODGIVING, therefore, the share capital has been classified as an investment in the accounts (note 12).

For grant income, entitlement is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions have been met. This judgement is made based on the income being reliably measured and probable based on contracted terms and progress made against agreed donor outcomes.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

1. Accounting policies (continued)

Critical accounting estimates and assumptions

WaterAid's estimate of legacy income entitlement is based on the following policy:

Pecuniary legacies are a fixed value income and we accrue all open gifts once probate has been granted and notification received.

Residuary legacies often involve the sale of assets such as stocks and property that vary over time and therefore WaterAid maintains a policy of only recognising the income from these legacies once final estate accounts have been issued. This is when the value is known with a high degree of probability and is a prudent interpretation of the SORP 2019. This interpretation is considered to be appropriate by the trustees in the context of WaterAid and has been consistently applied year on year. Those residuary legacies that do not meet recognition criteria are disclosed as part of the legacy pipeline as per note 2. Future residuary legacy income is based on a calculated estimate of the average value of a residuary gift.

Gifts in Kind are donated skills and services that are recognised as both income and expenditure and measured based on the value of the gift to WaterAid which could be market value or derived from the costs to the donor. The estimated cost for dilapidations work to be completed at the end of the lease period for the UK office building is recorded annually as a provision.

Where WaterAid staff members are involved in more than one activity between raising funds, delivery of charitable activities or support and governance an estimate of their time spent on each is made and costs allocated accordingly. WaterAid also estimates that support and governance costs are most reasonably allocated to raising funds and charitable activities in proportion to the respective levels of expenditure (note 5).

Going concern assumptions

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of at least 12 months following the signing of these accounts, so the period to at least the end of September 2025.

Our annual budget and plan, approved by the Board in March 2024, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base for the years to 31 March 2026.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared to the budget assumptions reflect lower income and a higher cost base.

We have also prepared acute or 'severe but plausible downside' scenarios, which combines high inflation with a prolonged cost of living crisis affecting stock and property prices, a material reduction in regular giving and not securing future unrestricted funding contracts with key unrestricted funding partnerships.

Although the impact of the acute scenario is severe and would require the consideration of mitigating actions to reduce our discretionary cost base, the analysis indicates that the Group would have sufficient liquidity and reserves to honour our committed funding obligations and to maintain sufficient liquidity throughout the going concern period.

Robust monitoring processes are in place to ensure that the organisation is able to react quickly to any downturn in income and the short term deposit investments held can be liquidated quickly in the event that they are required. The Group currently has no bank financing or loan agreements and therefore there are no covenants to consider.

As at 31 March 2024, the Group held a general income fund of £22m, well above the target set in order to remain financially stable. The surplus funds above target are planned for investment in programme growth in line with the current strategy.

Taking into account our current position and our principal risks, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 12 months after the approval of these financial statements, namely the period to the end of September 2025 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

2. Income from donations and legacies

	Unrestricted £000	Restricted £000	**2024 Total £000**	Unrestricted £000	Restricted £000	**2023 Total £000**
Donations						
Regular giving, donations and appeals	41,910	2,753	**44,663**	40,920	1,862	**42,782**
Legacy income	12,299	392	**12,691**	11,978	865	**12,843**
Fundraising events	1,456	1,466	**2,922**	2,035	1,369	**3,404**
Total donations	55,665	4,611	**60,276**	54,933	4,096	**59,029**
Grants of a general nature						
Other WaterAid member countries	462	-	**462**	1,029	-	**1,029**
The Waterloo Foundation	-	-	**-**	150	-	**150**
People's Postcode Lottery	3,100	-	**3,100**	3,000	-	**3,000**
Total grants of a general nature	3,562	-	**3,562**	4,179	-	**4,179**
Gifts in kind						
Water industry partnerships	144	-	**144**	117	-	**117**
Customer appeal	105	-	**105**	115	-	**115**
Audit fees	48	-	**48**	43	-	**43**
Resilient Water Accelerator (RWA)	**343**	**-**	**343**			
Other	-	-	**-**	1	-	**1**
Total gifts in kind	640	-	**640**	276	-	**276**
Total	59,867	4,611	**64,478**	59,388	4,096	**63,484**

At 31 March 2024, WaterAid had been notified it will benefit from a number of legacies from estates whereby the value of the gift can only be estimated and timing of receipt of funds is uncertain. In addition to £2.2m (2023: £2.1m) of legacy income accrued in the financial statements as per our policy in note 1 (d) we estimate a further £17.1m (2023: £13.9m) of future legacy income. This pipeline value has not been recognised as income during the financial year as a significant proportion of the value relates to investments or property prices which can vary significantly between notification and receipt of funds. Conditional or contingent legacy income is not included in the pipeline where the outcome of the conditions can't be reliably ascertained. Contentious legacies are excluded from the pipeline until entitlement is legally established.

Gifts in kind provided by our Water Industry Partners relate to support for fundraising events and delivery of charitable activities, and customer appeal relates to printing services. Gifts in kind provided to the Resilient Water Accelerator (RWA) programme, represents pro bono consultancy services to progress work in Nigeria and Bangladesh. The auditors remuneration was £81k (2023: £77k) and also provided donated services of £48k by way of a subsidy allocation (2023: £43k). See note 21 for more detailed information. The subsidy allows the firm to provide audit services at a reduced fee while still ensuring the financial performance of the audit is sustainable.

3. Other trading activities

	Unrestricted £000	Restricted £000	**2024 Total £000**	Unrestricted £000	Restricted £000	**2023 Total £000**
Lotteries	472	-	**472**	628	-	**628**
Trading company	447	96	**543**	364	88	**452**
Total	919	96	**1,015**	992	88	**1,080**

Notes to the financial statements

For the year ended 31 March 2024 (continued)

4. Income from charitable activities

Grant funding for specific activities	2024 Total £000	2023 Total £000
Other WaterAid member countries	**9,725**	14,855
The Foreign, Commonwealth and Development Office (FCDO)	**2,151**	514
Swiss Agency for Development and Cooperation	**1,166**	-
Swedish International Development Cooperation Agency	**1,133**	875
Kimberley-Clark	**1,108**	1,579
UNICEF	**954**	995
Japan International Cooperation Agency	**922**	847
AB InBev Foundation	**791**	-
Giorgio Armani Acqua for Life	**588**	683
DP World Income	**500**	200
Scottish Government	**464**	477
European Commission	**462**	1,198
Sustainable Safe WASH in Eastern Province	**449**	498
The Wimbledon Foundation	**425**	488
CUMMINS NIGERIA	**369**	-
Unilever*	**300**	1,700
BandAid	**250**	-
Climate Bridge Fund (CBF)	**229**	-
UNDP	**218**	-
GSK	**205**	-
Deltares	**175**	-
Global Development Incubator (GDI)**	**174**	-
Concern Worldwide	**158**	-
Heineken Africa Foundation	**-**	974
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	**-**	776
CowaterSogema International	**-**	635
Irish Aid	**-**	281
Coca Cola	**-**	222
Diageo	**-**	216
LIFT Fund	**-**	174
Other grants	**1,476**	1,412
Total	**24,392**	29,599
**Hygiene Behaviour Change Coalition – received through Unilever*	**300**	1,700
***Resilient Water Accelerator - received through Global Development Incubator*	**174**	-
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	**474**	1,700
UK Aid Match – Promoting a gender responsive, climate resilient WASH in drought-prone communities in Ethiopia	**1,147**	-
Gender and Adolescent Inclusive School in Nepal	**589**	393
WASH Systems for Health - South Asia	**252**	
One WASH	**162**	121
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	**2,150**	514
Total UK Aid received from the Foreign, Commonwealth and Development Office (FCDO)	**2,624**	2,214

Grant funding for specific activities are displayed where total funding was greater than £150k for the current year.

Additional information on transactions with other WaterAid member countries can be found in note 22.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

5. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2024 Total £000	2023 Total £000
Raising funds							
Expenditure on raising grants, donations and legacies		7,364	13,441	502	2,402	**23,709**	23,398
Expenditure on other trading activities		26	(30)	-	-	**(4)**	142
		7,390	13,411	502	2,402	**23,705**	23,540
Charitable activities	7						
Supporting partners to deliver water, sanitation and hygiene		9,091	16,938	556	3,606	**30,191**	34,622
Strengthening national and local capacity to deliver services		7,308	10,965	188	4,331	**22,792**	21,900
Influencing policy in water, sanitation and hygiene		4,500	6,485	185	2,152	**13,322**	12,398
Supporting WaterAid globally		-	3,491	-	138	**3,629**	3,937
		20,899	37,879	929	10,227	**69,934**	72,857
Governance		864	197	-	(1,061)	**-**	-
Support costs		4,892	6,176	500	(11,568)	**-**	-
Governance and support costs		**5,756**	**6,373**	**500**	**(12,629)**	**-**	**-**
		34,045	**57,663**	**1,931**	**-**	**93,639**	96,397

Governance and support costs have been allocated on the basis of actual full time equivalent staff numbers over the year in each area of activity. These staff numbers are listed in note 6 to the Financial Statements.

The governance and support costs and gains on exchange rates were incurred as follows:	2024 Total £000	2023 Total £000
Finance, people and information services	**8,855**	7,092
Chief Executive's Office, internal audit and governance	**1,061**	1,078
Premises and facilities	**2,030**	1,760
Strategy transition	**981**	1,433
Gifts in kind	**45**	127
Support costs	**12,972**	11,490
Realised and unrealised exchange gains on assets	**(343)**	(886)
Total of governance and support costs and exchange gains	**12,629**	10,604

The exchange rate movement is the net of the operational gains/losses incurred in delivering our services funded in GBP in local currencies and the gains/losses made on asset values held in currencies other than GBP.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

Prior year expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	**2023 Total £000**
Raising funds						
Expenditure on raising grants, donations and legacies		7,187	13,933	318	1,960	**23,398**
Expenditure on other trading activities		25	117	-	-	**142**
		7,212	14,050	318	1,960	**23,540**
Charitable activities	7					
Supporting partners to deliver water, sanitation and hygiene		9,540	21,916	431	2,735	**34,622**
Sector strengthening and capacity building to deliver water, sanitation and hygiene		7,231	10,379	149	4,141	**21,900**
Influencing policy in water, sanitation and hygiene		4,660	5,936	122	1,680	**12,398**
Supporting WaterAid globally		11	3,838	-	88	**3,937**
Governance		959	119	-	(1,078)	**-**
Support costs		4,156	5,030	340	(9,526)	**-**
Governance and support costs		5,115	5,149	340	(10,604)	**-**
		33,769	**61,268**	**1,360**	**-**	**96,397**

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

6. Staff costs and numbers

Staff costs for the charity and group were as follows:

	2024 £000	2023 £000
Wages and salaries	**29,440**	29,246
Social security costs	**1,523**	1,512
Other pension costs	**3,082**	3,011
	34,045	33,769

The number of employees, calculated on a full time equivalent basis and analysed on a functional basis, was as follows:

	2024 No.	2023 No.
Fundraising staff (cost of generating funds)	**152**	150
Staff delivering charitable activities	**639**	653
Support staff	**72**	77
Governance	**13**	12
	876	892

During the year, there was an increase in total staff costs by 1% (2023: 8.2%).

The average monthly headcount was 888 staff (2023: 906). The total number of WaterAid employees at 31 March 2024 was 909 (2023: 909).

The charity paid termination payments totalling £227k (2023: £206k). The majority relates to organisational change management process which led to redundancies in some country programmes and final entiltlement payments for staff in country programmes that were closed during the year.

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

	2024 No.	2023 No.
£60,000 - £69,999	**32**	29
£70,000 - £79,999	**14**	17
£80,000 - £89,999	**11**	8
£90,000 - £99,999	**9**	6
£100,000 - £109,999	**3**	3
£110,000 - £119,999	**3**	2
£120,000 - £129,999	**2**	4
	74	69

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £137,481 (2023: £134,067) and pension contributions of £15,975 (2023: £14,035). The Chief Executive's salary is shown in the table above net of employer national insurance contributions of £9,616 (2023: £12,281).

In the UK, WaterAid makes contributions for its employees to a defined contribution scheme operated by Aegon.

The key management personnel of the charity comprise the Trustees, the Chief Executive and the executive Directors' Team. The total employee salary and benefits (including employer national insurance contributions but excluding pension), of the key management personnel of the group was £773k (2023: £708k). The number of key management personnel was seven (2023: six). The increased cost in 2024 reflects inflationary pay increases and a period of overlapping pay for the incoming and outgoing Executive Director of International Programmes.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

7. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	**2024 Total £000**	Unrestricted £000	Restricted £000	**2023 Total £000**
West Africa						
Burkina Faso	722	959	**1,681**	876	2,558	**3,434**
Ghana	431	1,261	**1,692**	470	607	**1,077**
Liberia	596	625	**1,221**	574	609	**1,183**
Mali	908	1,646	**2,554**	1,017	2,180	**3,197**
Niger	373	676	**1,049**	315	487	**802**
Nigeria	657	2,148	**2,805**	1,134	1,875	**3,009**
Sierra Leone	331	134	**465**	297	419	**716**
Regional management and support costs	1,071	101	**1,172**	991	79	**1,070**
	5,089	7,550	**12,639**	5,674	8,814	**14,488**
East Africa						
Ethiopia	1,152	2,263	**3,415**	946	2,989	**3,935**
Rwanda	736	2,136	**2,872**	731	1,459	**2,190**
Tanzania	1,194	555	**1,749**	1,414	1,010	**2,424**
Uganda	811	1,726	**2,537**	668	1,128	**1,796**
Regional management and support costs	1,072	47	**1,119**	1,197	49	**1,246**
	4,965	6,727	**11,692**	4,956	6,635	**11,591**
Southern Africa						
Kingdom of eSwatini (previously Swaziland)	175	(12)	**163**	569	639	**1,208**
Madagascar	924	880	**1,804**	907	1,598	**2,505**
Malawi	527	1,659	**2,186**	683	1,911	**2,594**
Mozambique	890	1,658	**2,548**	1,335	478	**1,813**
Zambia	787	1,422	**2,209**	550	4,444	**4,994**
Regional management and support costs	794	541	**1,335**	858	760	**1,618**
	4,097	6,148	**10,245**	4,902	9,830	**14,732**
Asia						
Bangladesh	1,077	3,154	**4,231**	1,011	2,566	**3,577**
Myanmar	299	224	**523**	454	941	**1,395**
Nepal	603	1,790	**2,393**	338	2,249	**2,587**
Pakistan	718	1,202	**1,920**	941	891	**1,832**
Regional management and support costs	445	159	**604**	492	61	**553**
	3,142	6,529	**9,671**	3,236	6,708	**9,944**
UK and other						
Supporting WaterAid globally	2,881	609	**3,490**	3,395	454	**3,849**
Other UK direct international programme support costs (including technical and programme effectiveness)	4,176	1,287	**5,463**	3,578	1,243	**4,821**
UK-based policy, campaigns and education costs	5,669	843	**6,512**	4,293	498	**4,791**
Allocated UK support costs to charitable activities	10,602	4	**10,606**	9,436	21	**9,457**
Exchange (gains)/losses	(604)	220	**(384)**	(902)	86	**(816)**
	22,724	2,963	**25,687**	19,800	2,302	**22,102**
Total	**40,017**	**29,917**	**69,934**	**38,568**	**34,289**	**72,857**

The total spend on charitable activities, as per the consolidated statement of financial activities, was £53m (2023: £56.5m) on delivery of water, sanitation and hygiene, including sector strengthening and £13.3m on influencing policy in water, sanitation and hygiene (2023: £12.4m).

Notes to the financial statements

For the year ended 31 March 2024 (continued)

8. Payments to partner organisations

WaterAid has transferred a total of £7.9m (2023: £10.5m) to partners for the delivery of some of our programmatic work for the year ended 31 March 2024. Funding was provided to 75 (2023: 104) different partners under separate partnership agreements.

Transfers have been made to the following number of partners by size:	**2024 No.**	2023 No.
£0- £49,999	**32**	56
£50,000 - £99,999	**17**	14
£100,000 - £149,999	**10**	13
£150,000 - £199,999	**5**	6
£200,000 - £249,999	**2**	3
£250,000 and over	**9**	12
	75	104

The top 20 financial implementing partners recipients during the year ended 31 March 2024 are listed below. The implementation costs are included in the charitable expenditure outlined in notes 5 and 7.

	Name of partner	**Country**	**2024 £000**	2023 £000
1	Les Compagnons Fontaniers du Rwanda	Rwanda	**774**	-
2	Tsogang Water and Sanitation	South Africa	**464**	548
3	Nabolok	Bangladesh	**417**	156
4	Dushtha Shasthya Kendra - DSK	Bangladesh	**417**	269
5	Laar Humanitarian Development Program	Pakistan	**405**	-
6	APROFEM	Mali	**382**	311
7	AYATEKE Star Company LTD	Rwanda	**322**	291
8	Backward Society Education (BASE)	Nepal	**305**	146
9	Rupantar	Bangladesh	**274**	343
10	ALPHALOG	Mali	**249**	322
11	Dalit Janakalyan Yuwa Club	Nepal	**206**	172
12	Doaba Foundation	Pakistan	**181**	235
13	Sajida Foundation	Bangladesh	**159**	237
14	Eco-Social Development Organization - ESDO	Bangladesh	**158**	128
15	Village Education Resource Center - VERC	Bangladesh	**156**	104
16	RWCA - Rwanda Wildlife Conservation Association	Rwanda	**152**	32
17	Groupe SDI	Mali	**147**	141
18	Centre Culturel Kore Segou	Mali	**145**	150
19	DevCon-As association for Rural Development	Pakistan	**144**	22
20	AMREF Health Africa	Malawi	**144**	200
	Other partners		**2,303**	6,648
Total payments to implementing partners			**7,904**	10,455

Notes to the financial statements

For the year ended 31 March 2024 (continued)

9. Fixed assets

Group and charity	Intangible assets	Tangible assets			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2023	8,004	2,464	3,687	3,299	**17,454**
Additions in year	994	-	316	31	**1,341**
Disposals in year	(2,274)	-	(515)	(1,282)	**(4,071)**
At 31 March 2024	**6,724**	**2,464**	**3,488**	**2,048**	**14,724**
Accumulated amortisation/depreciation					
At 1 April 2023	5,725	615	3,112	2,352	**11,804**
Charge for the year	1,050	246	321	309	**1,926**
Disposals in year	(2,274)	-	(505)	(1,264)	**(4,043)**
At 31 March 2024	**4,501**	**861**	**2,928**	**1,397**	**9,687**
Net book value					
At 31 March 2024	**2,223**	**1,603**	**560**	**651**	**5,037**
At 31 March 2023	2,279	1,849	575	947	5,650

Prior year fixed assets

Group and charity	Intangible assets	Tangible assets			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2022	7,021	2,458	3,922	3,113	**16,514**
Additions in year	983	6	307	600	**1,896**
Disposals in year	-	-	(542)	(414)	**(956)**
At 31 March 2023	**8,004**	**2,464**	**3,687**	**3,299**	**17,454**
Accumulated amortisation/depreciation					
At 1 April 2022	5,229	369	3,337	2,464	**11,399**
Charge for the year	496	246	317	301	**1,360**
Disposals in year	-	-	(542)	(413)	**(955)**
At 31 March 2023	**5,725**	**615**	**3,112**	**2,352**	**11,804**
Net book value					
At 31 March 2023	**2,279**	**1,849**	**575**	**947**	**5,650**
At 31 March 2022	1,792	2,089	585	649	5,115

Notes to the financial statements

For the year ended 31 March 2024 (continued)

10. Debtors

Amounts due within one year:	Group		Charity	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Amounts owed by WaterAid Trading Limited	**-**	-	**264**	1,255
Amounts owed by WaterAid international	**237**	-	**237**	-
Grant debtors	**2,953**	3,224	**2,953**	3,224
Other debtors	**1,095**	1,580	**1,034**	1,256
Gift Aid tax recoverable	**1,129**	784	**1,129**	784
Prepayments	**1,453**	1,069	**1,453**	1,069
Accrued income	**4,271**	2,418	**4,271**	2,393
	11,138	9,075	**11,341**	9,981

Amounts owed by WaterAid Trading Limited are unsecured, interest free, have no fixed date of repayment and are payable on demand.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

11. Group companies

WATERAID TRADING LIMITED Company number 02362892

WaterAid Trading Limited is incorporated in England and Wales (company number: 02362892). WaterAid Trading Limited's registered office and operational address is: WaterAid, 6th Floor, 20 Canada Square, London, E14 5NN.

a) Profit and loss account	**2024 £000**	2023 £000
Turnover	**526**	439
Cost of sales	**(14)**	(24)
Gross profit	**512**	415
Administrative and selling expenses	**(48)**	(34)
Impairment reversal /(charge)	**82**	(82)
Operating profit	**546**	299
Interest receivable	**17**	12
Profit on ordinary activities	**563**	311
Corporation tax	**(16)**	(311)
Gift Aid to WaterAid under Deed of Covenant	**(547)**	(311)
	-	-

b) Balance sheet	**2024 £000**	2023 £000
Non-current assets		
Investment in associated companies:		
WeAreGoodGiving Ltd.	**182**	100
	182	100
Current assets		
Debtors	**62**	353
Cash at bank and in hand	**264**	947
	326	1,300
Creditors		
Amounts due within one year	**(508)**	(1,400)
Net assets	**-**	-
Represented by:		
Share capital	**-**	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2023: two £1 ordinary shares)

A deed of covenant is in place whereby all profits generated by the company are distributed to the parent charity in the form of a 'qualifying distribution'.

Wholly owned subsidiaries

WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772
Registered Office: 6th Floor, 20 Canada Square, London E14 5NN

On 10 March 2020, two new companies guaranteed by WaterAid, without share capital, were incorporated in England and Wales for the purpose of funding lotteries. WaterAid holds 100% of the voting rights of each company and has the right to appoint a majority of the board of directors of the companies. In accordance with sections 394A and 448A of the Companies Act 2006, Directors confirm that both companies were dormant throughout the financial year. Directors are exempt from the requirement to deliver a copy of the companies' annual accounts in accordance with these sections.



Pravati Rani, 30, drinking a glass of clean water from the Reverse Osmosis Plant, Borokuput, Shyamnagar, Bangladesh. June 2023.
WaterAid/ Fabeha Monir

Notes to the financial statements

For the year ended 31 March 2024 (continued)

12. Fixed asset investment

Wateraid Trading Ltd invested £82k in March 2022 for a 20% shareholding in a new payroll giving company: WEAREGOODGIVING Ltd with registered company number 13256341. An additional £100k was invested in February 2023. The other equal shareholders are four other charities. The new company was set up with an independent Managing Director and three Non-Executive Directors nominated from the charities. In addition to the articles of association, the company governance is established by the Subscription and Shareholding Agreement. There were no distributions in the financial year, however a decision was made to reverse the impairment of £82,000 that was made in the prior financial year based on our assessment that the asset value has improved through the acquisition of a leading company in the sector, and approval of further investment in the company. The carrying value of the asset is £182k (see table below).

Cost	**2024 £000**	2023 £000
At 1 April 2023	**100**	82
Investment in year	**-**	100
Asset reversal/(impairment)	**82**	(82)
Net book value at 31 March 2024	**182**	100

13. Cash at bank and in hand

	Group		**Charity**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Cash and bank balances in UK	**23,895**	29,870	**23,311**	28,603
Cash and bank balances overseas	**2,983**	4,482	**2,983**	4,482
Short-term deposits in UK	**4,200**	3,000	**4,200**	3,000
	31,078	37,352	**30,494**	36,085

The short-term deposits are those which can be accessed with no notice.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

14. Creditors: amounts falling due within one year

	Group		**Charity**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Trade creditors	**2,791**	4,041	**2,791**	4,041
Taxation and social security	**1,017**	746	**788**	636
Other creditors	**184**	376	**184**	356
Accruals	**2,346**	3,194	**2,331**	3,182
Deferred income	**203**	229	**203**	229
	6,541	8,586	**6,297**	8,444

The deferred income relates to funding received for activities in a future period.

The movements in deferred income are analysed as follows:

Group and charity	**2024 £000**	2023 £000
Deferred income at the beginning of the year	**229**	182
Amounts released from previous years	**(229)**	(182)
Income deferred in the year	**203**	229
Deferred income at the end of the year	**203**	229

15. Provision for liabilities and charges

	Group		**Charity**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Provision falling due under one year				
Provisions at beginning of the year	**1,444**	1,425	**1,125**	1,106
Amount charged to statement of financial activities	**1,724**	1,509	**1,724**	1,509
Amount released to statement of financial activities	**(1,695)**	(1,490)	**(1,695)**	(1,490)
Provisions at end of the year	**1,473**	1,444	**1,154**	1,125
Provision falling due more than one year				
Dilapidation provision	**209**	157	**209**	157
	209	157	**209**	157

Provisions include end of contract provisions for staff on non-UK contracts and contract retention amounts on programme construction works. Contract provisions for staff include lump sums paid at the end of contract, similar to a pension scheme and/or loyalty payment which is paid on full completion of service. Dilapidation provision is charge for the rental of office space in the UK at 20 Canada Square.

16. Movements in funds

	At 1 April 2023 £000	Income £000	Expenditure £000	At 31 March 2024 £000
Unrestricted funds:				
Designated funds: Fixed assets fund	5,748	674	(1,521)	**4,901**
Total designated funds	5,748	674	(1,521)	**4,901**
General funds	22,847	61,088	(61,952)	**21,983**
Total unrestricted funds	28,595	61,762	(63,473)	**26,884**
Restricted funds:				
Bangladesh	1,636	4,275	(3,383)	**2,528**
Burkina Faso	495	925	(976)	**444**
East Africa Region	60	-	(56)	**4**
Ethiopia	303	2,512	(2,497)	**318**
Ghana	612	1,873	(1,265)	**1,220**
Kingdom of eSwatini	(24)	14	10	**-**
Liberia	129	588	(634)	**83**
Madagascar	(577)	1,765	(912)	**276**
Malawi	686	1,978	(1,677)	**987**
Mali	174	1,972	(1,646)	**500**
Mozambique	852	822	(1,779)	**(105)**
Myanmar	12	247	(237)	**22**
Nepal	1,340	1,782	(1,898)	**1,224**
Niger	29	220	(685)	**(436)**
Nigeria	1,431	2,633	(2,166)	**1,898**
Pakistan	19	1,238	(1,233)	**24**
Rwanda	1,992	2,062	(2,210)	**1,844**
Sierra Leone	(55)	187	(132)	**-**
Southern Africa Region	359	383	(552)	**190**
South Asia	100	180	(160)	**120**
Tanzania	(157)	557	(550)	**(150)**
Uganda	1,923	988	(1,775)	**1,136**
West Africa Region	94	56	(102)	**48**
Zambia	873	529	(1,468)	**(66)**
UK	1,089	1,313	(2,183)	**219**
Total restricted funds	13,395	29,099	(30,166)	**12,328**
Total funds	41,990	90,861	(93,639)	**39,212**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £3.9m (2023: £4.2m). In accordance with SORP 2019 paragraph 2.15, restricted fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

16. Movements in funds for prior year

	At 1 April 2022 £000	Income £000	Expenditure £000	At 31 March 2023 £000
Unrestricted funds:				
Designated funds: Fixed assets fund	5,195	958	(405)	**5,748**
Total designated funds	5,195	958	(405)	**5,748**
General funds	24,360	59,803	(61,316)	**22,847**
Total unrestricted funds	29,555	60,761	(61,721)	**28,595**
Restricted funds:				
Bangladesh	1,122	3,051	(2,537)	**1,636**
Burkina Faso	906	2,200	(2,611)	**495**
East Africa Region	20	84	(44)	**60**
Ethiopia	1,055	2,470	(3,222)	**303**
Ghana	627	592	(607)	**612**
Kingdom of eSwatini	337	278	(639)	**(24)**
Liberia	(140)	886	(617)	**129**
Madagascar	215	849	(1,641)	**(577)**
Malawi	584	2,062	(1,960)	**686**
Mali	502	1,852	(2,180)	**174**
Mozambique	(30)	1,388	(506)	**852**
Myanmar	435	575	(998)	**12**
Nepal	2,136	1,554	(2,350)	**1,340**
Niger	(93)	609	(487)	**29**
Nigeria	660	2,728	(1,957)	**1,431**
Pakistan	95	864	(940)	**19**
Rwanda	406	3,108	(1,522)	**1,992**
Sierra Leone	(90)	454	(419)	**(55)**
Southern Africa Region	426	713	(780)	**359**
South Asia Region	51	88	(39)	**100**
Tanzania	389	463	(1,009)	**(157)**
Uganda	829	2,243	(1,149)	**1,923**
West Africa Region	(16)	184	(74)	**94**
Zambia	2,831	2,585	(4,543)	**873**
UK	1,033	1,903	(1,847)	**1,089**
Total restricted funds	14,290	33,783	(34,678)	**13,395**
Total funds	43,845	94,544	(96,399)	**41,990**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £4.2m (2022: £2.4m). In accordance with SORP 2019 paragraph 2.15, restricted fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

16. Movements in funds (continued)

Designated funds
Designated funds currently consist of the Fixed Asset Fund of £4.9m (2023: £5.7m) which represents the net book value of the charity's intangible and tangible fixed assets.

General funds
The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2023-24 was a range of £13m to £17m. The balance as at 31 March 2024 was £22m (2023: £22.8m).

Restricted funds
Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of support costs in line with the terms of the contract.

Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

17. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	**2024 Total funds £000**	Fixed assets £000	Net current assets £000	2023 Total funds £000
Restricted income funds	-	12,328	**12,328**	-	13,395	13,395
Designated funds	4,901	-	**4,901**	5,748	-	5,748
General income funds	-	21,983	**21,983**	-	22,847	22,847
Total funds as at 31 March 2024	4,901	34,311	**39,212**	5,748	36,242	41,990

18. Taxation and charitable status

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary WaterAid Trading Limited pays available profits to the charity through Gift Aid under deed of covenant. Its charge for corporation tax in the year was £16k (2023: £nil). The corporation tax was paid due to the impairment provision made on the investment in WEAREGOODGIVING in the prior year.

19. Company limited by guarantee

The liability of 37 members (2023: 37) of the charity is limited by guarantee to £1 each.

20. Operating lease commitments

The charity had the following future minimum lease payments under noncancellable operating leases for each of the following periods:

	Land and buildings	
	2024 £000	2023 £000
Within one year	**1,114**	977
1 – 2 years	**929**	1,023
2 – 5 years	**3,448**	3,156
More than 5 years	**773**	1,804
	6,264	6,960

WaterAid holds a 15 year operating lease from 31 December 2019 for the rental of office space in the UK with a break option after 10 years.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

21. Net movement in funds or net income for the year

This is stated after charging/(crediting):	**2024 £000**	2023 £000
Amortisation and depreciation	**1,926**	1,360
Trustees' indemnity insurance	**7**	6
Trustees' reimbursed expenses	**42**	5
Auditors' remuneration – PwC:		
Audit – WaterAid UK	**108**	65
Audit – WaterAid Trading Limited	**13**	12
Audit Gift in Kind	**48**	43
Auditors' remuneration – Other audit firms	**80**	87
Exchange gain	**(343)**	(886)
UK operating lease rentals – buildings	**988**	902

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. During the year, 14 Trustees were reimbursed for expenses totaling £41,720 (2023: 5 Trustees; £5,237). The increased trustees expenses was due to country programme field visits and an in-person trustees meeting.

Trustee indemnity insurance covers Trustees against personal liability in certain circumstances if legal claims were to be made against them.

The group paid £201k total audit fees excluding gifts in kind in the year ended 31 March 2024 (2023: £167k). This figure includes £81k, exclusive of VAT (2023: £77k) for the consolidated statutory audit provided by PwC UK, who also provided audit services as a gift in kind with a value of £48k (2023: £43k). It also includes fees of £40k, exclusive of VAT, (2023: £nil) relating to the 2022/23 audit provided by PwC. Other audit fees relate to services provided by firms other than PwC for overseas country office external audits, project audits and donor grant audits as required by the conditions of funding contracts. PwC provided £300 of non-audit services to the group.

Notes to the financial statements

For the year ended 31 March 2024 (continued)

22. Related party transactions

WaterAid, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden, WaterAid India (Jal Seva Charitable Foundation) and WaterAid Japan are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. All these organisations share the same objectives and vision. WaterAid receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan and WaterAid Sweden. WaterAid has provided grants to support WaterAid America, WaterAid Sweden and WaterAid India in 2024 for programmatic, fundraising and organisational development.

Transactions between WaterAid and other member countries of the WaterAid Federation were as follows:

	Received from:		Paid to:	
	2024 £000	2023 £000	**2024 £000**	2023 £000
WaterAid America	**7,330**	10,472	**1,042**	2,010
WaterAid Australia	**45**	551	**-**	-
WaterAid Canada	**995**	1,549	**-**	-
WaterAid Japan	**45**	18	**-**	-
WaterAid Sweden	**1,691**	3,178	**460**	-
WaterAid India	**-**	-	**1,456**	1,309
WaterAid international	**80**	115	**532**	529
	10,186	15,883	**3,490**	3,848

During the year WaterAid paid expenses on behalf of WaterAid international of £197k (2023: £168k). At 31 March 2024 the outstanding debtor balance with WaterAid international and other members was £147k (2023: £225k) which is due to be settled early in the 2024-25 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £667k (2023: £664k).

Full declarations of interest are obtained from Trustees and Directors for their own activities outside of WaterAid governance as well as those of their spouses/ partners and dependants.

Hilary Wild is a trustee of Christ Church. During the year WaterAid received £3,091 from Christ Church (2023: £nil).

Andy Green was a trustee of WWF (up to October 2023) to which WaterAid made no payments in 2024 (2023: £6,214).

Heidi Mottram is CEO of Northumbrian Water Group. During the year WaterAid received £103,522 from Northumbrian Water Group Ltd (2023: £76,122). Heidi also personally donated £14,009 in 2024 (2023: £5,000).

Alyson Clark personally donated £630 in 2024 (2023: £120).

Peter Simpson is CEO of Anglian Water. During the year WaterAid received £820,765 from Anglian Water Services Limited (2023: £843,216) and £nil from AWG Corporate Services Limited (2023: £80). Peter also personally donated £950 in 2024 (2023: £5,520).

Mala Rao personally donated £940 in 2024 (2023: £840).

Heather Skilling is a consultant to the World Bank. During the year WaterAid received no payments from the World Bank (2023: £30,711).

The charity has disclosed the financial statements of the subsidiary, WaterAid Trading Limited, detailed in note 14.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2024 (continued)

Transactions between WaterAid UK and WaterAid Trading	**Net income to charity £000**	**Balance owed to charity at 31 March 2024 £000**	**Net income to charity £000**	**Balance owed to charity at 31 March 2023 £000**
Trademark – Logo	**33**	**-**	21	-
Deed of Covenant	**(547)**	**-**	**(311)**	**-**
Admin expenses	**32**	**-**	32	-
Group undertaking	**-**	**264**	-	1,255

23. Financial instruments

	2024 £000	2023 £000
Financial assets		
Cash and cash equivalents	**31,078**	37,352
Grant receivables	**2,952**	3,224
Other receivables	**2,225**	2,364
Accrued income	**4,271**	2,418
	40,526	45,358
Financial liabilities		
Trade creditors	**2,791**	4,041
Other creditors	**972**	1,122
Accruals	**2,331**	3,194
	6,094	8,357

In respect of disclosure of financial instruments, sections 11 and 12 of FRS 102 have been adopted.

All financial assets and liabilities are payable or receivable within one year are therefore measured at an undiscounted value.



▲ Students use their school water tap, Kazungula district, Zambia. November 2023.

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WaterAid, 6th Floor, 20 Canada Square, London E14 5NN

Registered charity numbers 288701 (England and Wales)
and SCO39479 (Scotland) Company number: 1787329

WaterAid

WATERAID

England & Wales - Charity number 288701

Accounts



Our impact

UK annual report
2022–23

WaterAid

Case study Dinke Atnaw, Ethiopia

▶ **Dinke Atnaw filling a bucket with clean water from a tap in her compound, Chibah village, North Mecha District, West Gojjam Zone, Amhara Regional State, Ethiopia. October 2022.**

Community voices in Ethiopia

Dinke Atnaw lives in Chibah, a village in the Amhara region of north Ethiopia. Like most women in her village, Dinke is responsible for managing the household chores for her family, including collecting water.

Around the world, millions of women and girls like Dinke walk long distances to collect water, often from unsafe sources like rivers, ponds and holes in the ground. This leaves them little time for an education, paid work or free time.

Dinke lived with the worry of giving her baby water that she knew was unsafe:

"It was very difficult to live without accessing water. We used to spend most of our time waiting for our turn to get water and the water was not clean."

Thanks to funding from our supporters, we worked with Dinke's community and partners to improve water and sanitation at five local schools reaching 10,000 students, and five healthcare facilities reaching 125,000 people. We have also set up a successful Water User Association where elected local voices listen to community needs, make decisions and strengthen local government capacity to maintain services in partnership with the local community going forward.

WaterAid/ Frehiwot Gebrewold

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▼ Kung Y, 64, and her grandaughter Nita, 8, at their home in Tbaeng Kpos Commune, Sammeaki Meanchey district, Kampong Chhnang Province, Cambodia, Feb 2023.



WaterAid/ Tariq Hawgari



WaterAid/ Chileshe Chanda

▲ Mary Chitundu holding a glass of clean drinking water at her home in Kazungula District, Zambia, June 2022.

Find out more about our latest achievements, and the issues facing our work at:

/wateraid /wateraidUK /wateraid

On the cover: Mastewal Gebremichael drinks water from a glass, Ambomesk, Ethiopia. April 2023.


WaterAid


WaterAid/ Katie McCraw

Working in turbulent times

WaterAid weathered many different storms last year and reached impressive results, thanks to your unwavering support. It is truly humbling that despite a difficult economic environment, you continued to give so generously, ensuring we could fully deliver on our promises in 2022–23 and commit to the future. Thank you.

Like so many, our teams faced unprecedented challenges, from the shockwaves of the war in Ukraine, to recovering from the disruption caused by the COVID-19 pandemic and extreme weather events.

Financial hardship defined the year for everyone committed to bringing clean water, decent toilets and good hygiene to all.


WaterAid/ Ernest Randriarimalala

▲ Olivia, 8, standing in front of the sanitation block at her school in Antsakambahiny village, Manjakandriana commune, Madagascar. January 2023.

Leading by example

As ever, last year we used the success of our work to influence change far beyond the boundaries of our projects. In 2022–23, as we transitioned to our new ten-year Global Strategy, we strengthened that approach and created sustainable projects that can be scaled up in order to reach more people.

The development of our strategy was led by the expertise of our country programme teams and the partners they work alongside.

We know what works because of our long track record in ensuring long-lasting and inclusive clean water, decent toilet and good hygiene facilities for households, schools, clinics, hospitals and businesses. This know-how, together with our achievements, are what give us a seat at the table.


Hauwawu Dalhatu now has access to solar-powered water for her farm thanks to funding from our partner, Diageo. Bauchi state, Nigeria. February 2023.

WaterAid/ Ettinosa Yvonne

From local to global

When we engaged with decision-makers last year, we drew on our expertise to push water, sanitation and hygiene higher up the agenda and to shape action plans.

At the United Nations (UN) 2023 Water Conference, the first of its kind in nearly 50 years, we joined with governments, civil society, the private sector and UN agencies to discuss how to accelerate progress to meet Sustainable Development Goal 6: water and sanitation for all by 2030.

From local to global, we have the plans in place to help drive massive change. Last year, we began to ramp up our work in healthcare and climate adaptation. Both are key in protecting communities from the impacts of climate change and the outbreak of disease.

The transformative power of clean water, decent toilets and good hygiene is a highly cost-effective lever to solve many of our most pressing global challenges. Governments and the private sector must now demonstrate their commitment by opening up the investment taps.

People power

We would like to dedicate this report to our staff, partners and volunteers in the UK and across the world. Their effort and endeavour last year was truly remarkable, especially in such trying circumstances.

We also remember colleagues and friends who sadly passed away in 2022-23 and will be deeply missed across WaterAid.

And, we say a huge thank you to Paula Laird, Executive Director of Finance and Information Technology (left in August), and Olga Ghazaryan, Executive Director of International Programmes (left in June), for their many years of outstanding service and vision in taking our work to the next level.

We now turn to the year ahead, where the challenges we faced last year look set to continue. As high inflation persists, we and our partners will need to meet our promises with declining purchasing power.

Thanks to your support, we have the financial resilience to cope in a volatile environment and our executive team will monitor developments carefully.

Despite these difficult times, our optimism remains undimmed because we know we can count on your steadfast commitment to our cause.

We look forward to working with you to deliver another year of real and lasting change through clean water, decent toilets and good hygiene. Thank you.

Tim Wainwright
Chief Executive

Andy Green CBE
Chair of Trustees

Our impact

Working in partnership

In 2022–23, WaterAid worked with **232 partner organisations** on **240 projects.** Our partners included:

100 governmental bodies and **105 non-governmental organisations** from the local to the global.

15 primary networks or alliances, alongside a wide range of others.

68 rural and urban authorities, including **8** utilities.

Influencing

In 2022–23, WaterAid helped secure changes to **9 national policies**, strategies or standards to benefit people living without clean water, decent toilets or good hygiene.



◀ Aerial view of women and children filling buckets and waiting for their turn at a borehole, Chisi Island, Zomba, Malawi. October 2020.



▶ WaterAid representatives Wanji Wambari-Kairu, Timothy Ingram and Rachel Sewell holding a giant postcard addressed to the Prime Minister as part of a petition hand in to demand urgent action from the Government at COP27 to prioritise clean water for people living with the effects of climate change. London, UK. November 2022.

Our direct reach

Since 1981, WaterAid have directly reached:

28.5 million people with clean water

29 million people with decent toilets

27.8 million people with good hygiene[1]

▼ Mulala Construction workers pull materials onto a slab for a new maternity wing at Siakasipa rural healthcentre, Kazungula District, Zambia. June 2022.



Delivering services directly

Below we report on people we 'directly reached'[3] in 2022–23:

Number of people we reached directly with	Communities (in or near people's homes)	Schools	Healthcare facilities	Public facilities
Clean water	338,434	96,304	2,048,410	155,760
Decent toilets	117,560	110,015	1,424,064	73,173
Good hygiene through better facilities	269,425	326,712	1,598,909	93,296
Good hygiene through behaviour change activities	1,420,049	386,022	214,949	n/a

Wider Scale

Below are the people we reached through direct influencing and capacity strengthening in 13 of the countries we worked in.

Number of people we reached directly with	Communities (in or near people's homes)	Schools	Healthcare facilities	Public facilities
Clean water	362,065	2,643	50,873	43,330
Decent toilets	97,489	6,902	54,144	57,640
Good hygiene through better facilities	n/a	11,078	24,088	48,330
Good hygiene through behaviour change activities	156,947	n/a	10,800	n/a

▼ L-R: Lassina, Amadou, Aminata, Yacouba and Nana, all members of the school hygiene club, holding a meeting, Bla district, Segou region, Mali. October 2019.




WaterAid/ Chieshe Chanda

Ireen Mwangala, nurse in charge at Lusu rural healthcentre. Sesheke District, Zambia. June 2022.

Modelling services

Our number one priority is to scale up progress so that more people have clean water, decent toilets and good hygiene. We use our projects to demonstrate how to provide sustainable and equitable water and sanitation services and effect changes in hygiene behaviour. By working with local partners to show what works, we can strengthen capacity and influence others.

To ensure sustainability, we work with local communities and institutions to develop reliable water, sanitation and hygiene services that are accessible to everyone, adapted to the local context and resilient to the impacts of climate change.

Positioning water, sanitation and hygiene at the heart of healthcare in Zambia

In partnership with On Call Africa and thanks to funds from The Leona M. and Harry B. Helmsley Charitable Trust, we constructed 39 piped water networks in healthcare facilities, benefiting over 380,000 people in the Monze, Kazungula, Mwandi and Sesheke districts. With our local partner, we also completed 14 improved maternity wards, with waste management areas. Together, this work lowers the risk of maternal and neonatal deaths and improves the quality of care in what are vital facilities for local communities. Speaking on behalf of the government at the handover ceremony, Republican Vice President, Her Honor, Mrs. W.K Mutale Nalumango MP said: "This level of investment and infrastructure is transformative for the community here in Sesheke and will enhance access to services at the healthcare facility, and ensure our mothers and sisters have safe deliveries."


WaterAid/ Khaula Jamil

Rasheeda collects stagnant flood water to wash clothes with. She has been living in a tent with her husband and seven children at a roadside camp after devastating monsoon floods submerged their village in Johi Tehsil, District Dadu, Sindh, Pakistan. October 2022.

Promoting good hygiene in the wake of COVID-19

Over the past year, we successfully implemented the second phase of our COVID-19 hygiene response programme, funded by the UK Foreign, Commonwealth and Development Office and Unilever under the Hygiene and Behaviour Change Coalition 2 Initiative. Working in Ethiopia, Nepal, Nigeria and Zambia, we reached more than 59 million people with key information about hygiene behaviours including through TV, radio and digital channels. We led the design of community-based hygiene training packs, which reached 2 million people. We built 58 new and restored 291 handwashing facilities across healthcare settings, schools and other public places. We delivered extensive training to ensure that these facilities are maintained going forward and last well into the future.

Pakistan emergency flood response

We are not an emergency response organisation. However, when a disaster directly affects the communities we work with, we take action to ensure people have clean water, decent toilets and good hygiene. During the devastating floods in Pakistan in 2022, thanks to donations to our Pakistan floods appeal and Zakat funding, we worked in partnership with eight local NGOs to:

- Reach **63,058** people with clean drinking water.
- Construct **305** emergency toilets.
- Distribute **9,240** hygiene kits, including menstrual hygiene products.
- Deliver **1,614** hygiene awareness sessions, reaching over **35,000** people.
- Rehabilitate water, sanitation and hygiene facilities at **50** schools and **three** healthcare facilities.

Young water, sanitation and hygiene Ambassadors in Bangladesh

Together with key partner IDEA, we delivered an in-depth training programme to empower 27 adolescent girls from tea-picking communities in Sreemangal, in Bangladesh, to become water, sanitation and hygiene 'Ambassadors' in their communities. Funded by Simavi, the training


Schoolchildren wash their hands at their school's handwashing station. Dolak, Nepal. June 2022.
WaterAid/ Mani Karmacharya

covered a range of topics including how to manage their periods safely and with dignity, how to advocate for their rights with local government, and leadership on safeguarding. We also worked with 54 groups of adolescent girls in Shyamnagar, training them to help combat stigma around menstrual health.

Tiger worm toilets in Liberia

Tiger worm toilets are an innovative technology that use tiger worms to process human waste. Thanks to funding generated by staff and supply chain partners at Wessex Water we built 11 gender-inclusive toilet blocks with tiger worm bio-digesters, improving toilets for 3,520 people in eight communities in Monrovia over three years. And, alongside our partner World Hope International, in the Peace Island community of the city, we installed three water kiosks reaching 2,240 people with clean water. To ensure the sustainability of these services, we also enhanced the capacity of community leaders to improve the governance, management and operation of the community facilities.


Kenney Kiazolu is a tiger worm toilet contractor involved in the general construction and plumbing of these toilets. West Point, Monrovia, Liberia. September 2016.
WaterAid/ Ahmed Jallanzo



Tigalana Fidah, Senior Nursing Officer, collects safe drinking water from a water purifier, provided by WaterAid, located at a busy children's immunisation centre, Ndejje Health Centre IV, Wakiso district, Uganda. May 2020.

Building the capacity of communities, partners and governments

Strong institutions are fundamental to the expansion and operation of sustainable and safe water, sanitation and hygiene. We work with many different types of institutions – from government ministries to community groups – to strengthen their capacity, tailoring our support to meet their specific needs. Together, we work to identify and address key challenges across the whole water, sanitation and hygiene system.

Our commitment to capacity strengthening, combined with strategic partnerships, continues to drive long-term improvements in water, sanitation and hygiene services by empowering others.



Teliniaina Ranavoarisoa, Supervisor in charge at JIRAMA, stands near the upper lake in Andranofotsy, Analamanga region, Madagascar. November 2021.

Repairing dams in Madagascar

We worked with JIRAMA, Madagascar's national water supply company, to repair old, leaking dams at Andranofotsy lakes, which were jeopardising water supply and amplifying flooding risk in rainy season and during cyclones. In partnership, we renovated the dams, ensuring a more resilient water service for nine villages. To ensure the project met local community needs, we facilitated dialogues between the local communities and JIRAMA to establish a sufficient water supply for crops.

We also supported JIRAMA to install 200 subsidised private water connections, benefiting 2,636 people with clean and reliable water. Following the completion of construction, we initiated a gradual handover process, transferring both the infrastructure and management responsibilities to JIRAMA to help ensure sustainability.



Alemu Ademe, Burie Town Water Utility Manager, in the water utility store, Amhara Regional State, Ethiopia. February 2022.

City-to-city mentorship in Uganda

Through our SusWASH Programme, funded by the H&M Foundation, WaterAid Uganda played a vital role in a city-to-city mentorship between four municipal authorities – Makindye Ssabagabo, Mukono, Kira and Entebbe – and the Kampala Capital City Authority to develop investment plans which will guide future planning and prioritisation of water, sanitation and hygiene services. We equipped village health teams with the necessary knowledge and skills to collect data on people's access to these services using electronic tools, such as mWater, which enables external stakeholders to analyse information thereby promoting transparency and sustainability. These insights will be key in ongoing monitoring and maintenance of the services to help ensure sustainability.

More powerful data collection in Mali

In collaboration with partners, and with funding from Conrad N. Hilton Foundation and One Drop Foundation, we supported two municipalities in Mali to develop an innovative data collection system for monitoring and planning water, sanitation and hygiene services. We conducted training sessions for six municipal staff members from Touna and Samabogo, and two coordinators from our partners APROFEM and ALPHALOG, on utilising the cloud-based data collection software, mWater. With our assistance, the municipalities successfully conducted a comprehensive inventory of their water points at the local level for the first time. According to the Secretary General of the Municipality Gaoussou Coulibaly, this initiative unearthed the extent of the waterpoint functionality challenges and our ability to provide sustainable, equitable services. The findings are being used to engage all development partners to help direct investments for lasting services where they are needed the most. It is already being used by the Government as the main reference for annual development planning.

During a consultation in March 2023, the database was shared with other municipalities, sparking significant interest in expanding the scope of the initiative to the sub-regional level.

Customer boost for Ethiopia's water utilities

With funding generated by staff and supply chain partners of Yorkshire Water, we worked in the Amhara region with four water utilities, providing tailored capacity building support, including training, mentorship, equipment, material support and micro-grants. Throughout the year, the operational efficiency of these utilities improved, resulting in an average increase of 8.4% in customer numbers and a decrease of 4.7% in 'non-revenue' water, which is water that is lost before it reaches the customer. Also, the utilities conducted satellite mapping to enhance their water resources management, prepared water safety plans and monitored water quality – all contributing to safer and more sustainable clean water for local communities.



A rain gauge used by Bina Coulibaly to monitor rainfall in the village of Bougoula, commune of Touna, district of Bla, Mali. February 2019.

Influencing policies

Influencing change on a larger scale is an increasingly important aspect of our approach. We work at the local, national and international levels, empowering communities and civil society organisations to call on decision-makers to prioritise investments in clean water, decent toilets and good hygiene.

By maintaining strong relationships with governments and other key sector actors, we can use our learning and evidence to influence policies, practices and resource allocation. We focus on promoting clean water, decent toilets and good hygiene for all, highlighting aspects that may receive less attention, such as menstrual health and hygiene management. Our influence takes various forms, from making recommendations to decision-makers to leveraging major events like the World Cup to amplify our advocacy efforts.



▲ Khadija Akhter works as the Hygiene Promoter in her community. Khadija walks around the streets playing a hygiene song from her megaphone. People of all ages, especially women and girls, reach out to her for help and information on the importance of good hygiene. Sattar Mollah Slum, Dhaka, Bangladesh. November, 2021.



▲ "I never heard anyone, even the headmaster, talk about their period before the project intervened. So, if you unexpectedly got your period, you'd tell the headmaster that you were ill and go home to protect yourself and change." – Alimata Zongo, 45, teacher at Basgana's school, Commune of Manga, Zoundweogo Province, Centre-Sud Region, Burkina Faso. May 2023.

#ChangeTheScore sanitation campaign in West Africa

WaterAid West Africa harnessed public excitement around the FIFA World Cup Qatar 2022 to promote their #ChangeTheScore sanitation campaign, raising awareness of the 256 million people in West Africa living without decent toilets. We reached over 19 million people, with over 3,000 people getting involved, creating a community of changemakers across the region who can demand more political action on sanitation.

Improving menstrual health and hygiene in Liberia

In Liberia, we worked with partners to enable civil society to campaign for improved policy on menstrual health and hygiene. We worked with the Ministry of Health to jointly launch a national campaign on International Day for Menstrual Hygiene. The campaign aimed to unite support from sexual and reproductive health and rights civil society organisations now and for the future. We also supported the Ministry of Education's School Health Division to develop menstrual health and hygiene management guidelines, which have been implemented in all schools within the Tewor and Commonwealth Districts.

Influencing city-wide inclusive sanitation in Nepal

Working with the Asian Development Bank and using our expertise as a key player in urban sanitation in Nepal, we conducted city-wide inclusive sanitation assessments in four towns. As a result of this, one municipality has developed a sanitation roadmap and guidelines for inclusive water, sanitation and hygiene in schools, and their experiences have been shared among key sector stakeholders at the national level including the government and the City-Wide Inclusive Sanitation Alliance of Nepal (CIWISAN), of which WaterAid Nepal is a member.



▲ Aasha Devi Pasman makes her way to the newly completed toilet facility at Baluwatole, Lahan-5, Nepal. April 2023.

▶ WaterAid representatives MP Fleur Anderson (left) and Timothy Ingram (right) outside 10 Downing Street holding a box containing a selection of climate messages from the UK public to the Prime Minister. London, UK. November 2022.



The findings from the four assessments are now being incorporated into sanitation plans in other municipalities, and the school-focused guidelines have since been adapted by local partners for use across the country.

#OurClimateFight campaign and COP27

Our #OurClimateFight campaign advocates for governments to prioritise investment in clean water, decent toilets and good hygiene to help people withstand the effects of climate change. Ahead of the UN Climate Change Conference in November – COP27 – we mobilised more than 26,000 actions, culminating in a hand-in at Number 10 Downing Street to the UK Prime Minister. We pushed the UK Government to raise its political ambition on water and adaptation at COP27 and were delighted to have the UK Foreign Secretary as the keynote speaker for our flagship Resilient Water Accelerator (RWA) at the event.

For the first time, the final declaration of a COP meeting explicitly mentioned water. The Government of Egypt, which hosted COP27, launched the Adaptation Agenda, which lists 30 climate adaptation targets for 2030, two of which are focused on water and sanitation services. Egypt also launched the Action for Water Adaptation and Resilience (AWARe) initiative designed to make integrated water and climate action standard practice in action towards the Sustainable Development Goals and meeting the commitments of the Paris Climate Agreement.

National climate plans

We have been working with national governments to understand and respond to climate and water threats. Our East and West Africa Regional Teams commissioned research analysing how water, sanitation and hygiene can be fully integrated into a country's climate change plans. Many of our country programme teams across South Asia, Africa and Asia Pacific are working with their respective national partners to ensure that their plans are implemented so that climate-affected communities have clean water, decent toilets and good hygiene no matter what.

Resilient Water Accelerator

The RWA is our innovative financing approach currently working in two countries, Nigeria and Bangladesh, which aims to secure a diverse source of funding, including private and climate finance, to tackle the huge climate vulnerabilities and pressure on water resources, with ongoing plans to work in more countries including Ethiopia and Mozambique. At the UN 2023 Water Conference in March, the UK Government committed both initial seed funding of £270,000 to the RWA and to a much larger future funding pot of £38 million for water programming – of which the RWA will be eligible. During the conference, the Netherlands Government also backed the initiative with €200,000. The accelerator is backed by partners including the Bank of America, African Development Bank and Arup.

Hygiene for Health campaign

Our #Hygiene4Health campaign urges governments to invest in water, sanitation and hygiene to enhance health, protect against infectious diseases and shield communities from future health crises. Three key highlights from the campaign last year include:

- WaterAid Ethiopia collaborated with the Ministry of Health to create and unveil a costed Hand Hygiene for All national roadmap addressing existing gaps in hand hygiene and supporting progress towards national and global commitments.



WaterAid/ Shruti Shrestha

▲ Dhanpata Gudiya with her newborn baby at the maternity unit of Bardiya Hospital, Bardiya, Nepal. May 2019.

- WaterAid Tanzania worked with the government to increase funding for water, sanitation and hygiene in healthcare facilities. The Ministry of Health committed to work with the President's Office, Regional Administration and Local Government (PO-RALG) to allocate 5–10% of all health sector funds within comprehensive council health plans (CCHP), directly to water, sanitation and hygiene in healthcare facilities. Consequently, 369 healthcare facilities have seen improvements by the end of June 2023.
- WaterAid UK supported an inquiry by the Water, Sanitation and Hygiene All-Party Parliamentary Group, investigating the connection between antibiotic resistance and the lack of water, sanitation and hygiene in healthcare facilities in least developed countries. The launch of the report titled *Prevention First: Why clean water and hygiene are the best medicine against the spread of drug-resistant infections* welcomed over 70 attendees, including 12 MPs and two members of the House of Lords in their parliamentary role. A month later, the UK Government announced a new initiative, WASH Systems for Health, with a budget of £18.5 million.

Working together in Nepal

Pabi Maya is the Chairperson of her local water supply scheme in Kalinchowk, a municipality of the Dolakha district in rural Nepal.

Before we started working in Dolakha, members of the community, like Pabi, would build their own, fragile pipelines to get water from a nearby stream to their homes.

In 2022, together with the local community, we completed work on a new water supply scheme, reaching 160 households and two schools with clean water. In addition, we supported the local water committee so they have the power, knowledge and funds to keep the taps running.

"The best thing about this project is my boosted confidence. In the beginning I was doubtful about my own capabilities. I am proud to say that the leadership by a female member like me has been successful."

More broadly, we also worked with local governments in Shailung and Kalinchowk to finalise their water, sanitation and hygiene plans, establishing timeframes for providing clean water to all residents in their municipalities. To support this, we offered technical training to 14 local government officials and staff. Building on our project, the local government in Shailung has already implemented and financed another water supply scheme, bringing clean water to an additional community.

▲ **Pabi Maya Thami, chairperson of the Shilaphare Water Supply Scheme, Lapilang, Kalinchowk Rural Municipality-5, Dolakha, Nepal. September 2022.**
WaterAid/ Mani Karmacharya

Our wonderful supporters

During challenging economic times, we have been overwhelmed by the generosity of our supporters. Without you, we cannot achieve our vision of a world where everyone, everywhere has clean water, decent toilets and good hygiene. We want to say a special thank you to everyone who has supported us over the past year. Here are just a few examples of the incredible contributions our supporters have made.



Carrying Life exhibition at More London Riverside. London, UK. March 2023.

People's Postcode Lottery

Players of People's Postcode Lottery have supported our work since 2013. Over the last year, players raised an incredible £3,000,000 towards our work in 2022–23. This level of support has helped so many people lead more dignified, healthy and fulfilled lives. Thank you to every player of People's Postcode Lottery. Together, we are creating lasting change for millions of people worldwide.

Carrying Life: Motherhood and Water in Malawi

In March 2023, with award-winning photographer Laura El Tantawy, we launched *Carrying Life: Motherhood and Water in Malawi*, a multimedia exhibition in London about the nearly one in four healthcare facilities in Malawi that are without clean water on site, leaving mothers and babies at risk of deadly infections. Thanks to the Wimbledon Foundation, we have now provided these essentials in four clinics in Ntchisi district, as part of our ongoing collaboration to bring water, sanitation and hygiene to healthcare facilities and communities in Ethiopia, Madagascar, Malawi, Mali, Myanmar and Nepal.

Boosting Business Reports

Funded by Diageo, Gap Inc., HSBC, Twinings and ekaterra, we conducted a pioneering research project to show the business benefits of investing in water, sanitation and hygiene, and to encourage more companies to invest directly in these essentials and leverage their influence to persuade suppliers to act. We collected data from tea estates in India and Kenya, apparel and leather supply chains in Bangladesh and India, and agricultural smallholder farms in Tanzania.

Tetra Laval

Tetra Laval is generously supporting our work to reach 6,000 school children across 30 schools in Karachi, Pakistan with clean water, decent toilets and good hygiene. Across Karachi, Pakistan, 91% of water sources are not safe for human consumption, hugely impacting schools in the area. In addition to this, 71% of schools lack inclusive toilets resulting in thousands of children, especially girls, dropping out of school or not even enrolling. Thanks to the support of Tetra Laval, over the next three years we will be able to support young girls to achieve an education whilst providing a blueprint for water, sanitation and hygiene intervention in schools elsewhere in the country.

From boy to Ironman!

Eight-year-old Mu'awwiz has taken on a number of incredible challenges to support communities around the world. From cycling events to a Half Ironman Triathlon, Mu'awwiz's boundless energy and updates on his JustGiving page have raised thousands for our work and inspired others.

"It is sad to think many people around the world still don't have access to clean water or decent toilets. We have to help!"

Ray Heslop: 40 years of dedication

Ray Heslop, water engineer and WaterAid volunteer, dedicated his life – and legacy – to clean water. Ray played a crucial role in shaping our early days in the 1980s as a volunteer with his local WaterAid committee. After retirement, Ray worked first as a technical advisor to provide clean water in Sierra Leone, and then alongside communities worldwide, as well as regularly speaking at industry events.

Even at 80, he travelled weekly from north-east England to WaterAid HQ in London, to answer technical queries from students, engineers and other organisations.

Sadly, Ray passed away this year and will be sorely missed by the WaterAid family. We are deeply honoured that so many people, like Ray, choose to add WaterAid to their wills. These gifts are vital in helping to reach everyone, everywhere. Ray's legacy means his lifelong commitment to clean water will continue to help future generations thrive.

Bagging munros for our vital work

Scottish Water took part in the WaterAid Munro Challenge last summer, where hundreds of people conquered 35 of Scotland's highest peaks – 'munros' – in just one day to raise an incredible £35,000 for communities in Malawi. Inspired by the event, Andrew Walker, Head of Communications at Scottish Water, also took on a personal challenge to 'bag' 40 munros for WaterAid, raising a further £2,470.

"Fundraising by doing things like climbing and hiking can make a real difference in countries where people have to walk long distances to access clean water."



Ray received the WaterAid President's Award in 2018, for his outstanding contribution and lifelong work helping communities to get clean water. Pictured with Tim Wainwright (left), WaterAid's Chief Executive, and Tim Clark (right), then-Chair.

Speaking up for WaterAid

Our volunteer speakers delivered 629 talks and workshops to over 36,000 people the UK and around the world. We are hugely grateful to people like Perminder Balu who have been spreading the word about the importance of clean water, decent toilets and good hygiene.

"As a child of Indian immigrant parents, I witnessed the stark contrast between developed countries' strong economies and the lack of opportunities for girls without access to toilets and clean water. My mother, like many, never attended school but instead carried water. I strive for a future where children won't face the same challenges."

The White Horse Challenge Team

In 2004, Fergal and friends climbed Kilimanjaro in Africa and witnessed the urgent need for clean water and sanitation. They organised their first cycling event, Ride the Ridgeway, which evolved into the White Horse Challenge by 2007. This year, the Challenge raised £7,500, bringing their group's total fundraising to an incredible £160,000.

Our people

We are committed to supporting our staff to reach their fullest potential, prioritising both their physical and mental wellbeing. At the same time, we focus on identifying, developing and recruiting the skills essential to delivering our new Global Strategy. This commitment to growth extends to our organisation as a whole, as we strive to become an ever-more diverse and inclusive global team.



WaterAid volunteers at the WaterAid stand shop, Glastonbury, England. June 2023.

Responding to our employees

In last year's global employee engagement survey, of 1,178 staff responders, 91% would recommend WaterAid as a good place to work and 95% felt proud to work here. We remained focused on improving how we collaborate and work more effectively as a global organisation, ensuring that decisions are made by those best placed to make them; and developing our leaders to further empower our staff.

The value of courage

Our annual week to celebrate and recognise our values last year focused on courage. Through the lens of our 2022–2032 Global Strategy, we explored why courage is so crucial to our mission and recognised 43 individuals and teams across 34 countries for demonstrating our values in their work by awarding them a Global Value Award.

A diverse team, united in our mission

Our new Global People and Culture Strategy, developed in collaboration with staff from across the federation, aims to create an inclusive organisation that prioritises the wellbeing of our diverse and talented staff. We emphasise global unity, personal growth and collective efforts to end the water, sanitation and hygiene crisis.

Wellbeing and good mental health for all

WaterAid UK prioritised wellbeing and good mental health with its second annual Wellbeing Day. Staff engaged in webinars, local activities and heard personal stories from senior leaders. During the year, line managers undertook eLearning courses on supporting teams and their own wellbeing. Psychosocial support services were established for mental health access in WaterAid UK regions. A new series of our 'Let's Talk' podcasts expanded to address diverse topics, reducing stigma and raising awareness of mental health issues.

Responding to rapid increases in the cost of living

We supported staff during global economic turbulence caused by COVID-19 and the war in Ukraine. Nine countries triggered the economic turmoil policy, including Pakistan which experienced high inflation due to political unrest.

Keeping our people safe

We prioritise the safety of our staff, partners and the communities we work in. Regional working groups addressed topical risk management, such as election contingency planning in West Africa. A proactive risk-led programming approach was implemented in high security-risk areas.

Resourcing our strategy

To deliver our ambitious new Global Strategy, we need the right people, with the right skills, in the right places, at the right time. Last year, we conducted a comprehensive people planning exercise across all teams and countries. We identified existing talent and recognised the need to develop skills in advocacy, influencing and climate change. We mapped where the talent is that we need, aiming to build talent pools in required areas. We also strengthened our arrangements to manage global secondments and access talent in countries where we are not registered, ensuring flexibility in employing staff where needed.

Accelerating towards 2030

The Accelerate to 2030 leadership development programme was redesigned to align with the new strategy, focusing on agility, empowerment and decisiveness. A virtual retreat experience called Accelerate Connections fostered better connections, learning and collaboration among senior leaders.

Building a culture of respect and inclusion

We established the global Power and Diversity Steering Group to lead our journey to strengthen our diversity and inclusiveness and address power imbalances. The group drives the One WaterAid programme of five priority areas for change: diversity and inclusion; culture and change; organisational structure; decision autonomy; and resource allocation. Commitments to diversity, equity and empowerment were developed alongside virtual workshops and e-learning to deepen awareness and allyship. An internal e-magazine called *Belonging* was launched to amplify voices, share updates and promote wellness through a diversity and inclusion lens.

Looking forward to 2023–24

This year (2023–24) is the second and final year of transition to our ambitious Global Strategy (2022–2032).

Our priorities for the coming year combine efforts that continue to accelerate work in two strategic areas with strengthening and adapting key foundational factors:

Priority 1: Embed and grow our work building communities' resilience to the impacts of climate change through sustainable and safe water, sanitation and hygiene. To do this, we will:

- Work with communities to design and build context-specific, climate resilient water, sanitation and hygiene services, paying particular attention to the needs of people living with marginalisation and exclusion.
- Use evidence from these projects to inform our advocacy efforts, influencing governments, multi-lateral institutions and the private sector to prioritise water, sanitation and hygiene in climate adaptation plans.
- Continue to develop the RWA: an ambitious initiative bringing together governments, the private sector, development banks and civil society to reach 50 million people with clean water, decent toilets and good hygiene in water-stressed areas in a decade. Specifically, we will focus on our pathfinder countries of Nigeria and Bangladesh.

Priority 2: Accelerate progress on the prioritisation of water, sanitation and hygiene in healthcare settings and among the health sector more broadly. To do this, we will:

- Work with communities and partners in the health sector to design and deliver inclusive services in healthcare settings.
- Develop and run effective hygiene behaviour change campaigns, defining the link between hygiene behaviour change for public health and building these into existing public health programmes, for example immunisations and maternal health.
- Work with governments to give water, sanitation and hygiene the funding required within health plans and budgets.

Priority 3: Embed our new Global Measurement Framework for assessing progress against our strategy. This will enable us to see and understand the impact we are having at national and global levels, capture key achievements and learnings, and continue to innovate with communities, partners and governments as we strive towards our mission.

Priority 4: Invest in growing our income in the most cost-effective way to increase the overall funding for our work. To do this, we will:

- Operationalise our new five-year fundraising strategy including the development of innovative and new fundraising products and prioritising high potential audiences.
- Launch our new approach to communications including our new *Representation in communications policy* to ensure inclusive communications, and increased focus on advocacy and influencing.

Priority 5: Continue to prioritise our people and support our staff to be their best. To do this, we will:

- Ensure we have skills in place to deliver our strategy – deepening our expertise to achieve our ambitious goals and strengthening diversity.
- Deliver our commitments to diversity, equity and addressing power imbalances that are obstacles to our mission.



▲ Anjali, who has a visual disability, washing her hands with soap and water at her school's handwashing facility. Lahan, Nepal. July, 2022.

WaterAid/ Govinda Subedi

Thank you

Your support is the lifeblood of our organisation. The passion of individuals and organisations for our vision of clean water, decent toilets and good hygiene for everyone, everywhere, drives everything we do.

There is not enough space to thank everyone, but please know that our heartfelt gratitude extends to all those who supported WaterAid last year.

▼ Tefy, Satriniaina and Salohy wash their faces at the handwashing station in their school, Madagascar. January 2023.



COMPANIES AND PARTNERS

Apex
Belu
Diageo
Canary Wharf Group
DP World
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Giorgio Armani Beauty
Glastonbury Festival
Halma plc
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UK WATER INDUSTRY STAFF, SUPPLY CHAIN AND CUSTOMERS

Affinity Water
Anglian Water Alliance partners – Beacon project
Anglian Water Services Ltd
Bournemouth Water
Bristol Water Plc
Dŵr Cymru Welsh Water
Environment Agency
Essex and Suffolk Water
Northern Ireland Water
Northumbrian Water Ltd
Scottish Government International Development Fund
Scottish Water
SES Water
Severn Trent
South East Water
South Staffs Water
South West Water
Southern Water
Thames Water
United Utilities
Welsh Water
Wessex Water
Yorkshire Water

PHILANTHROPISTS, TRUSTS AND FOUNDATIONS

Fondation Prince Albert II de Monaco
Lord Howard Leigh
Matt and Amy B
Michael Pugh
Players of People's Postcode Lottery
Sharegift
Stiftung Drittes Millennium
Tetra Laval
The Alchemy Foundation
The Constance Travis Charitable Trust
The Dinswade Trust
The Reo Stakis Charitable Foundation
The Waterloo Foundation
The Zochonis Charitable Trust

LEGACY GIVERS

All the individuals who kindly left a gift in their will.
Patricia Hobbs

INDIVIDUAL AND COMMUNITY SUPPORTERS

Arnab Chakraborty
David Fortune
DON'T WALK Charity Fashion Show
Mary-Anne Dyer
Mu'awwiz Anwar
New English School
Ripon Grammar School
Rotary Clubs of Great Britain and Ireland
Sing for Water choirs
White Horse Challenge fundraisers
All of our wonderful volunteers

INSTITUTIONAL FUNDRAISING

African Population and Health Research Centre
Burnet Institute
Cowater International
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
Dutch WASH Alliance/Simavi
European Commission
Foreign, Commonwealth and Development Office (FCDO)
Global Challenges Research Fund
India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund)
Irish Aid
Japanese International Cooperation Agency
KFW Development Bank
London School of Hygiene and Tropical Medicine – Sustainable Climate Impact Fund
Osprey Foundation
Punjab Rural Municipality Services Company
Riksinsamlingen Världens Barn
Solidagro
Swiss Agency for Development and Cooperation
Swedish International Development Agency
Swedish Operakällaren
Swedish Postcode Lottery
Swedish Radio Appeal Board
Swiss Water Partnership
UNICEF
United Nations Development Programme (UNDP)

Supported by players of People's Postcode Lottery
Awarded funds from Postcode Global Trust
Scottish Government Riaghaltas na h-Alba gov.scot
Sida
European Commission
Foreign, Commonwealth & Development Office

Financial summary

Income

Total income in 2023 was 3% higher compared to the prior year, driven by increased income from legacy gifts, fundraising events and grant funding for specific activities. This offset the drop in donations from individual givers, major donors and trusts that were all negatively affected by uncertainty in the economic environment. Unrestricted grant income from other members also fell due to changes in government and their approach to international aid.

Giving from individuals continued steadily and companies and philanthropic organisations supported our work with greater generosity than we planned for. We are immensely proud of and grateful for this, as it has a direct impact on our ability to respond to the difficult circumstances experienced in the countries where we work.

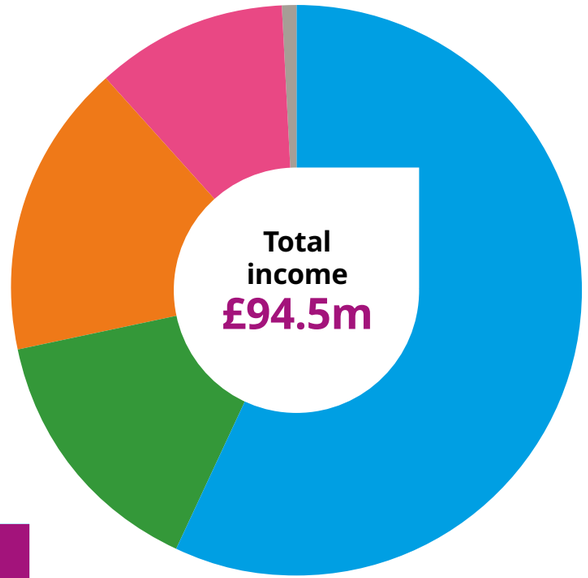
Unrestricted funds

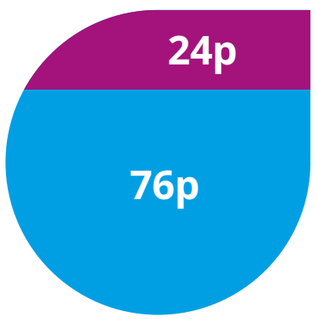
We ended the year with an unrestricted deficit of £1 million which reduced our operational reserves at the end of March 2023 to £23 million (2022: £24 million). This is above the target minimum range of £13-17 million which we will draw on to manage future risks associated with the current economic environment and to invest in our strategic priorities. More detail on our reserves policy can be found on p32.

Restricted funds

Restricted funds of £13.6 million represent funds that have a specified purpose as expressed by the donor. Expenditure is charged to the specific fund in line with the terms of the donor contract. The trustees have no discretion to allocate the funds to any other use.

- Individual supporters **£53.8m**
- Corporate and trust supporters **£13.9m**
- Other WaterAid member countries **£15.9m**
- Governments and other institutions **£10.4m**
- Other income **£0.7m**





In every £1 spent 76p went on delivering services and making change happen and 24p went on fundraising and governance.

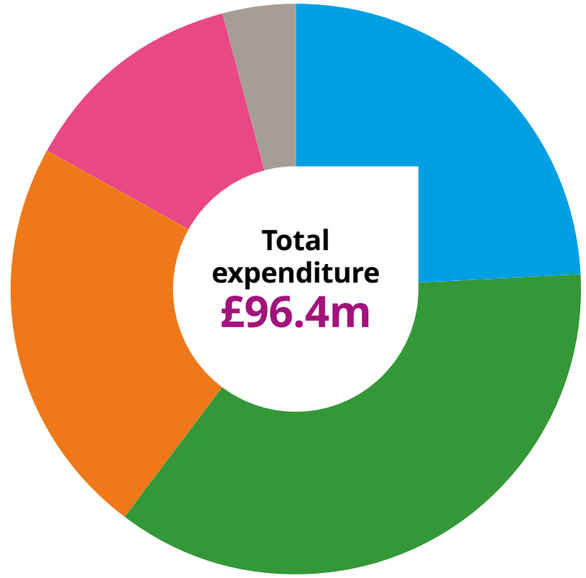
Expenditure

Total expenditure increased by 14% on the previous year. Spending against already secured funds increased as project delivery activities in communities returned to pre-lockdown. The expenditure includes costs for transition to the new Global Strategy and country programmes improved their spend compare to previous year. Going into 2023–24, the challenging environment to deliver sustainable and quality programmes of work continues, political instability and insecurity in some countries, war in Ukraine affecting critical supply of goods (especially to Africa) and weakening global economics contributing to rapidly rising inflation.

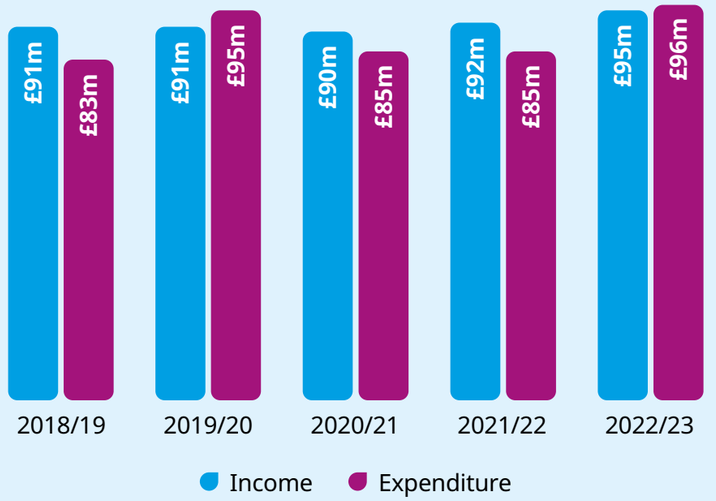
- Fundraising **24%**
- Supporting partners to deliver water, sanitation and hygiene **36%**
- Strengthening national and local capacity to deliver services **23%**
- Influencing policy in water, sanitation and hygiene **13%**
- Supporting WaterAid globally **4%**

Reserves

We had planned to end the year with a small surplus but ended the year with an unrestricted deficit of £1 million reducing our operational reserve. However, our operational reserve at the end of March 2023 was £23 million (2022: £24 million) above the target minimum range of £13–17 million. We will draw upon this excess to manage future risks associated with the current economic environment and to invest in implementing our Global Strategy.



Income and expenditure 2018–2023



Fund balances

As at the end of March 2023, the closing total charity funds were £42 million, made up of the following:

- General funds **£22.8m**
- Designated funds (Fixed assets fund) **£5.7m**
- Restricted funds **£13.4m**

Safeguarding

Our commitment

We are 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 (wateraid.org/uk/publications/global-code-of-conduct), which sets out our high standards of expected behaviour, and explains what will happen if these standards are not met.

Safeguarding activity

We ensure all reports of misconduct are fully investigated by trained staff, with a survivor-centred approach, and that appropriate actions are taken to protect and safeguard everyone involved.

During 2022–23, our Global Safeguarding Team received reports of 28 safeguarding concerns from across the WaterAid federation. Of the 28 global safeguarding cases raised 20 related to WaterAid UK directly. When reporting safeguarding cases, we report data from across the WaterAid federation due to the transferable risk that safeguarding issues potentially expose all members to. All cases are managed centrally by a federation wide professional safeguarding team.

We resolved seven cases following an initial safeguarding review and 21 cases led to a safeguarding investigation. Of the 21, one case relating to organisational misconduct by a staff member, and two incidents of physical abuse against WaterAid volunteers, were reported to the Charity Commission, who were satisfied with our investigations and recommendations.

12 cases were found to be unsubstantiated or unfounded due to insufficient evidence; and no reports were found to be malicious.

The outcome of the findings led to the following actions:

- Two staff members were dismissed.
- One member of our contractor staff received a written warning.
- One visit from our Global Safeguarding Team for additional training and support.
- One thorough learning review with improvements to how we classify, define and respond to safeguarding incidents.

Other cases led to the development of personal welfare plans, risk management plans, individual action plans and recommendations for training.

The number of cases reported this year is higher than the previous year and we believe this is a positive reflection of increased confidence to report. However, given the scale of our operations and partnerships, and the challenging contexts in which we work, we recognise there is likely to be a degree of underreporting. We remain committed to improving and strengthening our safeguarding reporting and responses with the partners and communities we work with.

Governance

Each WaterAid federation member has appointed a safeguarding trustee who ensures WaterAid Boards achieve their safeguarding responsibilities.

Our Global Head of Safeguarding provides written reports to all WaterAid Boards, attends the WaterAid UK Board meetings, and liaises regularly with our safeguarding trustees.

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

Section 2 Key policies and processes

Training and awareness

We have a global network of over 30 Safeguarding Focal Points, who have engaged with communities via local radio, created safeguarding champions within communities and community water, sanitation and hygiene committees, and helped to contextualise safeguarding by working with communities on reporting mechanisms and campaigns.

Strengthening the sector

We were actively involved in the development of InterAction's Core Standards for Survivor-centred Support of Sexual Exploitation, Abuse and Harassment and we have updated our policies to reflect these standards.

We actively shared our experiences of safeguarding at global conferences and within local safeguarding networks in many of the countries where we work.

For more information, please see our Safeguarding page at wateraid.org/us/safeguarding-at-wateraid

Modern slavery

Our full Modern Slavery statement is available at wateraid.org/uk/modern-slavery-statement. It outlines our commitment and coordinated action in relation to the Modern Slavery Act 2015 in respect of our policies for staff and partners, and our operations and supply chains. During the year, we updated the Global Ethical Standards and Policy, which explicitly references modern slavery and human trafficking. Any concerns around modern slavery or trafficking are reported, recorded and dealt with through safeguarding procedures. During 2022–23, no safeguarding concerns about modern slavery were reported.

Diversity and inclusion

Everything we do is guided by our values of respect, collaboration, accountability, innovation, courage and integrity. We treat everyone with dignity and respect, and champion the rights and contributions of all to achieve a fairer world. We are passionately committed to being an organisation where everyone is welcome, respected, included and empowered to be their best.

We represent and celebrate the diversity of our staff, partners and everyone we work with, and seek to create a culture where everyone can reach their full potential and bring their unique and valuable contribution. We act with honesty and conviction and our actions are consistent with openness, equality and human rights.

We have policies in place to ensure we give candidates, existing staff and volunteers equal opportunities to succeed, and we are registered as a Disability Confident employer in the UK. We support flexible working and encourage staff to develop to match their circumstances and aspirations. We are dedicated to achieving the highest standards of diversity, equity and inclusion and welcome people of all backgrounds, beliefs, customs, traditions and ways of life to work with us. This includes, but is not limited to, race, gender, disability, age, sexual orientation, religion, national or social origin, health status, and economic or social situation.

Anyone can raise a safeguarding concern by contacting the Global Safeguarding Team on **+44 (0)207 793 4468** or at **safeguarding@wateraid.org** You can also report concerns to our independent whistleblowing service, Safecall.

Managing risk

We work in countries where a level of risk is inevitable. We have an active risk management process in place to make sure appropriate steps are taken to manage and mitigate risk across the organisation.

The Board of Trustees and Directors team have been clear that the areas where risk should be assessed most cautiously relates to the health, welfare, safeguarding and security of people and the reputation of WaterAid. In other areas, there is an evaluation of risk and reward before taking opportunities. Managed risks will be taken where there is a reasonable basis for believing that this will be to the benefit of people in relation to clean water, decent toilets and good hygiene.

The Board of Trustees has overall responsibility for ensuring that we have a system of internal control, management and audit to take advantage of opportunities and manage risk effectively. Assessment of risk and opportunity is central to WaterAid's decision-making processes, planning and monitoring.

Our process

- Risk registers that capture the risks identified across WaterAid by individual departments, including prioritisation based on likelihood and materiality as well as controls and future mitigating actions to be taken.
- An annual risk management plan which is produced by the Directors team for review and approval by the Board of Trustees.
- A risk management review is carried out by the Audit Committee twice a year.
- An annual emerging risk session with Directors and Board of Trustees.
- Regular audits are carried out by our Internal Audit team and reported to the Audit Committee.
- Multi-year planning and budgeting which focuses on milestones linked to delivering the Global Strategy.
- Financial reporting which compares results with the budget on a monthly, quarterly and yearly basis.
- Value for money principles which guide when and where we source goods and services, how we benchmark salaries, and our policies on investment and reserves.

Significant risks in the year under review

The high risk areas we identified in our business planning and operations were related to the effects of unstable global politics and severe economic challenges, as the war in Ukraine intensified, drawing attention away from sustainable development objectives.

- **Global economy:** The war in Ukraine and continued recovery from the impact of COVID-19 caused major disruption to the global economy, with significant risk of global recession. High inflation rates increased the cost of delivering programmes as well as impacting individuals' spending choices and affecting corporate and institutional decision-making.
- **Delays and disturbances to programme delivery:** Disruption and delays to delivering on programme commitments, due to political instability and security issues as well as the impact of extreme weather events.
- **Safeguarding and security:** Risk of harm to people due to a safeguarding or security incident continued to be an elevated risk. Global leads for safeguarding and security were in place along with safeguarding and security focal persons in country programmes and UK departments. There was regular staff training, with additional training in high-risk countries.

Main risks for the year ahead

Global economy: Inflationary pressures are affecting our ability to deliver planned work to agreed budgets. This relates to UK and overseas purchased goods and services as well as pay costs. The increased cost of living is also negatively impacting the number of new regular givers we can attract, putting future unrestricted income growth under pressure.

Staff retention and critical skills shortage: We operate in a highly competitive job market so there is a risk that we cannot retain staff and find it difficult to recruit the talent required to deliver the strategy. We continue to retain staff through a good working environment and regularly benchmark our pay. We recently launched a staff representation forum, which will help us better understand reasons for any staff dissatisfaction and if staff retention drops.

Safeguarding and security: Risk of harm to people due to a safeguarding or security incident continues to be an elevated risk. Global leads for safeguarding and security are in place along with trained safeguarding and security focal persons in all countries. The security environment is worsening in some WaterAid countries, which impacts our ability to deliver in some districts where we work. Staff in high-risk countries receive additional training including insecurity sensitive programming training, which is focused on West Africa.

Systems and cyber security: As demonstrated by the recently detected hack of the UK electoral register, cyber security breaches are still a high risk to any organisation. We have invested in several new technologies that are monitored 24/7 including Multi Factor Authentication. We have also been boosting our staff and training awareness program focusing particularly on Phishing and Ransomware. WaterAid are Cyber Essentials Certified and we remain committed to continuing to improve our security posture to ensure our staff and stakeholders operate safely.

Ability to operate: Challenges to register as an NGO/INGO or strict admin/programme spend requirements make compliance to country-specific regulations challenging. There is increased reputational risk for INGOs within some of the countries where we deliver our work.

Our public fundraising approach

We raise a significant percentage of our funds from the public and our primary aim is to ensure we do this in a respectful and inspiring way, consistent with our core values. We also support measures that will improve public trust and support for fundraising in the charity sector as a whole.

In order to raise funds and awareness and enable supporters to get involved, we rely on a variety of different activities including – fundraising over the telephone, through letters and emails and by television, digital and press advertising, from legacies, events and community fundraising and from philanthropists, trusts, foundations, public sector bodies and corporate partners.

We speak to many supporters by telephone each year, if they have given prior consent for this. We use a professional telephone fundraising agency, Angel, to carry out this work on our behalf in accordance with our own high standards and sector regulation. We closely monitor our agency's compliance, training and call quality to ensure we provide our supporters with the best experience. We use an independent assessor to monitor a minimum of 2% of calls made, providing the agency with detailed feedback and training actions where appropriate. Should a call fail to meet our quality expectations, we will take immediate action such as removing a fundraiser from the WaterAid account pending retraining, or permanently for more serious call quality concerns.

We provide training on vulnerability to Angel fundraisers every quarter and campaign managers do separate training for any appeals being managed at Angel. As part of their induction to working on a WaterAid campaign, all Angel fundraisers are required to sign a Code of Conduct stating they will protect people in vulnerable circumstances and uphold WaterAid high standards in their fundraising.

We have quarterly reviews with Angel to discuss performance. Campaign managers have more frequent calls when campaigns are live and we have fortnightly calls to discuss call quality.

To ensure our telephone fundraising is of the highest standard, we run a full tender every three years to ensure we partner with an agency who can deliver the exceptional quality our supporters expect.

You can learn more about our approach to telephone fundraising at wateraid. org/uk/telephone-fundraising

To protect potentially vulnerable supporters, all new fundraisers who join WaterAid must complete the mandatory Fundraising Compliance Induction training, delivered by the Fundraising Compliance Team, on protecting people in vulnerable circumstances, what vulnerability means and how to recognise and respond appropriately to a potentially vulnerable supporter.

You can read our Vulnerable Supporter Policy, informed by industry guidelines, on our website at wateraid.org/uk/our-fundraising-promise

As per our Privacy Policy, we provide supporter details to agency partners fundraising on our behalf. However, we do not give or sell our supporters' details to anyone else, and we do not contact people from 'cold' lists.

Whenever a partner fundraises on our behalf, we put in place data sharing agreements to ensure the security and fair processing of personal data in accordance with the General Data Protection Regulation (GDPR). When considering a new partner who would process personal data, we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the Chartered Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy seriously and are committed to protecting our supporters' personal information. You can read our Privacy Policy on our website at wateraid. org/uk/privacy-policy

We are registered with the Fundraising Regulator and pay an annual levy as required. We support public consultations on their Code of Fundraising Practice, work diligently to ensure compliance with the Code and champion its standards across all our fundraising, and adhere to the requirements of the Fundraising Preference Service.

It is vital that we communicate with our supporters in the manner they prefer, respecting their privacy and communication preferences. We actively encourage supporters to contact us with any feedback, and we give complaints our utmost attention, to help us improve our fundraising approach.

During 2022–23, we made 4,734,961 contacts using email, mail, telephone and SMS.

We received 146 complaints about our fundraising, 0.003% of the total contacts we made. These were 78% of all complaints received. Our Supporter Care team investigates every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work. The key causes were direct mail (58%), television advertising (14%) and online activity (14%).

Section 2 Key policies and processes

Data protection

The UK GDPR sets out the responsibilities that organisations in the UK have in relation to the personal data they process.

We adhere to the principles of the UK GDPR and have the structures in place to support them. We maintain high standards but acknowledge that compliance is a continual journey and we always strive to make improvements wherever we identify opportunities.

We take privacy seriously so that our supporters can trust us with their data. We always demonstrate our accountability to the principles of the UK GDPR and have the following in place to help protect personal data:

- Data protection policies and guidance.
- Simple processes allowing our supporters to easily exercise their UK GDPR rights.
- Appropriate internal governance arrangements to support data security and management.
- Contracts with all of our data processors (e.g., our mailing house) to ensure they adhere to the same data protection standards that we do.
- New starter and bespoke training programmes to ensure our staff get relevant and helpful guidance on their data protection responsibilities.
- Data Protection Impact Assessments whenever we embark on a new fundraising initiative, ensuring data protection is at the centre of everything we do.

For more information on how we use and protect personal data, please see our Privacy Policy at wateraid.org/uk/privacy-policy

Managing our finances

Reserves policy

Our reserves policy seeks to retain a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target for the operational reserve is reviewed on an annual basis and for 2022–23 the minimum target range was £13–17 million. The operational reserve at the end of March 2023 was above this range, at £23 million. We expect a deficit in the current year, due to the lower income projections, inflationary pressures on expenditure and also investments we want to make in our strategic priorities. We expect these factors will bring reserve levels closer to the target range.

The majority of our unrestricted income is generously donated by individuals through regular gifts, legacies or fundraising events. Throughout the year, cost of living pressures continued to challenge our fundraising ambitions. At the same time, high levels of inflation in most countries where we work put pressure on our ability to deliver our programmes within budget. We had planned to end the year with a small surplus of £0.2 million but ended the year with an unrestricted deficit of £1 million primarily due to more restricted and less unrestricted income from other members than planned.

Total funds at 31 March 2023 were £42 million, of which £13 million was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals – the restrictions that these partners place on the funds they give us can range from a focus on a region, theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

We aim for as much flexibility in our funding portfolio as we can achieve, working in partnership with those that fund us. We are stringent in our management of all our funding, whether restricted or unrestricted.

Investment policy and performance

We hold short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits. Accordingly, our investment policy is to hold cash or invest in short-term liquid deposit accounts only at those banks with a high credit rating. We don't invest in stock and shares.

Our cash balances were similar to the previous year, but due to increases in the interest rate in the UK, investment income increased to £379,000 in 2022–23 (2022: £20,000); we expect improved rates of return on cash balances to continue in 2023–24.

Going concern statement for 2022–23

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of at least 12 months following the signing of these accounts, so the period to at least the end of November 2024.

Our annual budget and plan, approved by the Board in March 2023, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base for the years to 31 March 2024 and 31 March 2025.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared to the budget assumptions reflect lower income and a higher cost base.

We have also prepared an acute or 'worst case' scenario, which combines high inflation with a prolonged cost of living crisis affecting stock and property prices, a material reduction in regular giving and no continued funding received from Peoples Postcode Lottery.

Although the impact of the acute scenario is severe and would require the consideration of mitigating actions which are wholly within our control to reduce our discretionary cost base, the analysis indicates that the Group would have sufficient liquidity and reserves to honour our committed funding obligations and to maintain sufficient liquidity throughout the going concern period.

Robust monitoring processes are in place to ensure that the organisation is able to react quickly to any downturn in income and the short term deposit investments held can be liquidated quickly in the event that they are required. The Group currently has no bank financing or loan agreements and therefore there are no covenants to consider.

The Group will maintain its investment and cash reserves within its target range of £13–17 million. As at 31 March 2023, the Group had managed cash and investments of £23 million, well above the target minimum liquidity that the Trustees have set in order to remain in a financially stable position.

Taking into account our current position and our principal risks, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 12 months after the approval of these financial statements, namely the period to November 2024 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

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.

How we operate

WaterAid is a global federation of which WaterAid UK is a member. There are six other members in America, Australia, Canada, India, Japan and Sweden. All federation members are independently constituted organisations with their own boards. WaterAid UK receives funding from other members of the federation to deliver services and make change happen. At the same time, WaterAid UK invests in other members to support their future growth. WaterAid UK also funds part of the running costs of WaterAid International – a requirement of all members.

Legal structure

WaterAid was established by Trust Deed on 21 July 1981, incorporated on 30 January 1984 and registered as a charity in England on 22 February 1984. WaterAid registered as a charity in Scotland on 3 April 2008.[iv] WaterAid has a Memorandum which sets out the objects and powers of the organisation and is governed in accordance with its Articles of Association.

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. At 31 March 2023, there were 44 company members. WaterAid UK is a member of the WaterAid federation. WaterAid International was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid International accounts do not require consolidation into WaterAid UK accounts as WaterAid UK does not exercise control or significant influence over WaterAid International.

Trading company

The principal activity of WaterAid Trading Limited ("the Company") is identifying and undertaking commercial licensing deals. WaterAid Trading Ltd made a net profit of £310,894 on a gross turnover of £439,000. A deed of covenant is in place whereby all profits generated by the company are gift aided to the parent charity. This trading company is wholly owned by WaterAid which primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

Organisation structure

WaterAid has an office in London where the Chief Executive and a team of five Directors and the Internal Audit and Compliance department are based, alongside the secretariat for WaterAid International. The Directors are responsible for the Departments of International Programmes; Policy and Campaigns; Finance and Information Technology; Communications and Fundraising; and People and Organisational Development.

As of 31 March 2023, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa.

Country Directors and Team Leaders in each branch report into a Regional Director. All are appointed by and accountable to the Director of International Programmes. Country Heads of Finance report to the Country Directors and have a dotted line to the UK-based Director of Finance and IT. WaterAid also works in partnership with civil society networks and other organisations in countries where there is no WaterAid presence.

Carbon report

- The annual quantity of energy we have consumed is 213,958 kWh and the amount of carbon dioxide we have emitted is 41,375 kg. These quantities have been calculated using our office online energy portal, which links to our on-floor energy meters. Our intensity ratio was 118.89 kg – CO2/staff member (41,375 kg CO2/348 staff) compared to 125.69 kg last year. The reduction in carbon output is marginal but reflects the ongoing underoccupancy of our office space as we migrate to a new hybrid way of working. The intensity ratio has reduced from 2020 (base year) by 37%. As we further develop our approach to hybrid working, we continue to assess how to maximise the use of our office space while liming our carbon impact.
- Two of four of our 2023–2032 Global Strategy aims directly target the environment: increase climate change resilience, and scale-up universal, sustainable and safe water, sanitation and hygiene in focused geographic areas to influence wider change.
- Led by WaterAid Sweden, we embarked on a new sustainability journey to maximise benefits for climate adaptation and mitigation, water security and environmental protection, and to actively measure and address any adverse impacts. During Q4 of 2022–23, the Global Executive board approved a Global Environmental Statement committing WaterAid to establish an integrated global sustainability policy and reporting framework to guide our 2023–2032 Global Strategy implementation.
- To support this, we conducted a context-based Global Environmental Assessment to serve as the basis for further integrating environment-focused action into our operations and programmes. The assessment identified opportunities for positive environmental impact through our work, and risks for negative environmental impact affecting or affected by our work, including, risks related to environmental degradation, climate change and loss of biodiversity affecting environmental sustainability.
- The assessment gave recommendations to guide our strategic transformation process during 2023–24 towards environmental safeguarding and global disclosure. The process is facilitated by a Global Sustainability Lead, who will be conducting an in depth due-diligence and materiality analysis to set-up priorities for addressing environmental impact across the federation, and set-up new sustainability performance measurement framework. In turn, this will help us understand how we can maximise benefits and address risks, and will give us credible evidence that will form the basis for our global sustainability disclosure.

WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. We have a conflicts of interest policy and procedure, and a register of interests is held by the Company Secretary. Trustees and senior management are expected to sign a declaration when they join and update this annually.

We are committed to the highest standards of governance and seek to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, we meet all applicable areas of key compliance of the Charity Governance Code. In December 2020, the code was updated to include a new principle on Equality, Diversity and Inclusion, and in the same month the Board of Trustees committed to delivering on a new antiracism and diversity framework. In the framework, we commit to being an antiracist organisation where diversity is celebrated.

In 2021, a Trustee was assigned to lead on equity, diversity and inclusion, ensuring an effective approach throughout the organisation and in its own practice as a Board. Managing safeguarding and security risks are also priorities for the Board of Trustees.

Following an amendment to our Articles in 2017, Trustees elected since then serve a four-year term (renewable once). In occasional circumstances, these periods may be further extended to retain specific skills.

The Board of Trustees has four sub-committees:

1. The Audit Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management

[iv] xxxxxxxxxx

processes, IT and communications systems, capital spend projects, office occupancy strategy and internal and external audit.

2. The Nominations and Governance Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees to achieve an appropriate and diverse mix of skills and experience across the Board as a whole.

3. The People Committee reviews the development of our people management policies and practices including our salary policy, with a particular focus on executive remuneration.

4. The Communications and Fundraising Committee oversees and monitors fundraising procedures, policies and activities. It also provides advice on activities that may pose financial, regulatory or reputational risk.

All these committees have terms of reference published in the governance manual, which is on our website. An induction programme is held for Trustees joining the Board. Trustees are invited to participate in seminars with staff as well as being expected to visit our work to familiarise themselves with our operations. As part of the development of the Board, a Board evaluation is held biennually and individual Trustees are performance assessed each year.

The members of the Board of Trustees who have served during the year are listed in the Board of Trustees section on page 40, together with the President, Vice President and Directors team.

Day-to-day management of the charity is delegated by the Trustees to the Chief Executive. The planning and reporting arrangements in place give Trustees confidence that the charity is being managed effectively.

Registers of interests

We keep Registers of Interests for all Trustees and Directors that we regularly review and update as required.

Section 172 (1) Statement of Directors' duties

WaterAid UK is governed by the charitable objectives which set out the purpose and mission of the charity. The consequences of all decisions and activities of WaterAid are assessed by how they drive us towards achieving that long-term purpose. As Company Directors, the Trustees must act in accordance with duties outlined in section 172 of the Companies Act 2006, summarised as follows:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. As a charity we are accountable to our members – people who support us and engage with us. In this regard, our members are:

- those we support with water, sanitation and hygiene;
- staff and volunteers;
- those who provide us with resources to deliver, and those who partner with us to achieve, our vision of water, sanitation and hygiene for everyone, everywhere.

In doing this, Directors have regard (among other matters) to:

- **The impact of the company's operations on the community and the environment:**
  At WaterAid, we believe everyone has equal rights, regardless of who they are, or where they live. It is vital that our communications are authentic and do not distort reality. It is also important that these campaigns, and their representations of the people we work with, are respectful, accurate and consensual. To further strengthen this area, Trustees have supported the development of a new policy and guidance.
- **The reputation for a high standard of business conduct:**
  We are the world's leading non-governmental organisation in the water, sanitation and hygiene sector; working with partners and alliances is central to our vision of clean water, decent toilets and good hygiene for everyone, everywhere. The Board of Trustees has paid particular attention this year to the update of the Global Ethical Standards, which ensures that we form financial and non-financial partnerships that align with our values and do not undermine the achievement of our mission or lead to loss of support and credibility through risks to our reputation.
- **The interests of the company's employees:**
  The People Committee review our work on reward across all WaterAid UK countries and endorse proposed pay awards, which are factored into budgets. In this economically challenging year, attention was paid to pay awards that provide competitive salaries but are balanced by our need for affordability. While we do not aim to match inflation and cost of living rises, Trustees responded by considering the impact on staff from the rapidly market movement, particularly at junior grades this year.
- **The need to foster the company's business relationships with suppliers, customers and others:**
  An update to the Global Ethical Standards Policy was published in December 2022, which details an ethical checks process for key funders and suppliers to ensure we are working with organisations that align with our values and commitments.
- **The need to act fairly between members of the company:**
  During the year the Staff Representation Group was launched. The purpose of the group is to
  - give staff a voice on the matters that are important to them,
  - to show behind the curtain of leadership thinking and decision making,
  - to represent staff in formal consultations and key decisions that affect staff,
  - to make WaterAid an even better place to work
- **The likely consequences of any decision in the long-term:**
  In September the Board attended a seminar to reflect on what the new strategy will require of them and therefore the skills, perspectives and ways of working needed on the Board during the next 5-10 years. Specifically the Board discussed, key decisions that could come to the Board in the next few years, the skill sets required to provide good governance during this period any changes the Board needs to make to meet our commitment in the new Global Strategy on diversity and representation. As a result the governance manual has been updated to reflect the skills required on the current Board to drive Trustee recruitment.

Statement of trustees' responsibilities

The Trustees (who are also Directors of WaterAid for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

(a) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees on 17 October 2023. Signed on its behalf by:



19 October 2023

Andy Green CBE
Chair of the Board of Trustees



▼ Dramane Traore, 36, next to his latrine, in the village of Kangoura, commune of Loumana, region of Cascades, Burkina Faso, December 2020.

WaterAid/ Basile Ouedraogo

Our leadership team

President
The former Prince of Wales[ix]

Vice President
The Rt Hon Baroness Chalker of Wallasey[ix]

Board of Trustees
Zaid Al-Qassab,
Chair of the Communications and Fundraising Committee (until March 2023) [vii, viii]

Manuel Alvarinho

Alyson Clark[vi]

Harpinder Collacott (until September 2022)

Andy Green CBE[vi, vii, viii]
Chair of the Board of Trustees

Heidi Mottram OBE[vii]

Mala Rao OBE[vi,vii]
Vice Chair

Guido Schmidt-Traub

Peter Simpson[v]

Heather Skilling[v]

Matthew Tweedie[v]
Treasurer

Hilary Wild[v]
Chair of Audit Committee

Nina Jasinski[viii] Chair of the Communications and Fundraising Committee (from July 2023)

Sanjay Nair,[v] incoming Treasurer (Trustee from July 2023 and Treasurer from November 2023)

Simi Kamal (from July 2023)

Ashvin Dayal (from July 2023)

Mamadou Biteye OBE (from July 2023)

Chief Executive and Company Secretary
Tim Wainwright

Directors team
Olga Ghazaryan,
Executive Director of International Programmes (until June 2023)

Paula Laird,
Executive Director of Finance and Information Technology (until August 2023)

Jennie York,
Executive Director of Communications and Fundraising

Sol Oyuela,
Executive Director of Policy and Campaigns

Rachel Westcott,
Executive Director of People and Organisational Development

Principal banker
Barclays Bank plc, 1 Churchill Place, London E14 5HP

Independent auditor
PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH

Principal solicitor
Bates, Wells and Braithwaite,
10 Queens Street Place, London EC4R 1BE

Company number
1787329

Charity numbers
288701 (England and Wales)
SC039479 (Scotland)

Registered office and operational address
6th floor, 20 Canada Square, London E14 5NN

[v] Audit Committee member
[vi] Nominations and Governance Committee member
[vii] People Committee member
[viii] Communications and Fundraising Committee member
[ix] Honorary positions

Independent auditors' report to the members and Trustees of WaterAid

Report on the audit of the financial statements

Opinion
In our opinion, WaterAid's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and charity balance sheets as at 31 March 2023; the consolidated statement of financial activities (including consolidated income and expenditure account), the charity statement of financial activities (including an income and expenditure account) and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the 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 group and parent 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 related 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 group and parent 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 group's and parent 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.

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

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements 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 Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and 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, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

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 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 group's and parent 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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Section 2 Audit

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 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 group and parent charitable company/industry, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). 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 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 and Board subcommittees, including the Audit and Risk Committee;
- reviewing the terms and conditions of significant contracts;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating the group's 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 including over grant income and accrued legacy income; 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 the financial statements. Also, the

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

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 and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and 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

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) 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 and proper accounting records have not been kept by the parent 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 parent charitable company financial statements are not in agreement with the accounting records and returns.

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

19 October 2023

Consolidated statement of financial activities

(including consolidated income and expenditure account)
For the year ended 31 March 2023

	Note	Unrestricted £000	Restricted £000	**2023 Total £000**	Unrestricted £000	Restricted £000	2022 Total £000
Income from:							
Donations and legacies							
Donations	3	54,933	4,096	**59,029**	54,179	4,348	58,527
Grants of a general nature	3	4,179	-	**4,179**	6,316	-	6,316
Gifts in kind	3	276	-	**276**	264	-	264
Charitable activities							
Grant funding for specific activities	5	-	29,599	**29,599**	-	25,855	25,855
Other trading activities	4	992	88	**1,080**	931	-	931
Investment income		379	-	**379**	20	-	20
Total income		60,759	33,783	**94,542**	61,710	30,203	91,913
Expenditure on:							
Raising funds							
Expenditure on raising grants, donations and legacies	6	23,007	391	**23,398**	21,349	316	21,665
Expenditure on other trading activities	6	142	-	**142**	38	-	38
Charitable activities							
Supporting partners to deliver water, sanitation and hygiene	6	11,891	22,731	**34,622**	9,702	16,500	26,202
Strengthening national and local capacity to deliver services	6	12,609	9,291	**21,900**	11,678	8,524	20,202
Influencing policy in water, sanitation and hygiene	6	10,595	1,803	**12,398**	10,075	2,049	12,124
Supporting WaterAid globally	6	3,475	462	**3,937**	3,263	1,002	4,265
Total expenditure		61,719	34,678	**96,397**	56,105	28,391	84,496
Net (expenditure)/income		(960)	(895)	**(1,855)**	5,605	1,812	7,417
Transfers	17	-	-	**-**	828	(828)	-
RECONCILIATION OF FUNDS							
Net movement in funds	22	(960)	(895)	**(1,855)**	6,433	984	7,417
Funds brought forward at 1 April	17	29,555	14,290	**43,845**	23,122	13,306	36,428
Total funds carried forward at 31 March	17	28,595	13,395	**41,990**	29,555	14,290	43,845

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All income and expenditure derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 49 to 71.

There is no material difference between the net movement in funds stated above and its historical cost equivalent.

Charity statement of financial activities

(including an income and expenditure account)
For the year ended 31 March 2023

	Note	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
Income from:							
Donations and legacies							
Donations	3	54,933	4,096	**59,029**	54,179	4,348	**58,527**
Grants of a general nature	3	4,179	-	**4,179**	6,316	-	**6,316**
Gifts in kind	3	276	-	**276**	264	-	**264**
Charitable activities							
Grant funding for specific activities	5	-	29,599	**29,599**	-	25,855	**25,855**
Other trading activities	4	627	-	**627**	543	-	**543**
*Other income**		223	88	**311**	350	-	**350**
Investment income		379	-	**379**	20	-	**20**
Total income		60,617	33,783	**94,400**	61,672	30,203	**91,875**
Expenditure on:							
Raising funds							
Expenditure on raising grants, donations and legacies	6	23,007	391	**23,398**	21,349	316	**21,665**
Charitable activities							
Supporting partners to deliver water, sanitation and hygiene	6	11,891	22,731	**34,622**	9,702	16,500	**26,202**
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	12,609	9,291	**21,900**	11,678	8,524	**20,202**
Influencing policy in water, sanitation and hygiene	6	10,595	1,803	**12,398**	10,075	2,049	**12,124**
Supporting WaterAid globally	6	3,475	462	**3,937**	3,263	1,002	**4,265**
Total expenditure		61,577	34,678	**96,255**	56,067	28,391	**84,458**
Net (expenditure)/income		(960)	(895)	**(1,855)**	5,605	1,812	**7,417**
Transfers	17	-	-	**-**	828	(828)	**-**
RECONCILIATION OF FUNDS							
Net movement in funds	22	(960)	(895)	**(1,855)**	6,433	984	**7,417**
Funds brought forward at 1 April	17	29,555	14,290	**43,845**	23,122	13,306	**36,428**
Total funds carried forward at 31 March	17	28,595	13,395	**41,990**	29,555	14,290	**43,845**

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All income and expenditure derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 49 to 71.
There is no material difference between the net movement in funds stated above and its historical cost equivalent.
*Other income is made up of a gift aid donation by virtue of the Deed of Covenant and licence fee paid by WaterAid Trading. These are both eliminated on consolidation.

Group and charity balance sheets

At 31 March 2023
Company number: 01787329

	Note	The group 2023 £000	The group 2022 £000	The charity 2023 £000	The charity 2022 £000
Fixed assets					
Intangible assets	10	**2,279**	1,792	**2,279**	1,792
Fixed Asset Investments	13	**100**	82	**-**	-
Tangible assets	10	**3,371**	3,323	**3,371**	3,323
Total fixed assets		**5,750**	5,197	**5,650**	5,115
Current assets					
Debtors	11	**9,075**	10,560	**9,981**	11,387
Cash at bank and in hand	14	**34,352**	29,998	**33,085**	28,907
Short term deposits	14	**3,000**	7,000	**3,000**	7,000
Total current assets		**46,427**	47,558	**46,066**	47,294
Liabilities					
Creditors: amounts falling due within one year	15	**(8,586)**	(7,380)	**(8,444)**	(7,353)
Provision for liabilities and charges	16	**(1,444)**	(1,425)	**(1,125)**	(1,106)
Total Liabilities		**(10,030)**	(8,805)	**(9,569)**	(8,459)
Net current assets		**36,397**	38,753	**36,497**	38,835
Provision falling due over one year	16	**(157)**	(105)	**(157)**	(105)
Net assets		**41,990**	43,845	**41,990**	43,845
The funds of the charity					
Unrestricted income funds					
Designated funds	18	**5,748**	5,195	**5,748**	5,195
General income funds	18	**22,847**	24,360	**22,847**	24,360
Total unrestricted income funds		**28,595**	29,555	**28,595**	29,555
Restricted income funds	18	**13,395**	14,290	**13,395**	14,475
Total charity funds		**41,990**	43,845	**41,990**	43,845

The financial statements on pages 45 to 71 were approved by the Board of Trustees on 17 October 2023 and signed on its behalf by:

Andy Green
Chair

Matthew Tweedie
Treasurer

Consolidated cash flow statement

For the year ended 31 March 2023

	2023 £000	2022 £000
Net (expenditure)/income for the year	**(1,855)**	7,417
Interest receivable	**(379)**	(20)
Amortisation of intangible assets	**496**	388
Depreciation of tangible assets	**864**	857
Asset Impairment	**82**	-
Decrease in debtors	**1,486**	(1,904)
Decrease in short term creditors	**1,207**	233
Decrease in long-term creditors	**52**	105
Decrease in provisions	**18**	188
Cash generated from operating activities	**1,971**	6,798
Bank interest received	**379**	20
Payments to acquire tangible fixed assets	**(913)**	(526)
Payments to acquire intangible fixed assets	**(983)**	1,248
Purchase of fixed asset investment	**(100)**	(82)
Cash flows expended in investing activities	**(1,617)**	(1,836)
Increase in cash in the year	**354**	4,962

Analysis of cash as shown in the balance sheet	**2023 £000**	2022 £000
Balance at beginning of the year	**36,998**	32,036
Net cash inflow	**354**	4,962
Balance at the end of the year	**37,352**	36,998

Cash includes funds held in short-term deposit accounts that can be accessed without notice. The charity held no borrowings, related derivatives or obligations under finance leases during the year.

The cash balances were held in the following locations:	**2023 £000**	2022 £000
UK	**32,870**	33,553
Overseas	**4,482**	3,445
Balance at 31 March	**37,352**	36,998

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's Financial Statements.

WaterAid is incorporated in the United Kingdom (company number: 01787329) and is a registered charity in England, Wales and Scotland and is a public benefit entity. WaterAid's registered office and operational address is: WaterAid 6th Floor, 20 Canada Square, London E14 5NN.

a) Basis of preparation
The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and under the historical cost accounting rules, except for investments which have been included at fair value or the value considered appropriate by the Board of Trustees.

The Financial Statements are drawn up on the going concern basis which assumes WaterAid will continue in operational existence for the foreseeable future (deemed to be a period of 12 months from the date of this report).

b) Basis of consolidation
The charity has three wholly-owned subsidiaries and a 20% share in an associated company. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited have been prepared on a line by line basis. Two further subsidiaries, WaterAid (WASH and Health) Limited and WaterAid (WASH and Climate Change) Limited were dormant for the whole of the financial year. Consolidation does not include WaterAid international as there is no ability to direct nor does it include dormant companies or other WaterAid members. Further details can be found in note 14.

The activities of the regional fundraising committees in England, Wales, Scotland and Northern Ireland raising funds for WaterAid are deemed to be part of the activities of the charity. As such, they are included in full in the Financial Statements of the charity and group.

c) Foreign exchange
Transactions denominated in foreign currencies are translated at the closing rate of exchange in the previous 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 and losses are included within support costs and reallocated across charitable activities in the Statement of Financial Activities (SOFA) as per note 6.

d) Income
All income is included in the consolidated SOFA when the charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability:

- Grant income Grants are credited to the SOFA when the charity is entitled 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 the charity's control, the income is recognised when there is sufficient evidence that conditions have been met.

  Grants that have specific restrictions placed upon their use are included within income for charitable activities and are credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.
- Grants of a General Nature Income from grants of a general nature is from grant-making or public institutions and have no specific restrictions placed upon their use. Grants of a general nature are credited to unrestricted income within the SOFA on an entitlement basis and disclosed in Note 3 if their value is above £150,000 and the donor has not requested to remain anonymous.
- Donations Individual donations are recognised in the period in which they are received.
- Pecuniary and residuary legacy income and in memoria donations Legacy income is recognised when three criteria are met when entitlement is established, receipt of the income is probable and it can be reliably measured:
  - Entitlement is established when we receive notification of an interest in an estate and probate is granted.
  - Receipt is probable and the estate is reliably measurable when the final estate accounts has been received.
  - Legacy income is only recognised in the financial statements when the above criteria are met.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

- Pecuniary legacies are a fixed value income and we accrue all open gifts once probate has been granted and notification received.
- Residuary legacies are accrued once the estate accounts have been issued or an interim payment has been confirmed.

- Investment income Investment income is primarily bank interest received and is recognised when earned.
- Gifts in kind Goods, facilities and services donated for the charity'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.
- Fundraising events Fundraising events income is included in donation and legacies income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which the charity has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis. Fundraising event income received in advance are deferred until the event has taken place.

e) Expenditure
Expenditure is recognised in the period in which it is incurred on an accruals basis. Expenditure includes attributable VAT which can only be partially recovered.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities together with associated support costs. Charitable expenditure is reported as it relates to work undertaken by the charity, in supporting partners, strengthening national and local capacity to deliver services and influencing policy to deliver water, sanitation and hygiene, and supporting WaterAid globally.

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. Partner agreements and funding contracts may be for longer than one year.

The costs of raising funds relate to the costs incurred by the group and the charity in raising funds for the charitable work.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Support costs comprise the salary and overhead costs of the central function. The central function includes costs relating to the Departments of Finance, Facilities, Information Services, People and the Chief Executive's Office. Governance costs include internal and external audit costs, legal and tax advice, Trustee expenses and Directors' time in governance of the organisation. Governance costs and other support costs have been allocated to expenditure on charitable activities based upon staff numbers. These staff numbers are listed in note 7 to the Financial Statements.

f) Fund accounting
General 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, nor had any specific restrictions applied.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 19.

Restricted funds are used for specified purposes as laid down by the donor. Qualifying project expenditure is allocated to the fund, together with a proportion of overhead costs where agreed by the donor. Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

g) Fixed assets and depreciation
Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. For both tangible and intangible assets, costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. For intangible assets, subsequent expenditure is only capitalised where it provides a material enhancement of the economic benefits of the asset, such as further development or customisation of software. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

Motor vehicles	3 years
Equipment and Furniture – Overseas	3 years
Equipment and Furniture – UK	5 years
Computer Hardware and Software	3 years
Lease improvements	10 years

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

Items of equipment are capitalised where the purchase price exceeds £1,500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use and meets the capitalisation criteria as per FRS 102.

h) Investment Policy
Our investment in an associated company is measured at cost less impairment. If there is any indication of impairment then the carrying amount will be tested and adjusted accordingly.

i) Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the Charities SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 24).

j) Investments
The investment in the subsidiaries is valued at cost.

Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible and proceeds recognised as income.

k) Cash at bank and in hand
Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. A cash equivalent will normally have a short maturity of three months or less from the date of acquisition.

l) Pension cost
The charity operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in independently administered funds. Contribution payments are charged to the SOFA.

Similarly our staff in country programmes and regions are provided with post employment benefits that comply with local employment legislation.

m) Operating leases
Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA on a straight line basis for the duration of the lease contract.

n) Provisions
Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

o) Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. Accounting estimates impacting the financial statements concerned with grant, legacy and gift in kind income are detailed in note (d). It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

For grant income, entitlement is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions have been met. This judgement made based on evidence such as receipt of reports showing satisfactory progress has been made against agreed donor outcomes.

WaterAid's judgement on entitlement of legacy income is based on the following policy:
Pecuniary legacies are a fixed value and WaterAid accrues all open gifts, where a letter from executors has been received.

Residuary legacies often involve the sale of assets and therefore the value is only estimated at the point of notification. WaterAid maintains a policy of only recognising the income from these legacies once final estate accounts have been issued. This is when the value is known with a high degree of probability and is a prudent interpretation of the SORP 2019. This interpretation is considered to be appropriate by the trustees in the context of WaterAid and has been consistently applied year on year. Future residuary legacy income is based on a calculated estimate of the average value of a residuary gift. Those residuary legacies that do not meet recognition criteria are disclosed as part of the legacy pipeline as per note 3.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

Gift in kind income and expenditure is recognised at its fair value (i.e. market value), or if this is not available it may be derived from the cost to the donor.

The estimated cost for dilapidations work to be completed at the end of the lease period for the UK office building is recorded annually as a provision.

The Charity has through its trading company a 20% shareholding in WEAREGOODGIVING, a new payroll giving company. The Charity does not have the power to significantly influence financial and reporting decisions made by WEAREGOODGIVING, therefore, the share capital has been classified as an investment in the accounts (note 13).

Where WaterAid staff members are involved in more than one activity between raising funds, delivery of charitable activities or support and governance an estimate of their time spent on each is made and costs allocated accordingly. WaterAid also makes a judgement that support and governance costs are most fairly allocated to raising funds and charitable activities in proportion to the respective levels of expenditure (note 6).

Going concern assumptions

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of at least 12 months following the signing of these accounts, so the period to at least the end of November 2024.

Our annual budget and plan, approved by the Board in March 2023, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base for the years to 31 March 2024 and 31 March 2025.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared to the budget assumptions reflect lower income and a higher cost base.

We have also prepared an acute or 'worst case' scenario, which combines high inflation with a prolonged cost of living crisis affecting stock and property prices, a material reduction in regular giving and no continued funding received from Peoples Postcode Lottery.

Although the impact of the acute scenario is severe and would require the consideration of mitigating actions which are wholly within our control to reduce our discretionary cost base, the analysis indicates that the Group would have sufficient liquidity and reserves to honour our committed funding obligations and to maintain sufficient liquidity throughout the going concern period.

Robust monitoring processes are in place to ensure that the organisation is able to react quickly to any downturn in income and the short term deposit investments held can be liquidated quickly in the event that they are required. The Group currently has no bank financing or loan agreements and therefore there are no covenants to consider.

The Group will maintain its investment and cash reserves within its target range of £13-17m. As at 31 March 2023, the Group had managed cash and investments of £23m, well above the target minimum liquidity that the Trustees have set in order to remain in a financially stable position.

Taking into account our current position and our principal risks, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 12 months after the approval of these financial statements, namely the period to November 2024 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2023 (continued)

2. Prior year consolidated statement of financial activities

	Unrestricted £000	Restricted £000	2022 Total £000
Income from:			
Donations and legacies			
Donations	54,179	4,348	**58,527**
Grants of a general nature	6,316	-	**6,316**
Gifts in kind	264	-	**264**
Charitable activities			
Grant funding for specific activities	-	25,855	**25,855**
Other trading activities	931	-	**931**
Investment income	20	-	**20**
Total income	**61,710**	**30,203**	**91,913**
Expenditure on:			
Raising funds			
Expenditure on raising grants, donations and legacies	21,349	316	**21,665**
Expenditure on other trading activities	38	-	**38**
Charitable activities			
Supporting partners to deliver water, sanitation and hygiene	9,702	16,500	**26,202**
Strengthening national and local capacity to deliver services	11,678	8,524	**20,202**
Influencing policy in water, sanitation and hygiene	10,075	2,049	**12,124**
Supporting WaterAid globally	3,263	1,002	**4,265**
Total expenditure	**56,105**	**28,391**	**84,496**
Net income/ (expenditure)	5,605	1,812	**7,417**
Transfers	828	(828)	**-**
Net movement in funds or net deficit for the year	**6,433**	**984**	**7,417**
Reconciliation of funds			
Total funds brought forward at 1 April	23,122	13,306	**36,428**
Total funds carried forward at 31 March	**29,555**	**14,290**	**43,845**

Notes to the financial statements

For the year ended 31 March 2023 (continued)

3. Income from donations and legacies

	Unrestricted £000	Restricted £000	**2023 Total £000**	Unrestricted £000	Restricted £000	2022 Total £000
Donations						
Regular giving, donations and appeals	40,920	1,862	**42,782**	41,905	2,362	44,267
Legacies and in memoria donations	11,978	865	**12,843**	10,683	850	11,533
Fundraising events	2,035	1,369	**3,404**	1,591	1,136	2,727
Total	54,933	4,096	**59,029**	54,179	4,348	58,527
Grants of a general nature						
Other WaterAid member countries	1,029	-	**1,029**	2,743	-	2,743
The Waterloo Foundation	150	-	**150**	300	-	300
Peoples Postcode Lottery	3,000	-	**3,000**	3,269	-	3,269
Coronavirus Job Retention Scheme (CJRS)	-	-	**-**	4	-	4
Total	4,179	-	**4,179**	6,316	-	6,316
Gifts in kind						
Water Industry Partnerships	117	-	**117**	147	-	147
Customer appeal	115	-	**115**	112	-	112
Audit Fees	43	-	**43**	-	-	-
Rent	1	-	**1**	5	-	5
Total	276	-	**276**	264	-	264
Total	59,388	4,096	**63,484**	60,759	4,348	65,107

At 31 March 2023, WaterAid had been notified it will benefit from a number of legacies from estates whereby the value of the gift can only be estimated and timing of receipt of funds is uncertain. In addition to £2.1m (2022: £1.6m) of legacy income accrued in the financial statements as per our policy in note 1 (d) we estimate a further £13.9m (2022: £13.7m) of future legacy income. This pipeline value has not been recognised as income during the financial year as the majority of asset values relate to investments or properties which are uncertain and timing between notification and receipt of funds can be significant. Conditional or contingent legacy income is not included in the pipeline where the conditions are unknown. Contentious legacies are excluded from the pipeline until entitlement is legally established.

Gifts in Kind provided by our Water Industry Partners relate to support for fundraising events, appeals and delivery of charitable activities. The auditors renumeration was £77k (2022: £nil) and they also provided donated services of £43k (2022: £nil). See Note 22 for detail information.

The Coronavirus Job Retention Scheme grant from UK government for prior year has been disclosed as unrestricted income in note 3 in line with government requirements. The grant was spent on pay costs for staff on temporary leave ('furlough').

4. Other trading activities

	Unrestricted £000	Restricted £000	**2023 Total £000**	Unrestricted £000	Restricted £000	2022 Total £000
Lotteries	628	-	**628**	543	-	543
Trading company	364	88	**452**	203	185	388
Total	992	88	**1,080**	746	185	931

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2023 (continued)

5. Income from charitable activities

Grant funding for specific activities	**2023 Total £000**	2022 Total £000
Other WaterAid member countries	**14,855**	10,909
Unilever*	**1,700**	359
Kimberley-Clark	**1,579**	1,248
European Commission	**1,198**	1,176
Unicef	**995**	1,705
Heineken Africa Foundation	**974**	1,371
Swedish International Development Cooperation Agency	**875**	1,388
Japan International Cooperation Agency	**847**	1,274
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	**776**	562
Giorgio Armani Acqua for Life	**683**	417
CowaterSogema International	**635**	535
The Foreign, Commonwealth and Development Office (FCDO)**	**514**	845
Sustainable Safe WASH in Eastern Province	**498**	-
The Wimbledon Foundation	**488**	415
Scottish Government	**477**	440
Irish Aid	**281**	-
Coca Cola	**222**	-
Diageo	**216**	329
DP World Income	**200**	-
LIFT Fund	**174**	53
Other grants	**1,412**	2,829
Total	**29,599**	25,855
**Hygiene Behaviour Change Coalition – received through Unilever*	**1,700**	359
Other	**-**	475
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	**1,700**	834
***the Foreign, Commonwealth and Development Office (FCDO), formerly stated as the Department for International Development (DFID)*		
Match Funding - Untapped	**-**	845
Match Funding - UK Aid Match - Promoting a gender responsive, climate resilient WASH in drought-prone communities in Ethiopia	**393**	-
One WASH	**121**	-
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	**514**	845
Total UK Aid received from the Foreign, Commonwealth and Development Office (FCDO)	**2,214**	1,679

Grant funding for specific activities are displayed where total funding was greater than £150k for the current year.

Additional information on transactions with WaterAid other member countries can be found in note 23.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

6. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	**2023 Total £000**	2022 Total £000
Raising funds							
Expenditure on raising grants, donations and legacies		7,187	13,933	318	1,960	**23,398**	21,665
Expenditure on other trading activities		25	117	-	-	**142**	38
		7,212	14,050	318	1,960	**23,540**	21,703
Charitable activities	8						
Supporting partners to deliver water, sanitation and hygiene		9,540	21,916	431	2,735	**34,622**	26,202
Sector strengthening and capacity building to deliver water, sanitation and hygiene		7,231	10,379	149	4,141	**21,900**	20,202
Influencing policy in water, sanitation and hygiene		4,660	5,936	122	1,680	**12,398**	12,124
Supporting WaterAid globally		11	3,838	-	88	**3,937**	4,265
		21,442	42,069	702	8,644	**72,857**	62,793
Governance		959	119	-	(1,078)	**-**	-
Support costs		4,156	5,030	340	(9,526)	**-**	-
Governance and support costs		5,115	5,149	340	(10,604)	**-**	-
		33,769	**61,268**	**1,360**	**-**	**96,397**	84,496

Governance and support costs have been allocated on the basis of staff numbers in each area of activity. These staff numbers are listed in note 7 to the Financial Statements.

The governance and support costs and losses/(gains) on exchange rates were incurred as follows:	**2023 Total £000**	2022 Total £000
Finance, People and Information Services	**7,092**	6,049
Chief Executive Office, Internal audit and Governance	**1,078**	817
Premises and facilities	**1,760**	1,795
Strategy transition	**1,433**	-
Gift in kind	**127**	140
Support costs	**11,490**	8,801
Realised and unrealised exchange (gains)/losses on assets	**(886)**	(925)
Total of governance and support costs and exchange (gains)/ losses	**10,604**	7,876

The exchange rate movement is the net of the operational gains/losses incurred in delivering our services funded in GBP in local currencies and the gains/losses made on asset values held in currencies other than GBP.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2023 (continued)

Prior year expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	**2022 Total £000**
Raising funds						
Expenditure on raising grants, donations and legacies		6,869	13,058	292	1,446	**21,665**
Expenditure on other trading activities		25	13	-	-	**38**
		6,894	13,071	292	1,446	**21,703**
Charitable activities	8					
Supporting partners to deliver water, sanitation and hygiene		8,059	15,660	367	2,116	**26,202**
Sector strengthening and capacity building to deliver water, sanitation and hygiene		6,899	10,602	152	2,549	**20,202**
Influencing policy in water, sanitation and hygiene		4,193	6,109	122	1,700	**12,124**
Supporting WaterAid globally		15	4,185	-	65	**4,265**
		19,166	36,556	641	6,430	**62,793**
Governance		748	69	-	(817)	**-**
Support costs		3,579	3,170	310	(7,059)	**-**
Governance and support costs		4,327	3,239	310	(7,876)	**-**
		30,387	**52,866**	**1,243**	**-**	**84,496**

7. Staff costs and numbers

Staff costs for the charity and group were as follows:	2023 £000	2022 £000
Wages and salaries	**29,246**	26,420
Social security costs	**1,512**	1,336
Other pension costs	**3,011**	2,631
	33,769	30,387

The number of employees, calculated on a full time equivalent basis and analysed on a functional basis, was as follows:	2023 No.	2022 No.
Fundraising staff (cost of generating funds)	**150**	146
Staff delivering charitable activities	**653**	643
Support staff	**77**	71
Governance	**12**	9
	892	869

During the year, there was an increase in staff costs of 8.2% (2022: increase of 2.7%) per full time equivalent employee.

The average monthly headcount was 906 staff (2022: 897). The total number of WaterAid employees at 31 March 2023 was 909 (2022: 912).

The charity paid termination payments totalling £206k (2022: £18k). The majority relates to the closure of programmes in the Kingdom of Eswatini, Myanmar and Sierra Leone.

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

	2023 No.	2022 No.
£60,000 - £69,999	**29**	21
£70,000 - £79,999	**17**	14
£80,000 - £89,999	**8**	7
£90,000 - £99,999	**6**	3
£100,000 - £109,999	**3**	2
£110,000 - £119,999	**2**	3
£120,000 - £129,999	**4**	1
	69	51

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £134,067 (2022: £128,048) and pension contributions of £14,035 (2022: £13,526). The Chief Executive's salary is shown in the table above net of employer national insurance contributions of £12,281 (2022: £10,957).

In the UK, WaterAid makes contributions for its employees to a defined contribution scheme operated by Aegon.

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Directors' Team. The total employee salary and benefits (including employer national insurance contributions but excluding pension), of the key management personnel of the group was £708k (2022: £608k). The number of key management personnel was six (2022: four). The lower cost in 2022 reflects vacancies during the year.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

8. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
West Africa						
Burkina Faso	876	2,558	**3,434**	721	3,061	3,782
Ghana	470	607	**1,077**	574	713	1,287
Liberia	574	609	**1,183**	481	651	1,132
Mali	1,017	2,180	**3,197**	883	2,054	2,937
Niger	315	487	**802**	358	863	1,221
Nigeria	1,134	1,875	**3,009**	838	848	1,686
Sierra Leone	297	419	**716**	259	480	739
Regional management and support costs	991	79	**1,070**	928	84	1,012
	5,674	8,814	**14,488**	5,042	8,754	13,796
East Africa						
Ethiopia	946	2,989	**3,935**	549	1,656	2,205
Rwanda	731	1,459	**2,190**	863	1,055	1,918
Tanzania	1,414	1,010	**2,424**	1,074	567	1,641
Uganda	668	1,128	**1,796**	658	435	1,093
Regional management and support costs	1,197	49	**1,246**	1,182	26	1,208
	4,956	6,635	**11,591**	4,326	3,739	8,065
Southern Africa						
Kingdom of eSwatini (previously Swaziland)	569	639	**1,208**	542	323	865
Madagascar	907	1,598	**2,505**	466	1,842	2,308
Malawi	683	1,911	**2,594**	634	1,402	2,036
Mozambique	1,335	478	**1,813**	1,181	1,062	2,243
Zambia	550	4,444	**4,994**	616	1,153	1,769
Regional management and support costs	858	760	**1,618**	707	557	1,264
	4,902	9,830	**14,732**	4,146	6,339	10,485
Asia						
Bangladesh	1,011	2,566	**3,577**	1,309	3,185	4,494
Myanmar	454	941	**1,395**	475	1,070	1,545
Nepal	338	2,249	**2,587**	915	1,356	2,271
Pakistan	941	891	**1,832**	573	827	1,400
Regional management and support costs	492	61	**553**	436	46	482
	3,236	6,708	**9,944**	3,708	6,484	10,192
UK and Other						
Supporting WaterAid globally	3,395	454	**3,849**	3,204	995	4,199
Other UK direct international programme support costs (including technical and programme effectiveness)	3,578	1,243	**4,821**	3,619	1,146	4,765
UK-based policy, campaigns and education costs	4,293	498	**4,791**	4,285	578	4,863
Allocated UK support costs to charitable activities	9,436	21	**9,457**	7,184	-	7,184
Exchange (gains)/losses	(902)	86	**(816)**	(796)	40	(756)
	19,800	2,302	**22,102**	17,496	2,759	20,255
Total	**38,568**	**34,289**	**72,857**	**34,718**	28,075	62,793

The total spend on charitable activities, as per the consolidated statement of financial activities, was £56.5m on delivery of water, sanitation and hygiene, including sector strengthening (2022: £46.4m) and £12.4m on influencing policy in water, sanitation and hygiene (2022: £12.1m).

Notes to the financial statements

For the year ended 31 March 2023 (continued)

9. Payments to partner organisations

WaterAid has transferred a total of £10.5m to partners for the delivery of some of our programmatic work for the year ended 31 March 2023. Funding was provided to 104 different partners under separate partnership agreements. For the year ended 31 March 2022, payments were made to 102 partners with a total value of £10.2m.

Transfers have been made to the following number of partners by size:	**2023 No.**	2022 No.
£0- £49,999	**56**	55
£50,000 – £99,999	**14**	13
£100,000 – £149,999	**13**	7
£150,000 – £199,999	**6**	7
£200,000 – £249,999	**3**	9
£250,000 and over	**12**	11
	104	102

The top 20 financial implementing partners recipients during the year ended 31 March 2023 are listed below. The implementation costs are included in the charitable expenditure outlined in notes 6 and 8.

	Name of partner	**Country**	**2023 £000**	**2022 £000**
1	ON CALL AFRICA	Zambia	**1,365**	230
2	Tsogang Water and Sanitation	South Africa	**548**	250
3	COFORWA - Compagnons Fontainiers du Rwanda	Rwanda	**423**	481
4	Association les Mains Unies du Sahel (AMUS)	Burkina Faso	**419**	295
5	Bagmati Welfare Society Nepal	Nepal	**370**	153
6	Rupantar	Bangladesh	**343**	322
7	ALPHALOG	Mali	**322**	198
8	Association Pour la Promotion de la Femme et de l'Enfant au Mali	Mali	**311**	226
9	Bauchi Ruwassa	Nigeria	**297**	122
10	AYATEKE Star Company LTD	Rwanda	**291**	-
11	EAU VIVVE	Burkina Faso	**287**	477
12	Dushtha Shasthya Kendra - DSK	Bangladesh	**269**	507
13	Sajida Foundation	Bangladesh	**237**	453
14	Doaba Foundation	Pakistan	**235**	7
15	AMREF Health Africa	Malawi	**200**	208
16	SKS Foundation	Bangladesh	**193**	317
17	Association Malienne pour la Sauvegarde du Bien Etre Familial	Mali	**185**	244
18	DEMI-I 6RD00 OURNO & 6NF00 HAMZARI	Niger	**178**	137
19	Dalit Janakalyan Yuwa Club	Nepal	**172**	246
20	Nabolok	Bangladesh	**156**	212
	Other partners		**3,654**	5,155
Total payments to implementing partners			**10,455**	10,240

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2023 (continued)

10. Fixed assets

The group	**Intangible assets**	**Tangible assets**			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2022	7,021	2,458	3,922	3,113	**16,514**
Additions in year	983	6	307	600	**1,896**
Disposals in year	-	-	(542)	(414)	**(956)**
At 31 March 2023	**8,004**	**2,464**	**3,687**	**3,299**	**17,454**
Accumulated amortisation/depreciation					
At 1 April 2022	5,229	369	3,337	2,464	**11,399**
Charge for the year	496	246	317	301	**1,360**
Disposals in year	-	-	(542)	(413)	**(955)**
At 31 March 2023	**5,725**	**615**	**3,112**	**2,352**	**11,804**
Net book value					
At 31 March 2023	**2,279**	**1,849**	**575**	**947**	**5,650**
At 31 March 2022	1,792	2,089	585	649	**5,115**

The charity	**Intangible assets**	**Tangible assets**			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2022	7,021	2,458	3,922	3,113	**16,514**
Additions in year	983	6	307	600	**1,896**
Disposals in year	-	-	(542)	(414)	**(956)**
At 31 March 2023	**8,004**	**2,464**	**3,687**	**3,299**	**17,454**
Accumulated amortisation/depreciation					
At 1 April 2022	5,229	369	3,337	2,464	**11,399**
Charge for the year	496	246	317	301	**1,360**
Disposals in year	-	-	(542)	(413)	**(955)**
At 31 March 2023	**5,725**	**615**	**3,112**	**2,352**	**11,804**
Net book value					
At 31 March 2023	**2,279**	**1,849**	**575**	**947**	**5,650**
At 31 March 2022	1,792	2,089	585	649	**5,115**

Notes to the financial statements

For the year ended 31 March 2023 (continued)

11. Debtors

Amounts due within one year:	The group		The charity	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Amounts owed by WaterAid Trading	**-**	-	**1,255**	900
Grant debtors	**3,224**	4,549	**3,224**	4,549
Other debtors	**1,580**	988	**1,256**	920
Gift Aid tax recoverable	**784**	2,005	**784**	2,005
Prepayments	**1,069**	1,062	**1,069**	1,062
Accrued income	**2,418**	1,956	**2,393**	1,951
	9,075	10,560	**9,981**	11,387

Amounts owed by WaterAid Trading Limited are unsecured, interest free, have no fixed date of repayment and are payable on demand.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

12. Group companies

WATERAID TRADING LIMITED Company number 02362892

WaterAid Trading Limited is incorporated in England and Wales (company number: 02362892). WaterAid Trading Limited's registered office and operational address is: WaterAid, 6th Floor 20 Canada Square, London, England, E14 5NN.

a) Profit and loss account	**2023 £000**	2022 £000
Turnover	**439**	383
Cost of sales	**(24)**	(20)
Gross profit	**415**	363
Administrative expenses	**(34)**	(38)
Impairment Charge	**(82)**	-
Operating profit	**299**	325
Interest receivable	**12**	5
Profit on ordinary activities	**311**	330
Gift Aid to WaterAid under Deed of Covenant	**(311)**	(330)
Retained earnings	**-**	-

b) Balance Sheet	**2023 £000**	2022 £000
Non-Current assets		
Investment in associated companies:		
WeAreGoodGiving Ltd.	**100**	82
	100	82
Current Assets		
Debtors	**353**	77
Cash at bank and in hand	**947**	771
	1,300	848
Creditors		
Amounts due within one year	**(1,400)**	(930)
Net assets	**-**	-
Represented by:		
Share capital	**-**	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2022: two £1 ordinary shares)

A deed of covenant is in place whereby all profits generated by the company are distributed to the parent charity in the form of a 'Qualifying distribution'.

Other wholly owned subsidiaries

WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772
Registered Office 6th floor, 20 Canada Square, London E14 5NN

On 10th March 2020, two new companies guaranteed by WaterAid, without share capital, were incorporated in England and Wales for the purpose of funning lotteries. WaterAid holds 100% of the voting rights of each company and has the right to appoint a majority of the board of directors of the companies. In accordance with sections 394A and 448A of the Companies Act 2006, Directors confirm that both companies were dormant throughout the financial year. Directors are exempt from the requirement to deliver a copy of the companies annual accounts in accordance with these sections.

13. Fixed Asset Investment

Wateraid Trading Ltd invested £82k in March 2022 for a 20% shareholding in a new payroll giving company: WEAREGOODGIVING Ltd with registered company number 13256341. The other equal shareholders are four other charities. The new company was set up with an independent Managing Director and three Non-Executive Directors nominated from the charities. In addition to the articles of association the company governance is established by the Subscription and Shareholding Agreement. The original fixed asset investment has been adjusted for impairment during the year and an additional £100k invested in February 2023. The carrying value is £100k (see table) below.

Cost	**2023 £000**	2022 £000
At 1 April 2022	**82**	-
Investment in Year	**100**	82
Asset Impairment	**(82)**	-
Net book value At 31 March 2023	**100**	82

14. Cash at bank and in hand

	The group		**The charity**	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Cash and bank balances in UK	**29,870**	26,553	**28,603**	25,462
Cash and bank balances overseas	**4,482**	3,445	**4,482**	3,445
Short term deposits UK	**3,000**	7,000	**3,000**	7,000
	37,352	36,998	**36,085**	35,907

Notes to the financial statements

For the year ended 31 March 2023 (continued)

15. Creditors: amounts falling due within one year

	The group		**The charity**	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Trade creditors	**4,041**	3,555	**4,041**	3,555
Taxation and social security	**746**	731	**636**	713
Other creditors	**376**	274	**356**	274
Accruals	**3,194**	2,638	**3,182**	2,629
Deferred income	**229**	182	**229**	182
	8,586	7,380	**8,444**	7,353

The deferred income relates to funding received for activities in a future period.

The movements in deferred income are analysed as follows:

Group and charity	**2023 £000**	2022 £000
Deferred income at the beginning of the year	**182**	12
Amounts released from previous years	**(182)**	(12)
Income deferred in the year	**229**	182
Deferred income at the end of the year	**229**	182

16. Provision for liabilities and charges

	The group		**The charity**	
Provision falling due under one year	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Provisions at beginning of the year	**1,425**	1,237	**1,106**	1,237
Amount charged to statement of financial activities	**1,509**	1,329	**1,509**	1,010
Amount released to statement of financial activities	**(1,490)**	(1,141)	**(1,490)**	(1,141)
Provisions at the end of the year	**1,444**	1,425	**1,125**	1,106
Provision falling due more than one year				
Dilapidation Provision	**157**	105	**157**	105
	157	105	**157**	105

Provisions include end of contract provisions for staff on non-UK contracts. These provisions include lump sums paid at the end of contract, similar to a pension scheme and/or loyalty payment which is paid on full completion of service. Other provisions include dilapidation charge for the WaterAid office in the UK and contract retention amounts on programme construction works.

17. Movements in funds

	At 1 April 2022 £000	Income £000	Expenditure £000	At 31 March 2023 £000
Unrestricted funds:				
Designated funds:				
Designated funds: Fixed assets fund	5,195	958	(405)	**5,748**
Total Designated funds	5,195	958	(405)	**5,748**
General funds	24,360	59,803	(61,316)	**22,847**
Total unrestricted funds	29,555	60,761	(61,721)	**28,595**
Restricted funds:				
Bangladesh	1,122	3,051	(2,537)	**1,636**
Burkina Faso	906	2,200	(2,611)	**495**
East Africa Region	20	84	(44)	**60**
Ethiopia	1,055	2,470	(3,222)	**303**
Ghana	627	592	(607)	**612**
Kingdom of eSwatini	337	278	(639)	**(24)**
Liberia	(140)	886	(617)	**129**
Madagascar	215	849	(1,641)	**(577)**
Malawi	584	2,062	(1,960)	**686**
Mali	502	1,852	(2,180)	**174**
Mozambique	(30)	1,388	(506)	**852**
Myanmar	435	575	(998)	**12**
Nepal	2,136	1,554	(2,350)	**1,340**
Niger	(93)	609	(487)	**29**
Nigeria	660	2,728	(1,957)	**1,431**
Pakistan	95	864	(940)	**19**
Rwanda	406	3,108	(1,522)	**1,992**
Sierra Leone	(90)	454	(419)	**(55)**
Southern Africa Region	426	713	(780)	**359**
South Asia Region	51	88	(39)	**100**
Tanzania	389	463	(1,009)	**(157)**
Uganda	829	2,243	(1,149)	**1,923**
West Africa Region	(16)	184	(74)	**94**
Zambia	2,831	2,585	(4,543)	**873**
UK	1,033	1,903	(1,847)	**1,089**
Total restricted funds	14,290	33,783	(34,678)	**13,395**
Total funds	43,845	94,544	(96,399)	**41,990**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £4.2m (2022: £2.4m). Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

17. Movements in funds for prior year

	At 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2022 £000
Unrestricted funds:					
Designated funds:					
Fixed assets fund	4,585	30	580	-	**5,195**
Property project	-	-	29	(29)	**-**
Total Designated funds	4,585	30	609	(29)	**5,195**
General funds	18,537	61,680	(56,714)	857	**24,360**
Total unrestricted funds	23,122	61,710	(56,105)	828	**29,555**
Restricted funds:					
Bangladesh	1,958	2,460	(3,296)	-	**1,122**
Burkina Faso	2,004	1,998	(3,096)	-	**906**
East Africa Region	35	11	(26)	-	**20**
Ethiopia	1,005	1,771	(1,721)	-	**1,055**
Ghana	498	856	(727)	-	**627**
Kingdom of eSwatini	207	495	(365)	-	**337**
Liberia	139	386	(665)	-	**(140)**
Madagascar	318	1,777	(1,880)	-	**215**
Malawi	399	1,629	(1,444)	-	**584**
Mali	440	2,124	(2,062)	-	**502**
Mozambique	(44)	1,101	(1,087)	-	**(30)**
Myanmar	528	1,023	(1,116)	-	**435**
Nepal	925	2,638	(1,427)	-	**2,136**
Niger	(461)	1,244	(876)	-	**(93)**
Nigeria	(23)	1,554	(871)	-	**660**
Pakistan	383	539	(827)	-	**95**
Rwanda	140	1,352	(1,086)	-	**406**
Sierra Leone	(172)	563	(481)	-	**(90)**
Southern Africa Region	115	885	(574)	-	**426**
South Asia Region	40	35	(24)	-	**51**
Tanzania	263	692	(566)	-	**389**
Uganda	780	488	(439)	-	**829**
West Africa Region	64	3	(83)	-	**(16)**
Zambia	1,444	2,557	(1,170)	-	**2,831**
UK	2,321	2,022	(2,482)	(828)	**1,033**
Total restricted funds	13,306	30,203	(28,391)	(828)	**14,290**
Total funds	36,428	91,913	(84,496)	-	**43,845**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.4m (2021: £2.7m). These arise due to the timing differences between the income due under individual funding contracts still to be claimed and the actual project expenditure already incurred.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

Designated funds
Designated funds currently consist of the Fixed Asset Fund of £5.7m (2022: £5.2m) which represents the net book value of the charity's intangible and tangible fixed assets.

General funds
The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2022-23 was a range of £13m-£17m. The balance at 31 March 2023 was £22.8m (2022: £24.3m).

Restricted funds
Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of support costs in line with the terms of the contract.

Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

18. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	**2023 Total funds £000**	Fixed assets £000	Net current assets £000	2022 Total funds £000
Restricted income funds	-	13,395	**13,395**	-	14,290	14,290
Designated funds	5,748	-	**5,748**	5,195	-	5,195
General income funds	-	22,847	**22,847**	-	24,360	24,360
Total funds as at 31 March 2023	5,748	36,242	**41,990**	5,195	38,650	43,845

19. Taxation and charitable status

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary WaterAid Trading Limited pays available profits to the charity through Gift Aid under deed of covenant. Its charge for corporation tax in the year was £nil (2022: £nil).

20. Company limited by guarantee

The liability of 37 members (2022: 40) of the charity is limited by guarantee to £1 each.

21. Operating lease commitments

The charity had the following future minimum lease payments under noncancellable operating leases for each of the following periods:

	Land & Buildings	
	2022 £000	2022 £000
Within one year	**977**	680
1 – 2 years	**1,023**	906
2 – 5 years	**3,156**	2,921
More than 5 years	**1,804**	3,866
	6,960	8,373

WaterAid holds a 15 year operating lease from 31 December 2019 for the rental of office space in the UK with a break option after 10 years.

Section 3 Financial statements

Notes to the financial statements

For the year ended 31 March 2023 (continued)

22. Net movement in funds or net income for the year

This is stated after charging/(crediting):	**2023 £000**	2022 £000
Amortisation and depreciation	**1,360**	1,245
Trustees' indemnity insurance	**6**	6
Trustees' reimbursed expenses	**5**	-
Auditors' remuneration – PwC and its affiliates:		
Audit – WaterAid UK	**65**	-
Audit – WaterAid Trading Limited	**12**	-
Audit – country programmes	**3**	-
Audit Gift in Kind	**43**	-
Auditors' remuneration – BDO and its affiliates:		
Audit – WaterAid UK	**-**	53
Audit – WaterAid Trading Limited	**-**	8
Audit – country programmes	**25**	30
Auditors' remuneration - Other audit firms	**62**	81
Exchange (gain)/loss	**(886)**	(925)
UK operating lease rentals – buildings	**902**	601

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. Five Trustees were reimbursed for expenses incurred during the year £5,237 (2022: £nil).

Trustee indemnity insurance covers Trustees against personal liability in certain circumstances if legal claims were to be made against them.

The group paid £167K in audit fees in the year ended 31 March 2023 (2022: £172K). This figure includes £77K (2022: £61K by BDO) for the consolidated statutory audit provided by PwC UK, who also provided audit services as a gift in kind with a value of £43K, but excludes country programme audits carried out separately by PwC. Other audit fees relate to services provided by firms other than PwC and BDO for overseas country office external audits, project audits and donor grant audits as required by the conditions of funding contracts.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

23. Related party transactions

WaterAid, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden, WaterAid India (Jal Seva Charitable Foundation) and WaterAid Japan are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. All these organisations share the same objectives and vision. WaterAid receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan and WaterAid Sweden. WaterAid has provided grants to support WaterAid America and WaterAid India in 2023 for programmatic, fundraising and organisational development.

Transactions between WaterAid and other member countries of the WaterAid Federation were as follows:

	Received from:		Paid to:	
	2023 £000	2022 £000	**2023 £000**	2022 £000
WaterAid America	**10,472**	7,868	**2,010**	1,536
WaterAid Australia	**551**	456	**-**	-
WaterAid Canada	**1,549**	861	**-**	-
WaterAid Japan	**18**	51	**-**	-
WaterAid Sweden	**3,178**	3,955	**-**	-
WaterAid India	**-**	-	**1,309**	1,967
WaterAid International	**115**	-	**529**	-
	15,883	13,191	**3,848**	3,503

During the year WaterAid did not contribute to the WaterAid international investment fund (2022: £nil) and paid expenses on behalf of WaterAid international of £168K (2022: £141K). At 31st March the outstanding debtor balance with WaterAid international and other members was £225K (2022: £166K) which is due to be settled early in the 2023/24 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £664K (2022: £712K).

Full declarations of interest are obtained from Trustees and Directors for their own activities outside of WaterAid governance as well as those of their spouses/partners and dependants.

Harpinder Collacott, a trustee of WaterAid, was a former executive director and shareholder of Development Initiatives International. During the year WaterAid made no payments to Development Initiatives International (2022: £nil). She is also a trustee of Bond to which WaterAid made payments of £51,811 in 2023 (2022: £60,711). Harpinder is also an executive director with Mercy Corps. During the year WaterAid received £403,195 from Mercy Corp.

Andy Green was appointed chair of WaterAid in October 2020. He was a trustee of WWF to which WaterAid made payments of £6,213.99 in 2023 (2022: £13.000).

Guido Schmidt-Traub is an employee of Systemiq Limited. During the year Wateraid made no payments to Systemiq Limited in 2023 (2022: £106,749).

Heidi Mottram is a trustee and CEO of Northumbrian Water Group. During the year WaterAid received £76,122 from Northumbrian Water Group Ltd (2022 £38,775). Heidi also personally donated £5,000 in 2023 (2022: £5,000).

Alyson Clark is a trustee of WaterAid and personally donated £120 in 2023 (2022: £120).

Peter Simpson is a trustee and CEO of Anglian Water. During the year WaterAid received £843,216.35 from Anglian Water Services Limited (2022: £679,000) and £80 from AWG Corporate Services Limited (2022: £160). Peter also personally donated £5,520 in 2023 (2022: £3,630).

Rachel Westcott, an executive Director of People and Organisational Development, was a Director of of Water & Sanitation for the Urban Poor (WSUP). During the year, WaterAid made no payments to WSUP (2022: £nil).

The charity has disclosed the financial statements of the subsidiary, WaterAid Trading Limited, detailed in note 14.

Heather Skilling, a trustee of WaterAid, is a consultant to The World Bank. During the year WaterAid received £30,711.22 (2022: £nil) from The World Bank.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

Transactions between WaterAid UK and WaterAid Trading	**Net income to charity £'000**	**Balance owed to charity at 31 March 2023 £'000**	**Net income to charity £'000**	**Balance owed to charity at 31 March 2022 £'000**
Trademark – Logo	21	**-**	19	-
Deed of Covenant	(311)	**-**	(330)	-
Admin expenses	32	**-**	34	-
Group undertaking	-	**1,255**	-	900
Other income	-	**-**	(5)	-

24. Financial instruments

	2023 £000	2022 £000
Financial assets		
Cash at bank and in hand	**37,352**	36,998
Grant debtors	**3,224**	4,549
Other debtors	**2,364**	2,827
Accrued income	**2,418**	1,956
	45,358	46,330
Financial liabilities		
Trade creditors	**4,041**	3,555
Other creditors	**1,122**	1,005
Accruals	**3,194**	2,638
	8,357	7,198

In respect of disclosure of financial instruments, sections 11 and 12 of FRS 102 have been adopted.

All financial assets and liabilities are payable or receivable within one year are therefore measured at an undiscounted value.

We are determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere.

By tackling these three essentials in ways that last, people can change their lives for good.



WaterAid/ Fabeha Monir

▲ Roushan outside the new water, sanitation and hygiene facilities at the Mohammad Nagar Darrus Salam Madrasa. Kaliganj, Satkhira, Bangladesh. December 2022.

1 We count people as having been reached with good hygiene through better facilities, and through behaviour change activities when they have been exposed to those activities at least three times in a year.
2 This includes: 964 waterpoints+269 waterpoints rehabilitated+123 water systems.
3 We deliver services directly to bring clean water, decent toilets and good hygiene to people for the first time, to keep us rooted in the communities we serve, and to test innovative new ways of working and technologies which we and our partners can scale up to reach even more people.
4 We count users of the services in different ways, according to where we reach them:
- In or near people's homes – population served by water, sanitation and hygiene facilities.
- Schools – school population plus staff.
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WaterAid, 6th Floor, 20 Canada Square, London E14 5NN
Registered charity numbers 288701 (England and Wales)
and SCO39479 (Scotland) Company number: 1787329

WaterAid

WATERAID

England & Wales - Charity number 288701

Accounts













A successful year; an ambitious future

UK annual report **2021-22**

WaterAid

Our priorities for 2021-22





WaterAid/Mani Karmacharya

1

Benefiting more people with clean water, decent toilets and good hygiene. We will:

- Build people's resilience against the twin threats of COVID-19 and climate change.
- Influence global and national policies, strategies and standards that ensure services are sustainable, of good quality, and for everyone, everywhere.
- Strengthen governments', utilities' and private companies' commitment and ability to provide services to people who need them.
- Directly reach people with services in or near their homes, schools and healthcare facilities.

2

Resourcing our work. We will:

- Engage a broad range of support across the water industry, other companies, institutions and individuals.
- Raise between £87-90 million, with a minimum of £30 million being restricted income.
- Spend between £89-91 million, with 74-76% spent on charitable objectives and 24-26% spent on raising funds for this and future years.
- Ensure an operational reserve target of £13-17 million.

3

Supporting staff to be their best. We will:

- Prioritise the wellbeing and mental health of our staff.
- Build the relevant skills, strong leadership and effective working practices we need to achieve our goals.
- Further develop ourselves as an antiracist and inclusive organisation.

- Above: Students drink water from a deep borehole in Siraha, Nepal.
- Right: Jacques Kambou is an artisan-mason who builds latrines and empties pits in the commune of Moussodougou, Burkina Faso.

Welcome

Together, we achieved so much last year. Now we have an ambitious new approach that will see us reaching more people than ever before. Will you join us?

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WaterAid/Mani Karmacharya

Find out more about our latest achievements, and the issues facing our work at:

/wateraid /wateraidUK /wateraid

A catalyst for faster change

Your support has achieved wonderful things. More children living to see their fifth birthday. More girls able to go to school and take control of their lives. More women able to work to support themselves and their families. More communities better able to cope with the effects of climate change. All due to more people having clean water, decent toilets and good hygiene.


WaterAid/Joey Lawrence

Achieving so much together

These incredible changes in people's lives over the last year have come about thanks to the inspiration and dedication of our many partners and supporters. A big thank you, on behalf of all those people whose lives we have touched, to the hundreds of thousands of individuals, the staff and customers in the water industry who founded us, and the companies, institutions and governments, who trusted us to deliver on our shared vision of a better world.


WaterAid


WaterAid/Oliver Dixon


WaterAid/Ernest Randriarimalala

- Above: Tiru Getahun looks after the water pump we installed with the community in Derekwa, Ethiopia. She collects money to pay for its maintenance and provide her with an income.
- Right: Andy Green CBE, Chair of Trustees.
- Far right: Tim Wainwright, Chief Executive.
- Below: Tantely stands inside an accessible shower cubicle at her school in Belavabary commune, Madagascar. "I want to be a doctor when I grow up," she says.

Together we achieved so much, despite increasing instability in the world. The continuing devastation caused by COVID-19. The global impact of the conflict in Ukraine, especially in relation to food distribution in the countries where we work. Conflict in Ethiopia and parts of west Africa. The growing risks brought about by climate change.

Each of these are threats that could halt and even reverse the progress we have made. However, thanks to our wonderful teams and partners around the world, through it all we have sustained our programmes and helped many more people secure their right to water, sanitation and hygiene. Thank you all.

A more ambitious approach

Looking beyond our achievements though, we see that our sector as a whole is struggling. The United Nations Sustainable Development Goal 6, which embodies our vision of everyone, everywhere having sustainable and safe water, sanitation and hygiene, is off track. We will not achieve it by 2030 as member states intended when they agreed to it in 2015. In fact, at current rates of progress it will be many decades before we come even close.

This is because, despite their transformative impact on people's lives, clean water, decent toilets and good hygiene are simply not prioritised highly enough and do not attract enough funding. This is why we have decided to take a far bolder, more ambitious approach to achieving our vision than ever before. We articulate this approach in our new global strategy, which we developed and launched during the year, and which will run until 2032.

Increasingly, we are putting our efforts into being a catalyst for bigger change. In the past, we measured our success just by the millions of people we reached with our service delivery work. In the future, while continuing to reach millions directly, we will measure our collective success – with our partners and allies – by the hundreds of millions of people reached through systemic change. By 2032, our ambition is to see 400 million more people with clean water, decent toilets and good hygiene, and £12 billion more a year mobilised to ensure further progress in low- and middle-income countries.

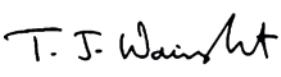
Bringing our vision to life

To achieve this, we will direct all of our energy in pursuit of four strategic aims. We will:

- Achieve universal, sustainable and safe services in focused geographic areas to influence wider change. Together with our partners we will identify and overcome the barriers in different settings and work with those in power to do the same on a larger scale.
- Prioritise water, sanitation and hygiene across the health sector to improve public health. These three essentials are a frontline defence to prevent and control diseases, infections and pandemics, such as COVID-19.
- Strengthen the resilience of water, sanitation and hygiene to climate change. Communities living in poverty are likely to be hit the hardest by climate change despite having done the least to cause it. We will help them mitigate the threats and bounce back quickly from any that occur.
- Increase the quantity and quality of financing. This is essential as many countries struggle to meet the cost of running existing water and sanitation systems, and face large financing gaps for new infrastructure.

As you will see in this report, we are already doing a huge amount in each of these areas. And throughout our work we will continue to create and take opportunities to advance gender equality, forge new partnerships, build the evidence base, and put into practise our commitment to be a leading antiracist and inclusive organisation.

This is a journey we simply must take to bring our vision to life. It promises so much for the millions still without clean water, decent toilets and good hygiene, and we hope you will join us on it.



Tim Wainwright
Chief Executive



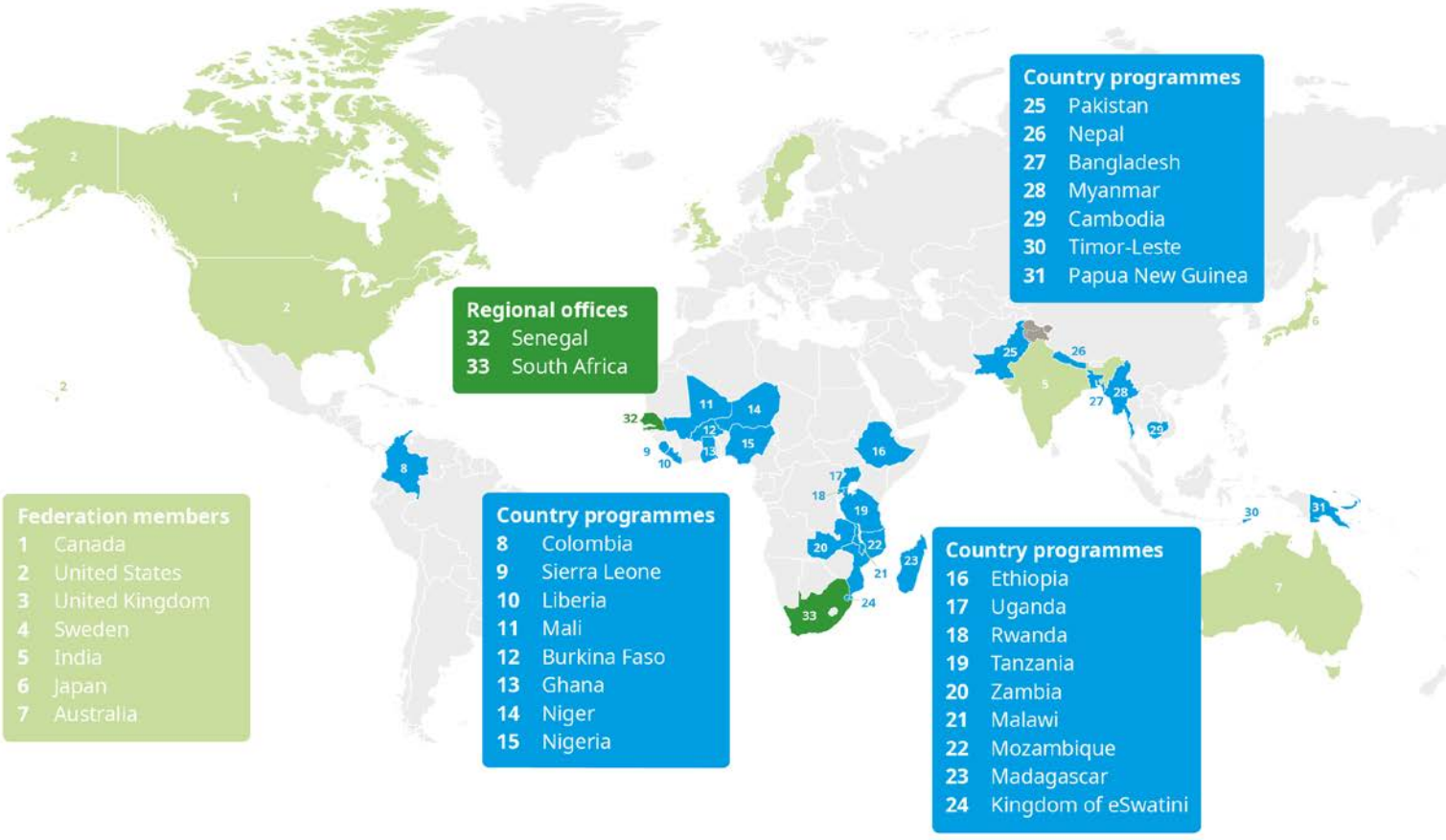
Andy Green CBE
Chair of Trustees

1

Benefiting more people with clean water, decent toilets and good hygiene

Our impact at a glance

Clean water, decent toilets and good hygiene free people up to unlock their potential and break out of poverty. We never forget that behind the numbers shown here are individuals who use these three essentials as a springboard to a better life for themselves, their families and their wider communities.



A bigger impact through our federation

The impact of our programmes in Africa and Asia is greatly enhanced by our collaboration with fellow federation members. Together we are growing our ability to influence at a global scale, and to design and deliver more ambitious cross-federation programmes. WaterAid UK invests some of its financial resources into members such as WaterAid India and WaterAid America in ways that promote this collaborative effort.

SDG 6 explained

All United Nations Member States adopted the Sustainable Development Goals (SDGs) in 2015, to achieve by 2030. The goals provide a shared blueprint to achieve peace and prosperity, now and into the future. Our commitment to ensure clean water, decent toilets and good hygiene for everyone, everywhere is embodied in Goal 6 – which we were instrumental in securing. It is vital, both in itself and as a key contributor to other goals such as ending poverty.

Working in partnership

We bring people together, actively encouraging collaboration so that many voices can be heard and ideas can spread. This approach reflects how we were founded by the private companies of the UK water sector coming together with a shared vision in 1981, and deepening our relationship with the private sector within countries and globally is a key component of our new strategy.

Outside of the private sector, by working closely with partners internationally and on the ground, we achieve more lasting change than we would working by ourselves. In 2021-22, we worked with **247 partner organisations** on **233 projects**. Our partners included:

- **103** governmental bodies and 94 non-governmental organisations from the local to the global.
- **15** primary networks or alliances, alongside a wide range of others.
- **49** rural and urban authorities, including 8 utilities.

Influencing

We invest in thorough research and targeted relationship-building, to create and seize opportunities to make a difference to people's lives through governments at all levels. Change can take longer by this route, but once secured it can benefit millions and, if properly implemented, last lifetimes.

In 2021-22 we helped secure changes to 14 national policies, strategies or standards to benefit people living without clean water, decent toilets or good hygiene.

Strengthening systems

We strengthen the local and national systems that underpin how water, sanitation and hygiene services get to people in the first place, and are then maintained. These systems include planning, coordinating, financing, implementation and monitoring, and the approach means that our investment reaches many more people than it would if we used it to deliver services directly ourselves.

Below we report on people reached through these activities in 13 of the countries we work in:

Number of people we reached indirectly with new or improved services in 13 countries[i] [ii]	**In or near people's homes**	**Schools**	**Health facilities**	**Public facilities**
Clean water	231,100	6,682	85,642	1,426,909
Decent toilets	67,107	5,662	170,635	1,175,050
Good hygiene through better facilities	n/a	27,006	292,958	1,202,530
Good hygiene through behaviour change activities	576,663	n/a	41,666	n/a

Delivering services directly[iii]

We deliver services directly to bring clean water, decent toilets and good hygiene to people for the first time, to keep us rooted in the communities we serve, and to test innovative new ways of working and technologies which we and our partners can scale up to reach even more people.

In 2021-22 we reached:

Number of people we reached directly with:[iii]	6,108 communities (in or near people's homes)	1,325 schools	403 health facilities	- public facilities
Clean water	324,380	82,567	1,113,664	10,475
Decent toilets	220,714	81,226	1,243,516	6,659
Good hygiene through better facilities	208,647	244,616	6,119,218	1,723,156
Good hygiene through behaviour change activities	1,430,453	158,833	676,699	n/a

[i] We count users of the services in different ways, according to where we reach them: • In or near people's homes – population served by water, sanitation and hygiene facilities. • Schools – school population plus staff. • Healthcare facilities – total number of patient visits over one year plus staff. We count people as having been reached with good hygiene through behaviour change activities when they have been exposed to those activities at least three times in a year.

[ii] Data is provided by the institutions we supported. Reporting this data means we can not only show the indirect reach of our work, but also focus attention on the data's importance in planning and monitoring water, sanitation and hygiene services, especially to local institutions. We have tested this methodology over the past few years and intend for this model to be adapted and expanded as part of our measurement framework for our new strategy.

[iii] We count users of the services we provide directly in different ways, according to where we reach them: • In or near people's homes – population served by water, sanitation and hygiene facilities. • Schools – school population plus staff. • Healthcare facilities – total number of patient visits over one year plus staff. We count people as having been reached with good hygiene through behaviour change activities when they have been exposed to those activities at least three times in a year.



WaterAid/Basile Ouedraogo





Above: Justine Sawadogo holds a rainfall record notebook and reads a rain gauge in Boulsa, Burkina Faso, just one of the countries where we're now influencing climate adaptation plans following COP26.*

*Our work in Bonam, Burkina Faso, was supported by the European Union and players of People's Postcode Lottery.

Taking more opportunities

Following the huge support we gave to governments in the first year of the pandemic, in 2021-22 we took up more opportunities to shape national policies and programmes than ever before. Doors that previously were closed, now opened. Governments appreciated our technical expertise, commitment to quality and collaborative approach, and we leveraged that to pursue our relentless focus on benefitting the most marginalised communities with safe and sustainable water, sanitation and hygiene.

We influenced not only at the national and global levels, but regionally across countries too. Organisations such as the Economic Community of West African States, the Southern African Development Community, and the South Asian Association for Regional Cooperation, provide vital fora for us to get our messages heard, understood and actioned. These are complex bodies, and progress can be slower than we want, but improvements secured through them can bring significant change.

During the year we built on our COVID-19 contributions to kickstart conversations on the importance of clean water, decent toilets and good hygiene in two areas where they are often overlooked. These are in building people's resilience against the worst effects of climate change and improving public health across a wide range of outcomes beyond the pandemic. Steps such as becoming chair of a development group in one country, and gaining a permanent seat on a sub-committee in another, may seem small in themselves. But together they grow our role as a catalyst for change, and raise the voice of the communities we serve to those with the power to implement it.

A good COP26 for water

November marked our biggest and most successful engagement at COP, the global climate summit. In the lead-up, we worked with our allies Pan-Africa Climate Justice Alliance to ensure water was on the agenda and embedded in climate adaptation plans. During COP26, we held events, meetings and exhibitions, including several events as part of the first-ever COP Water Pavilion with partners such as UN agencies, Eversheds Sutherland, Diageo, Arup and the Sustainable Markets Initiative (SMI). We will continue to develop the Resilient Water Accelerator as part of our involvement in the SMI.

As a result of our hard work and influencing, alongside other key allies in the water sector, water was more prominent than ever. We saw water, sanitation and hygiene integrated within country plans to adapt to climate change for Ethiopia, Nigeria, Uganda, Tanzania and Zambia – with further influencing of these plans now underway in Ghana, Burkina Faso, Mozambique and eSwatini – paving the way for us to make even bigger waves at COP27.

Accelerating climate resilience

The Resilient Water Accelerator supports national efforts to secure vital climate finance from private sources, to blend with public ones. Since we launched it in 2021, we set up an external steering committee to provide direction, unlock barriers and make connections. The Accelerator has also received seed funding from the Swedish International Development Cooperation Agency and Bank of America, and begun scoping work in Bangladesh, Ethiopia, Malawi, Mozambique and Nigeria. An exciting step towards building climate resilience with clean and reliable water for 50 million people.

Politician's promises come true in Zambia

In the run-up to August's general election, our team in Zambia ran a 'Counting every drop' campaign to raise the profile of clean water, decent toilets and good hygiene. The campaign included organising TV debates, analysing party manifestos, and integrating hygiene behaviour change into electoral processes and press briefings. Between them, these activities convinced politicians from different parties to include water, sanitation and hygiene as a priority in their plans once in office.

Even better, the new government has lived up to its word. Among many steps forward it increased the relevant national budget by 9% for the year, retained the Ministry of Water Development and Sanitation as a standalone ministry while rationalising others due to budget constraints, and President Hakainde Hichilema has made many positive speeches about the importance of the issue since gaining office.



WaterAid/Anna France-Williams

Above: Improvements secured through influencing work can bring significant change. Here is our first-ever delegation at Women Deliver, the largest global event on gender equality.


WaterAid


WaterAid/Francis Chipanda

Investing in the future

In collaboration with Vivid Economics, we launched the Mission critical report to shine a light on the economic case for investing in water, sanitation and hygiene, and show how such investments will contribute to a healthy and environmentally sustainable recovery from the pandemic.

The report had positive reactions from some important targets, such as France's G20 taskforce lead, the CEO of the Bank of America, and senior EU officials. We saw coverage in the worldwide media, with TV interviews across multiple channels, including BBC World News, and reporting on radio shows across several countries. Our corporate partners and alliances were a huge support in promoting our findings and for influencing the broader development sector.

As momentum from the report increased, we also identified key politicians in Germany who were close to the coalition negotiations. We shared the report with them to influence their new coalition agreement. This move, alongside influencing from others in the sector, led to a commitment from the incoming Government to increase access to clean drinking water, and scale up water, sanitation and hygiene around the world – a phenomenal advocacy win!

The report was an integral part of work behind the scenes in the lead-up to COP26 and marked a shift towards our new global strategy to focus on finance.


WaterAid/DRIK/Habibur Haque



Above left: In Pakistan we reported on poor conditions for sanitation workers such as Tasleem Mai, who lives in Muzaffargarh.

Above: The success of our Champions for Change campaign in Malawi should mean that in future fewer girls will need to collect water from unhygienic sources, as Grace and Ivy need to in Machinga.

Left: Anita Das cleans her hygienic toilet in Khulna, Bangladesh, where we are working to improve climate resilience.

Three successes in Malawi

Our team in Malawi scored three important successes during the year. The first two came through its Champions for Change campaign, which targeted MPs and other influencers and key decision-makers. The campaign called for increased prioritisation of, and investment in, clean water, decent toilets and good hygiene.

The government responded positively, establishing a stand-alone Ministry for Water and Sanitation and appointing the Minister and her deputy in January. It also increased the budget for water supply and sanitation projects in 2022-23 by nearly four times the amount for 2021-22.

The third success came via the Minister of Gender. After drawing her, and MPs', attention to the importance of menstrual hygiene on Menstrual Hygiene Day in May 2021, the government announced the removal of import and excise duty on sanitary pads in February 2022.

A step in the right direction

Our advocacy efforts for the UK Government to integrate water, sanitation and hygiene with their support to countries' health services came to fruition in December, with the launch of two long-awaited strategy papers on health. After working with the Government and UK networks to develop these papers, we were pleased to see they prioritised water, sanitation and hygiene – vital given the wider context of alarming cuts to UK Aid.

Increasing sanitation worker safety in Pakistan

In Muzaffargarh, Pakistan, we discovered that working conditions led to sanitation workers putting their lives at risk. After compiling a report and taking it to the local government, we were asked with our partner the Civil Society Human and Institutional Development Programme to provide training and sewer safety equipment. We are continuing to monitor procedures and that safety equipment is correctly in use, and are also working with other districts to roll this out further.

Climate resilience in Bangladesh

Together with our partners and allies, we successfully influenced key decision makers to include climate-resilient water, sanitation and hygiene interventions in Bangladesh's new climate adaptation plan. Through our compelling communications, relationship building and lobbying behind the scenes, we successfully persuaded the decision makers to take action and commit to change – bringing us one step closer to achieving our mission.



WaterAid/Chileshe Chanda

Right: Together with our many partners we're improving healthcare centres across Zambia. Here, nurse in charge Jennifer Chipandwe washes her hands at the entrance to the Simango Rural Health Centre, Kazungula District.

Greater commitment leads to better quality

During the year we saw a steady increase in governments' and donors' understanding of, and commitment to, system strengthening as an effective approach to achieve clean water, decent toilets and good hygiene for everyone, everywhere. The quality of policies, guidelines and funded plans improved, and there was a greater appetite for maintaining services in the long term, as well as for implementing bigger and more complex systems to serve many more people at a time. This is hugely welcome, as we firmly believe that making systematic improvements in areas such as planning, financing, collaboration, technical quality and monitoring means that individual policies, projects and programmes have a far greater chance of being sustainable and successful.

At the same time, building on their responses to COVID-19, more and more individuals and civil society organisations found ways to connect informally, and often digitally, to secure collective and lasting solutions to their water, sanitation and hygiene needs. This is against a background of citizens in many countries also demanding more accountability from their leaders across all aspects of their lives.

Each of these trends has put a greater focus on the need to strengthen the entire system. Having worked in this way with a wide range of partners over many years, we have built up a sophisticated and holistic expertise which we are increasingly sharing and applying in all of the countries we work in. Our aim is that every part of each system works as optimally as possible, and we will not stop until they do.

Climate research underpins plan in Uganda

Over 550,000 people live in the Butaleja, Tororo and Namutumba districts of Upper Mpologoma, Uganda. Research we conducted last year into the impacts of climate change in the area found that around one third of people had already suffered from the destruction of houses, toilets and crops, with flooding the main cause. Worryingly, projections point to future changes bringing increased rainfall.

We are using this valuable research to bring together all of the relevant authorities, providers and communities to build their resilience plans and capabilities. These may include a wide range of technical measures such as: creating surface drainage channels; increasing piped water coverage; constructing boreholes, wells and tanks; introducing small-scale irrigation schemes; and building wall-lined pit latrines and sceptic tanks.



Below: In Namutumba district, Uganda, local mason David Okello inspects a rainwater harvesting tank being constructed. Such tanks are just one way to improve people's ability to withstand the impacts of climate change.*

*Our climate work in Uganda was supported by players of People's Postcode Lottery.



WaterAid/James Kiyimba

Disseminating new designs improves health in Zambia

Clean, hygienic healthcare centres should be normal for everyone, but too often they are not. Building on a strengthened relationship with the Ministry of Health, we agreed the need for new designs and standards for water, sanitation and hygiene services in healthcare centres across the country.

We facilitated a collaborative process involving stakeholders such as district health offices, local authorities, and of course communities themselves. Together we co-created new designs after assessing existing services in 66 centres, then demonstrated the designs in 14 centres.

Working this way promoted a strong sense of ownership and ensured transparency and accountability across the different groups. These are all vital for the long-term sustainability of the new facilities, which now provide the quality of water, sanitation and hygiene services that everyone deserves.

#ClaimYourWaterRights

What links legal reform in Nigeria, and increased sanitation coverage for tribal communities in India? End Water Poverty, a civil society coalition hosted by WaterAid, and comprising over 150 organisations in 90 countries. Through the #ClaimYourWaterRights campaign, last year End Water Poverty provided grants to 22 organisations in 12 countries. Grassroots actions encompassing community mobilisation, media influencing, protest and litigation led to tangible results worldwide.

Sharing climate resilience in Rwanda

Four underground climate-resilient rainwater harvesting tanks equipped with water purification systems are now serving over 55,000 people in Nyagatare, Rwamagana, Bugesera and Nyamagabe. But they will have an even bigger impact, as we shared the technical details and our experience of installing and managing them sustainably with partners in the country. Already, Plan International and Compassion International have started to replicate the same technology and management models in their own programmes, to reach even more people.

Thanks to their design and materials, the tanks reduce the risks of climate-induced change such as erosion, contamination of other water bodies, and flooding. Variously sited in schools, healthcare centres and elsewhere in the community, they each have a management team to ensure their ongoing operation and maintenance. In institutional facilities, this responsibility sits with the existing leadership teams, while additionally in schools the student hygiene clubs play a big role. In communities, water user committees are elected and collect fees to keep the tanks in working order. And we have not disappeared from the picture entirely; together with our partners, we will carry out monitoring visits to ensure the management teams have what they need to keep the water clean and flowing.

To ensure the whole system is as strong as possible, we worked with local authorities while planning the project to agree on the technology and locations, and trained their staff during implementation. This means everyone involved has ownership, from beginning to end and on into the future.

Empowering women in Myanmar

Getting women involved in decision making is key to successful water and sanitation services. This helps meet people's needs and positively impacts women's position in the community. Women now make up half of the members on ten newly launched water and sanitation committees in Myanmar. These groups are driving change by monitoring construction work, and encouraging vulnerable families to speak out.

Communities in Ghana monitor climate

With Ghana Meteorological Service we provided training and follow-up sessions to six drought-prone communities on monitoring groundwater levels and rainfall patterns. Using our Securing Water Resources Approach, 41 women and men are now better positioned to make decisions about their water resources. We are working towards this programme becoming a recognised government support model so more communities can benefit from life-changing clean water.



WaterAid/James Kiyimba



WaterAid/George Osei

Better sanitation and menstrual health in eSwatini

Organisations improving sanitation systems across the country are now using a manual that we developed with the Ministry of Health. We designed the manual with key factors such as climate, emergency situations and affordability in mind. However, top of the list were quality and inclusiveness – especially in relation to gender, disability, children and older people.

The team also supported the Ministry to develop guidelines to improve menstrual health management. The goal is to reduce absenteeism of girls from school and promote the dignity and safety of girls and women. The department for adolescent and young women has since used the guidelines to underpin an action plan to ensure relevant sanitation and hygiene facilities meet national standards, and to improve public knowledge, especially through private sector partnerships and the media.



WaterAid/Nyani Quarmyne/Panos



- Top: Atidaa Otto (left) monitors water levels to help plan future use in Bongo District, Ghana.
- Above: Siphosenkhosi with the contents of a 'dignity pack' at her school in Lubombo Province, eSwatini, where we helped develop menstrual health management guidelines with the Ministry of Health.
- Left: Josiane (left) and Pauline collect water from an underground rainwater harvesting tank in Nyamagabe District, Rwanda.

Training leads to action in Ethiopia

Together with the Ethiopian Water Technology Institute we ran training sessions for 129 sector specialists from 18 utilities. We customised the sessions to each group and subsequent outputs have included: a comprehensive field survey to map each utilities' infrastructure; the setting up of water quality laboratories in the utilities' offices; and new financial practices to improve audit controls.



WaterAid/Nana Kofi Acquah



Success brings challenges

After providing thousands of technologically-appropriate, cost-effective and user-friendly handwashing stations as part of our COVID-19 response, last year governments, donors and partners looked to us for even more innovative and sustainable service delivery programmes. While we welcomed this, we faced a key challenge to ensure that we kept our focus on strategically important work that trialled new solutions, proved the value and sustainability of existing ones, and that in both cases could be scaled up by others for a bigger impact.

A huge trend that continued to affect our work during the year was the incredible rate of urbanisation in many of the countries where we work. This brings two significant issues. Firstly, the impact on those who stay in rural areas, as attention and investment that was slender to begin with follows the migration. And secondly, the impact of the influx of new populations on already underserved and new areas of cities and towns that do not have the funds or sufficient capacity to provide the necessary infrastructure.

In both cases, a focus on delivering one-off projects risks being unsustainable given the ongoing rate of change. That's why we use invitations to carry out service delivery work as an opportunity to talk about the systems that are needed to ensure the work will last long into the future, and how to put them in place or strengthen existing ones. Securing a common commitment to this approach from all other organisations involved is increasingly the best way to ensure no-one is left behind, both now and in years to come.



WaterAid/Ernest Randriarimalala

Hygiene that shines in Madagascar

Our Shining Hygiene campaign has helped more than 6,000 households in 24 communes improve their hygiene behaviour, a vital element in maximizing the personal and social benefits of clean water and decent toilets. The campaign, delivered to households by local volunteer hygiene promoters, is based around the adoption of 5 good hygiene behaviors.

Alongside this work we supported 22 schools and 3 health centres to gain certification for their clean water, decent toilets and good hygiene. Our support included constructing sanitation blocks, and supplying training for teachers, students and medical teams. The certification is approved by the ministries of education and health respectively, and contributes to the country's progress to becoming open defecation free. We also shared our experiences with the World Bank, as part of their consultation on future programmes.

Stronger rural communities in Liberia

In Liberia, we worked with 26 rural communities and 14 schools to transform water resources for over 14,000 people, install decent toilets for more than 4,500 people, and reach over 13,500 people with messaging on the importance of good hygiene.

But our work didn't stop there. To ensure lasting change, we supported the schools and communities to operate and maintain the new water, sanitation and hygiene services. We trained seven community members who are responsible for the day-to-day management of the services as caretakers, treasurers and pump mechanics to ensure they never fail.

To further strengthen community investment in the new services, we worked in collaboration with our partners to implement a financial saving club (Village Savings and Loans). These give community members an opportunity to invest in the community water, sanitation and hygiene development.

Combating COVID-19 in Sierra Leone

In Sierra Leone's districts of Kailahun, Kenema and Pujehun, we co-ordinated district teams from government departments and water and electricity regulators to provide water, sanitation and hygiene to 75,000 people. As the threat of COVID-19 continued, we provided practical support such as soap, sanitiser, buckets, facemasks and gloves. The districts are still benefitting from this collaboration, with monthly meetings to assess progress and identify at-risk locations.

Top left: In Sierra Leone we helped provide water to 75,000 people. Here, Massah uses the new water pump in Tombohuaun, Kailahun District.

Above: Headteacher Mr Tsiory at the newly built sanitation block in his school in Analamanga region, Madagascar.

Meeting rural community needs in Mali

Together with UNICEF, we worked to unlock the potential of people living in rural communities in Mali's Diolia and Bandiagara regions. The project covered 50 villages and focused on three areas.

Firstly, we brought clean water, decent toilets and good hygiene to 30 schools. Students can now focus on their studies without having to worry about going without these essential rights. We trained teachers to promote good hygiene behaviours, like regular handwashing with soap. The water facilities include features such as access ramps and handrails to make them suitable for people with disabilities or additional needs. And in each school we built a dedicated menstrual hygiene management cubicle, training teachers with the skills they need to guide students to have a healthy and safe period.

Secondly, we worked with local authorities, state services and communities, to set up a series of workshops, prompting collaboration in the area of sanitation. These efforts have meant that 34 out of 47 communities now have sanitation services and are open-defecation free. Whilst this is clearly progress to celebrate, we are focused on delivering to the 13 remaining locations.

Lastly, we supported healthcare staff to keep their patients safe as the COVID-19 pandemic continued. We provided COVID-19 prevention kits, and worked with the local health service to develop training modules for staff, enabling them to prevent the spread of the virus.

Improving schools in Niger

We worked with our partners to improve water, sanitation and hygiene across schools in Niger. 10 elementary schools now have clean drinking water for more than 1,800 students. We also rehabilitated 43 toilet blocks in 12 schools for over 4,300 students and installed 13 handwashing facilities in 13 different schools for a further 4,300 students. These changes will transform the lives of these students for good.

Right: Rihanata inside the new menstrual hygiene management block at her school in Cascades region, Burkina Faso.

Below: An elevated water storage and distribution tank in Mecanhelas District, Mozambique, where we delivered clean water and good hygiene to 49,000 people.

Below right: In Mali we worked with UNICEF to improve life in 50 villages. Here, members of the Benkadi women's group stand together inside their market garden in Bla district.



WaterAid/Chileshe Chanda


WaterAid/Basile Ouedraogo

Helping 49,000 people in Mozambique

In Cuamba and Mecanhelas districts, more than 49,000 people now have clean water and good hygiene thanks to a range of work we implemented early in the year. Together with our partners we drilled, equipped and delivered 10 new boreholes, and rehabilitated another 55. We also rehabilitated one community water supply system and two healthcare centre systems – for the Centro de Saúde de Lúrio in Cuamba and the Centro de Sáude da Vila Sede de Insaca in Mecanhelas.

All of this work is helping people unlock their potential and break free from poverty. Girls can go to school, women can earn a living, patients can recover more easily, nurses and doctors are better able to do their jobs, and whole communities start to thrive.

Female-friendly toilets for Pakistan

We built six female-friendly toilet blocks in the civil secretariats of Sindh and Punjab, with 16,400 users expected to use them in the coming year. Facilities include handrails, ramps and covered bins for sanitary products. We will work with the government to replicate these toilets for all public buildings to make a bigger difference across other parts of the country too.

Hygiene kits for Burkina Faso

In Bukina Faso, we are entering the final year of our five-year hygiene and sanitation project. We distributed hygiene kits to more than 1,200 internally displaced women and girls in the communes of Kaya, Tougouri and Tikaré in the Centre North region. In addition, we will deliver lasting solutions, including constructing latrines and boreholes in these areas which are plagued by political insecurity.




WaterAid/Basile Ouedraogo







Resourcing our work

Generosity bowls us over

While the UK began its recovery from the COVID-19 pandemic this year, we knew its economic impact would linger. We have been bowled over by the generosity our supporters showed, despite these continuing difficult times.

The following pages highlight some of our fundraising successes. But we also want to extend a special thank you to everyone who continued supporting us in smaller, yet no less significant ways. WaterAiders who responded to our appeals with a cash donation, or made our ongoing work possible by giving or increasing a regular gift, have continued to make real change happen for communities around the world.

Thank you to every one of our supporters. Together we are making a bigger difference with clean water, decent toilets and good hygiene.

The gift of a lifetime

This year, we collaborated with Mary, a mother of two in Simango, Zambia, and her community for What Jack Gave. The short film represents the many ways we can leave something behind and be remembered, and the difference adding water to your will can make.

Last year, we received 551 legacy gifts from people who remembered us in their wills. Thanks in part to their generosity, Mary's community and so many others now have clean water, decent toilets and good hygiene for the first time. We all want to leave our loved ones with something precious, so we are incredibly grateful to every supporter who also chooses to change life for people they will never meet.

Watch the film at **wateraid.org/uk/jack**



- Far left: Karun carries a gagri full of water, with his school down the hill in Dolakha, Nepal.
- Left: Mary, from Simango, Zambia, starred in our film What Jack Gave. Her community now has reliable clean water, decent toilets and good hygiene thanks in part to supporters who left gifts in their wills.

The toughest detox

Community fundraising is key to our income – and our popular January challenge, Just Water, continued to grow and smash expectations in 2022. The event, which challenges participants to raise £250 by drinking only water during the first month of the year, totalled £45,954 – more than £5,000 over target – with our highest fundraiser raising £1,880. Why not sign up yourself next year? **wateraid.org/justwater**

James hits highest gear

James Whittaker was our highest value fundraiser last year with a truly epic personal challenge. Starting and finishing in St Andrews, Scotland, James cycled the entire 5,700km coast of the UK during July, covering around 185km a day, and raised just under £60,000 for clean water, decent toilets and good hygiene. Have your own idea for a challenge? Visit **wateraid.org/uk/get-involved** to get started.

Making a difference with Zakat

In 2021 we launched our first Zakat policy, providing Muslim donors with the opportunity to donate to three Zakat applicable projects in Bangladesh, Pakistan and Mali. We worked closely with a Muslim fundraising consultant and Islamic scholar to develop the policy and ensure that Zakat is collected and used appropriately. To find out more, visit **wateraid.org/uk/donate/zakat**

WaterAid Speakers go international

Thank you to our volunteer Speaker Network for their commitment and support through another year. As always, Speakers have been educating audiences about clean water, decent toilets and good hygiene, and inspiring people to take action and support us.

Adapting to ongoing pandemic restrictions, the Speaker Network created new ways to give talks and workshops face-to-face (with safety measures) and virtually. This has let them reach 17,907 people with 425 talks and workshops this year, across the UK and internationally, despite remaining obstacles.

We are excited to expand this area of our work even further, and want to extend an enormous thank you to every Speaker for their continued hard work and dedication.

Book a free Speaker for your group at **wateraid.org/speakers**

Stopping the spread

In July 2021, the HEINEKEN Africa Foundation renewed their partnership with us to help even more communities protect themselves from infectious diseases like COVID-19. The renewal follows funding between 2020 and 2021 that brought clean water and good hygiene to 30 million people in Nigeria, South Africa, Rwanda, and Mozambique.

Through a further £1.36 million, the Foundation has continued improving access to clean water and good hygiene in households, public spaces, and healthcare facilities across the four countries, and extended its support to our work in Ethiopia.

Together with local partners, we are focusing on bringing sustainable solutions to busy public places where disease can easily spread – like markets, transport hubs, schools and healthcare facilities – and scaling up mass hygiene promotion campaigns.

Seven years of change

2022 marks the end of our seven-year partnership with Liberty Speciality Markets, and we want to say a huge thank you for their longstanding support. Since 2015, staff have raised more than £850,000 through marathons, treks, star-studded events and much more, and helped us reach more than 42,000 people in Madagascar and 48,000 in Rwanda with vital clean water.

Trekking the virtual globe

WaterAid invited staff at GAMA Healthcare's offices in China, Australia and the UK to walk, run or cycle the distance to our office in Addis Ababa, cheering them on with weekly Ethiopia-themed motivational content from the WaterAid Ethiopia team. The fundraiser earned a nomination at the Business Charity Awards, and participants raised an incredible £50,000 for clean water, decent toilets and good hygiene.



Right: Matavha Primary School in South Africa is one of nine schools we reached with clean water, toilet blocks and hygiene lessons as part of a three-year partnership with Kimberly-Clark.

Below: Ranju Thapa used to collect dirty water from the local river in Dolakha, Nepal. Last year, our project part-funded by the Pictet Group Foundation built a new tap delivering clean water to her front door.



WaterAid/Shruti Shrestha

Right: Once the president of her school's hygiene club, Louise Kantengwa now promotes good hygiene as a journalist for Ishingiro Community Radio in Rwanda. We supported both of these community initiatives with funding from Liberty Specialty Markets.



WaterAid/Bernard Abu Mutijima



WaterAid/Eben Liebenberg

No mountain high enough

As a part of the Foundations for the Future project in Nepal, the Pictet Group Foundation provided £57,000 to help us create reliable clean water sources in Dolakha, Nepal. In this remote, mountainous region, installing water systems can be expensive and difficult, but with the Foundation's help, we have created a blueprint for future infrastructure and improved water security for people living in hard-to-reach areas.

Changing the conversation

Our partners Eversheds Sutherland continued to provide invaluable support this year through funding, knowledge and influence. In addition to £120,000 of unrestricted funding over the next two years, the law firm hosts our WaterAid Presents webinar series and produced a series of live discussions at COP26, reaching world experts with questions around climate resilience, gender equality, corporate partnerships, and financial solutions for water stewardship.

Investing in communities

Kimberly-Clark, creator of household hygiene products such as Kleenex, Andrex and Huggies, are supporting us to make a bigger difference with clean water, decent toilets and good hygiene in four countries between 2021 and 2024. The global manufacturer is funding improvements to services in schools and healthcare facilities across Uganda, Nigeria and South Africa, and public sanitation in Bangladesh through four generous grants totalling more than £4.25 million.

The grants mark a new phase of Kimberly-Clark's investment in communities where they work. Through our partnership, we have begun strengthening local systems and making sustainable changes to daily life possible for tens of thousands of people through essential services.

In Limpopo, South Africa, teachers and pupils are already experiencing the difference. As part of the company's previous funding, which ended in November, we partnered with Tsogang Water and Sanitation to improve facilities in schools and make a difference to local education. Together we worked with nine schools to improve their clean water, toilets and hygiene services, and transformed school days for 3,812 pupils and teachers.

Over the next three years, we aim to reach 8,574 pupils and teachers in ten more schools, and 17,672 people in surrounding communities with these essential human rights. And to support this change into the future, we'll be training 160 people to maintain and manage the facilities, too.

Truly lasting change

Players of People's Postcode Lottery have supported us since 2013, and during 2021-22 raised a phenomenal £2,519,000. This level of support is transformational, and has had a huge impact for communities across the world.

As part of our ongoing COVID-19 pandemic response, players' support helped us share vital hygiene information and essentials, and influence governments around the world to prioritise hygiene. This has kept people healthy through mass public health campaigns and vital changes in attitudes.

In climate change affected areas, players' support has helped us reach people with climate resilient facilities. These will provide reliable sources of clean water and toilets that can withstand extreme weather, like storms, floods or droughts, for generations to come.

Their support has also been invaluable to our work integrating clean water, decent toilets and good hygiene into health facilities. From new mothers to experienced health professionals, more people than ever can harness these essential services to stop the spread of disease and protect their dignity.

Thanks to players, we can respond to these urgent priorities. But we can also change the future by training communities how to maintain their services, and build awareness of the importance of these essential human rights across whole countries.

Thank you to every player of People's Postcode Lottery. Together, we are creating lasting change for millions of people.

Virtual visits

We brought supporters closer to our vital work during the pandemic through our first ever Virtual Visit, an immersive experience of projects in Nepal. Introduced by long-time supporter Sir Richard Stilgoe, and featuring a Q&A with WaterAid UK Chief Executive Tim Wainwright and WaterAid Nepal staff members, we have since delivered three more events like it, and plan to develop more in the future.





Below left: Lorinna Arpushana used to walk miles to collect water in La Guijara, Colombia – until support from Medicor Foundation helped us build local taps. Now Lorinna can spend more time on her textiles business.

Below: Thanks to a project funded by players of People's Postcode Lottery, Helme and her daughter Amaru in Amhara, Ethiopia, can now collect clean water from a tap by their door, rather than trek to the river.

Right: Voices from the Field Officer Mani Karmacharya guided viewers through our exclusive Virtual Visit to Nepal, an immersive experience that let them choose their own journey of films and stories from the communities we are working with.

A wave of support for Nepal

Philanthropists and trusts made our Winter Appeal for Nepal a fantastic success this year. Supporters gave just under £3.6 million, with philanthropists and trusts contributing an enormous wave of support through gifts of £804,670 – more than one fifth of this amount. The UK Government then matched a further £2 million, bringing the grand total to £5,592,201.

To inspire our philanthropic audience, Mani Karmacharya, our Voices from the Field Officer in Nepal, hosted an exclusive webinar that dived into details of our work in the country – including the school in Lahan the appeal was centred around. Funds raised will now be used to reach 475 schoolchildren in Lahan, 28,000 people and 30 schools in Nepal's Bardiya District, and even more communities around the world with clean water, decent toilets and good hygiene.

Reaching rural communities

The Zochonis Charitable Trust has generously supported our work in Northern Ghana since 2019, providing significant funding for our local partners to work with hard-to-reach rural communities. Thanks to the trust, more than 13,000 people now have clean water, decent toilets and good hygiene, with a special focus on improving services at community healthcare facilities to protect everyone's health.



WaterAid/Sibtain Haider


WaterAid/Frehiwot Gebrewold

Becoming climate resilient

Thanks to invaluable support from the Prince Albert II of Monaco Foundation, we started developing plans between the most climate vulnerable communities in southwest Bangladesh and their local governments. We will use climate resilient services to reach 50,000 people with clean water, 40,000 with improved sanitation and 60,000 with hygiene messaging to protect their health during and after extreme weather events like cyclones.

Reaching rural communities

Thanks to long-standing supporter Medicor Foundation, we improved access to clean water and toilets for rural communities in Colombia's La Guajira and Putumayo provinces and the North Caribbean Coast Autonomous Region in Nicaragua. With their support, we integrated these essential services into schools, day-care centres and the wider community, and strengthened the water sector at regional and national levels.

Right: Contestants splashed out in the Anglian Water Regatta, returning to in-person events and raising £135,822 for clean water, decent toilets and good hygiene in Lahan, Nepal through the Beacon Project.

Far right: This year's WaterAid Scotland Ball raised funds for our work in Malawi – so we were delighted that Malawian comedian Daliso Chaponda hosted the festivities and inspired attendees.





A year of reconnecting

We are immensely grateful to UK water companies for inspiring their employees and customers, and relaunching fundraising programmes after a difficult year. Despite the impacts of COVID-19, our industry partners managed to raise a phenomenal £2.1 million for clean water, decent toilets and good hygiene.

Their success was achieved through a combination of in-person, virtual and hybrid events, and exciting replacements for well-loved favourites – like Severn Trent, who were sadly unable to hold their annual Mountain Challenge, but substituted it with a clay shoot. Northern Ireland Water held their second successful virtual ball, and both Anglian Water and Scottish Water were able to bring back in-person balls in March.

Funds raised will go towards programmes changing life for thousands of people across Africa and Asia with essential services.

Anglian Water will continue supporting the Beacon Project in the town of Lahan, Nepal. Severn Trent will keep investing in climate resilience for communities in southwest Bangladesh. Scottish Water and Northern Ireland Water will protect maternal health through the Deliver Life to Mothers, Girls and Children in Malawi project. And other water companies, like South West Water, will support us through unrestricted funding, to be used where the need is greatest.

Thank you to all water industry employees, suppliers and customers for your continued commitment. Because of you, we are truly making a bigger difference.

Superheroes ball

The WaterAid Scotland Ball raised £129,000 for Deliver Life, our project in partnership with communities in southern Malawi, with core funding from the Scottish Government's International Development Fund. The event highlighted Malawian superheroes making change happen in their communities, and people from Scottish Water and the wider water industry in Scotland whose support makes our vital work possible.

40 years of partnership

2021 marked 40 years of WaterAid – and 40 years of cake sales, mountain challenges, raffles and much, much more by the UK water industry to support us. Since our foundation in 1981 by UK water companies, employees have committed everything for clean water, decent toilets and good hygiene and changed millions of lives for good.



Iain Spowart

UK-wide support

Water companies helped us reach over 12 million UK households this year by including WaterAid leaflets in their bills. With gift aid and other fundraising by customers, this raised over £13 million – an amazing response considering the impact the COVID-19 pandemic has had across the UK. Since 1990, leaflets in bills have secured £234 million to help communities unlock their potential with clean water.



WaterAid/Drik/Farzana Hossen

Right: Gita Roy inspects a water storage tank. Gita leads Golap Dol, a women's group with around 60 members managing local water services in Tengrakhali, Bangladesh. Our work with the group and their community has been supported by Severn Trent.

Fundraising Superman

Matthew Girvan, Senior Mechanical Engineer at Scottish Water, set a big plan in motion this year. After raising over £5,000 hiking the Scottish National Trail for us in 2020, he dedicated himself to a new goal in 2021 – inspiring colleagues at Scottish Water to take on their own personal challenges for clean water, decent toilets and good hygiene.

To do so, Matthew has spent this year encouraging peers to embody one of three characters based on Scottish Water's values - Hometown Hero, Lifestyle Legend or Dare Devil – and get fundraising.

All funds raised by his colleagues are helping our community programmes in Rwanda and Malawi, which are also supported by the Scottish Government's International Development Fund. A big thank you to Matthew and everyone at Scottish Water taking part!

Adapting and innovating

To keep supporting us, water company staff adapted to the changing COVID landscape and innovated their fundraising events. Anglian Water hosted the first ever national water industry quiz, bringing employees together virtually from all over the country. Cycle challenges went online, but brought participants together on social media, and Northern Ireland Water hosted a special drive-in movie night for social distancing.

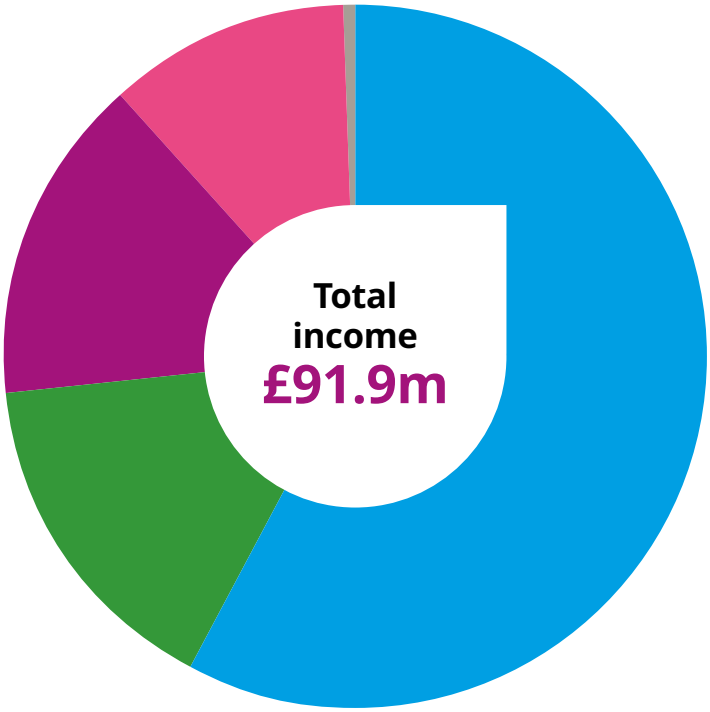
Financial summary

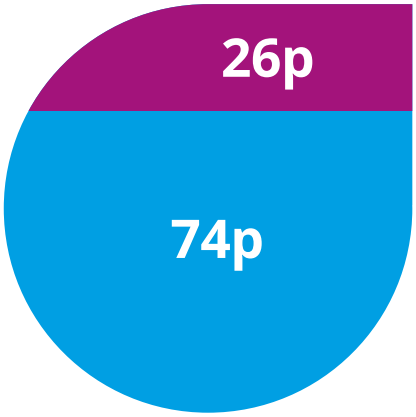
Income

Total income is 2.7% higher compared to the prior year, which is a remarkable achievement given the continued impact of COVID-19 and more recently the war in Ukraine. With social distancing restrictions being lifted this year, we were delighted to see many of our corporate partners' businesses recover and many events take place again to grow that income stream.

Giving from individuals continued steadily and companies and philanthropic organisations supported our work with greater generosity than we planned for. We are immensely proud of and grateful for this, as it has a direct impact on our ability to respond to the difficult circumstances experienced in the countries where we work.

- Individual supporters **£53.3m**
- Corporate and trust supporters **£14.3m**
- Other WaterAid member countries **£13.7m**
- Governments and other institutions **£10.3m**
- Other income **£0.3m**





In every £1 spent 74p went on delivering services and making change happen and 26p went on fundraising and governance.

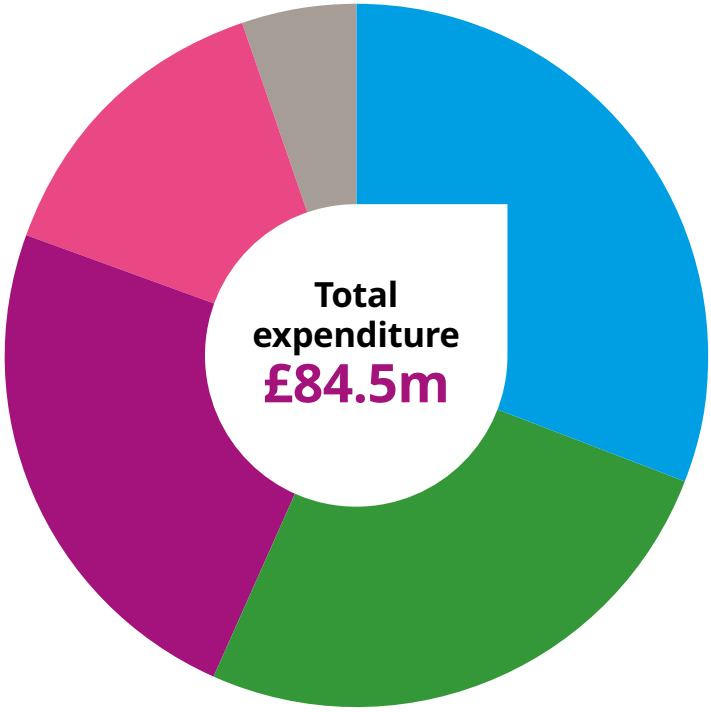
Expenditure

Total expenditure reduced by 1% on the previous year. While expenditure against already secured funds was a little slower than we had planned there were also economic factors such as exchange rates being more favourable than expected that contributed to programmes being delivered at lower cost than budgeted. Going into 2022-23 the challenging environment to deliver sustainable and quality programmes of work continues, with the ongoing impact of COVID-19, political insecurity in some countries, war in Ukraine affecting critical supply of goods (especially to Africa) and weakening global economics contributing to rapidly rising inflation.

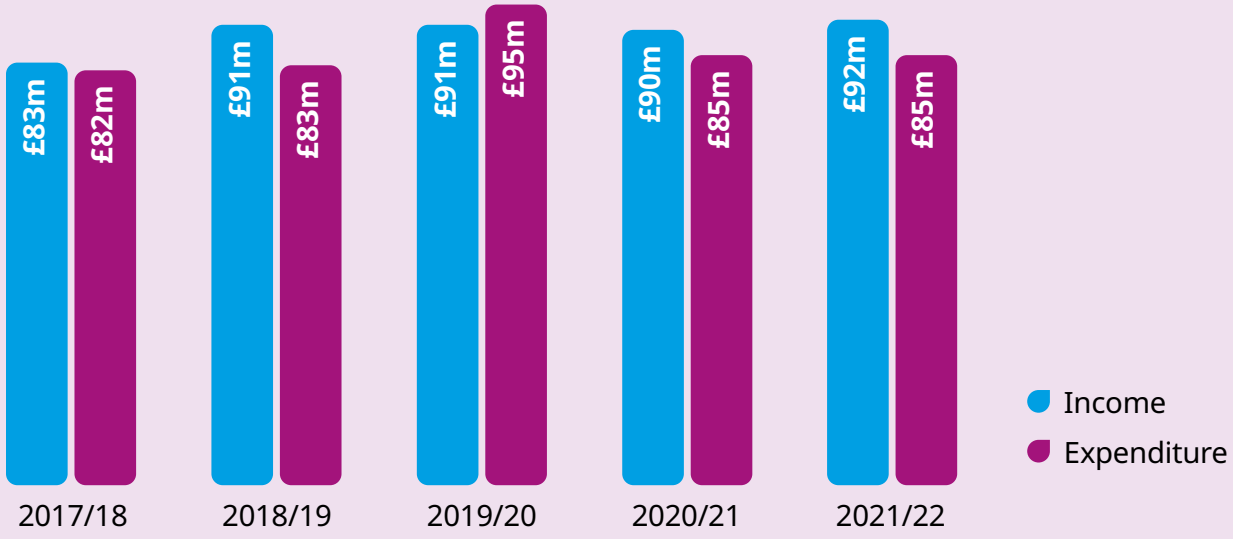
- Supporting partners to deliver water, sanitation and hygiene **31.0%**
- Fundraising **25.7%**
- Sector strengthening and capacity building **23.9%**
- Influencing policy in water, sanitation and hygiene **14.3%**
- Supporting WaterAid globally **5.1%**

Reserves

The lower costs and excellent income results led to an unrestricted surplus for the year, increasing our operational reserve above its target. We will draw upon this excess to manage risks of our uncertain economic environment, and to invest in implementing our new global strategy, which is starting in 2022-23.



Income and expenditure 2017-2022



Thank you

So much of our work is only possible because of the passion and commitment of individuals and organisations who share our vision of clean water, decent toilets and good hygiene for everyone, everywhere.

We acknowledge some of you below – but whether listed here or not, our heartfelt thanks go to each and every one of you.

Below: Sahana and Rani wash their hands using a handwashing station in their primary school in New Delhi, India.



4Water

Access

Affinity Water

All the individuals who kindly left a gift in their will

All UK water industry supply chain partners and sector bodies

Allegra Foundation

Anglian Water Alliance partners – Beacon project

Anglian Water Services Ltd

Ann & Howard Thorne

Association of Inner Wheel Clubs in Great Britain and Ireland

AXA XL

Belu Water Ltd

Bournemouth Water

Bristol Water Plc

Brit Insurance

Cambridge Water

Camp Bestival

CoWaterSogema International Inc

Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

Diageo Plc

Dŵr Cymru Welsh Water

Environment Agency

Essex and Suffolk Water

European Commission

Eversheds Sutherland LLP

Faith groups across the UK supporting our work

Faversham House

Foreign, Commonwealth and Development Office

GAMA Healthcare

Giorgio Armani Acqua for Life

Glastonbury festival

Green Man

Grundfos

H&M Foundation

Halma Plc

Hanif & Ann Ali

HEINEKEN Africa Foundation

Institute of Water

Japan International Cooperation Agency

John & Maggie King

John Lewis Foundation

Kimberly Clark Corporation

Liberty Specialty Markets
Linda I
Lions Clubs International
LTS International Limited
Medicor Foundation
Natural Resources Wales
Northern Ireland Water
Northumbrian Water Ltd
Ocorian Corporate Trustees Limited
Oonagh Fawkes
Osprey Foundation
Parklife
Peter & Pamela McPhillips
Pictet Group Foundation
Players of People's Postcode Lottery
Portsmouth Water
Poul due Jensen Foundation
Rotary Clubs of Great Britain and Ireland
Save the Children
Scottish Government International Development Fund
Scottish Water
SES Water
Severn Trent
Soroptimist International Great Britain and Ireland
South East Water
South Staffs Water
South West Water
Southern Water
Spirax-Sarco Engineering Plc
Swedish International Development Agency
Swiss Agency for Development and Cooperation
Thames Water
The Alchemy Foundation
The Constance Travis Charitable Trust
The Craig and Jill Thomas Fund
The Georg & Emily von Opel Foundation
The Haverstock Charitable Trust
The Prince Albert II of Monaco Foundation
The Reo Stakis Charitable Foundation
The Richard & Anne King Charitable Trust
The Water Report
The Waterloo Foundation
The Wimbledon Foundation
The World Bank
The Zochonis Charitable Trust
Twinings Ltd
UNICEF
Unilever
United Nations Development Programme
United Utilities
Vivien Barnard
Wallingford HydroSolutions
Water Industry Education Forum
Welsh Water
Wessex Water
World Health Organisation
Yondr Group
Yorkshire Water







WaterAid/Ernest Randriarimalala

Supporting staff to be their best

Promoting openness on mental health

With the pandemic heightening awareness of mental health, we launched our first annual global wellbeing day just after World Mental Health Day in October. To engage staff in this vital issue we ran a global webinar that raised awareness of how we can support each other's wellbeing and mental health at work. Senior leaders discussed their own mental health and wellbeing, to demonstrate the importance of being open and honest with colleagues.

We also launched our Global Gratitude Corner, where messages of gratitude are shared between people across the organisation. Around one third of staff engaged in this forum. And we released two new Let's talk wellbeing podcasts, part of a series that has now grown to 15 episodes, where staff share personal stories of their own mental health challenges.

Meanwhile, our wellbeing champion network supported local initiatives. These included the Rwanda team engaging a specialist company to run wellbeing sessions and provide counselling. Similarly, in Madagascar the team hired a psychologist to provide individual support and guidance on how to reduce tension and stress at work, while they also produced a wellbeing booklet and created a wellbeing committee to keep the issue front of mind.

We also granted all staff an additional day of leave as a special thank you for the previous year's hard work, and to recognise the value of resting and recharging.

Above: Girls outside their school's toilet block in Tsiroanomandidy district, Madagascar – just one example of the positive impact our staff have on people's lives. Making sure of their own mental health, safety and security is a key priority for us.

Ensuring safety and security

Each year during a special week we share learning and experiences in two important areas of our work – safeguarding and security. These are woven throughout our approaches to delivering programmes and projects in partnership with others, in our fundraising activities, and in our roles as staff and volunteers.

Maintaining a strong and effective safeguarding and security culture is vital to us fulfilling our core principle of 'do no harm'. In October, Safer WaterAid Week brought the voices of survivors, courageous leaders and Safeguarding/Security Focal Points to the fore. Globally and within our country teams we ran webinars, quizzes, panel discussions, and shared videos. Particularly moving was hearing from a survivor of female genital mutilation, and a country team in the middle of political and civil unrest.

A global approach to recruitment

In line with our ambitions to devolve decision making, address power inequalities, and grow diversity, we are increasingly taking a global approach to recruitment. For many roles, finding the right people with the right capabilities, at the right time, no longer needs to be dependent on them being in a particular place. This includes being innovative about recruiting global experts in countries where we have no registered office, as we have done in Kenya.

The approach allows us to maximise our existing talent, as well as to employ the best future talent. To achieve it we published global recruitment guidelines and launched a global opportunities hub. Each of these was designed to help keep the process fair, equitable and consistent.

New strategy for people and culture

We started developing a new strategy for our people and culture during the year, to set out our areas of focus so we can achieve our mission in a rapidly changing world. We involved external contacts as well as staff at different levels, with diverse perspectives. We began with a comprehensive analysis of our strengths, weaknesses, opportunities and threats, developed insights from these, and explored the shifts we might need to make.



Right: Safeguarding Focal Points and other staff share learning and ensure our core principle of 'do no harm'.

Principles for hybrid working

Following multiple lockdowns in many of our countries, we launched a hybrid working project to explore people's desire for choice over where, when and how they work to best balance home and work life. Using appreciative inquiry with our UK based staff, we developed a set of principles which we will further refine. The current principles are: building a global and inclusive team; connecting on an equal basis; recognising and respecting the needs and circumstances of others; and courageously and continuously challenging and evolving the status quo.

We provided teams across our countries with the tools to hold relevant conversations, and our IT teams put in place what was needed to support colleagues to continue working outside the office.


WaterAid


WaterAid

Recruiting for inclusion

We significantly boosted our capacity to promote diversity, equality and inclusion (DEI) across our global teams during the year. In February we appointed Julie Shrestha as Global Head of Diversity & Inclusion, in December we appointed Trustee Mala Rao as Lead Trustee on the Board for DEI, and in March Caroline Chukwura became our Internal Communications Manager for DEI.

- Left: Trustee Mala Rao took up an additional role during the year of Lead Trustee for Diversity, Equality and Inclusion.

Taking our own temperature

In November, 74% of our 920 staff took part in a short global engagement survey to share how they felt about the organisation. Highlights included:

- 92% of our staff think we are a good place to work.
- 85% of our staff feel they belong.
- 83% of our staff feel they are treated fairly, irrespective of gender or gender identity.

Planning people for our new strategy

Following the launch of our new strategy for 2022-2032, we began engaging with all teams using a process of strategic people planning (SPP). This is to ensure we resource our needs appropriately, and create the right environment for people to be their best. The SPP helps us understand what capabilities and skills we need both now and in the future, what we currently have, and the actions we need to take to close the gap.









Above from left to right: Special Projects Director Mariame Dem, Rwanda Country Director Maurice Kwizera, Regional Director Robert Kampala and Nepal Country Director Tripti Rai all joined our extended UK Directors Team as a way to involve senior leaders outside the UK in making critical decisions.

Addressing our own power imbalances

At the heart of our work lies the conviction that everyone, everywhere deserves the same rights and opportunities. In relation to water, sanitation and hygiene, we are committed to identifying and removing the barriers that hold people back from these three essentials and fulfilling their potential. Increasingly, we have been challenging our own assumptions and practices as an organisation to remove internal power imbalances and inequalities that get in the way of us achieving our mission.

During the year we carried out a power analysis. 655 colleagues took part, of whom 61% felt that unhelpful power differences are getting in the way of achieving our mission. These include being too UK centric, and not recognising expertise, allocating resources equally, or ensuring enough decision-making autonomy within and between the countries we work in, as well as not having enough diversity of voices at Board and senior leadership levels.

In response we established a steering group to create a vision of the changes we want to see, and to oversee the actions we need to take. We extended the UK Directors' Team to involve senior leaders outside the UK in making critical decisions. We ran webinars and podcasts for staff to deepen their understanding of the issues, demonstrate their allyship, and suggest solutions. All of this has led to a range of racial equality and inclusion action plans we are now implementing. We will build on this work over the coming years until we have addressed the issues identified.

Our priorities for 2022-23

1

Accelerating progress so many more people gain access to sustainable clean water, decent toilets and good hygiene. We will:

- Influence and model the delivery of sustainable, climate resilient water, sanitation and hygiene services at all levels.
- Catalyse and support the prioritisation for improvements to water, sanitation and hygiene in healthcare settings, and hygiene behaviour change generally.
- Support and directly deliver services to communities in targeted areas.

2

Resourcing our work. We will:

- Engage a broad range of support across the water industry, other companies, institutions and individuals.
- Raise between £91-93 million, with a minimum of £30 million being restricted income.
- Spend between £92-94 million, with 74-76% spent on charitable objectives and 24-26% spent on raising funds for this and future years.
- Ensure an operational reserve target of £21-24 million.

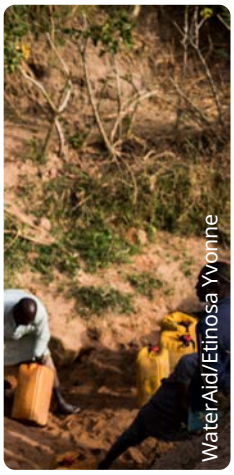
3

Supporting staff to be their best. We will:

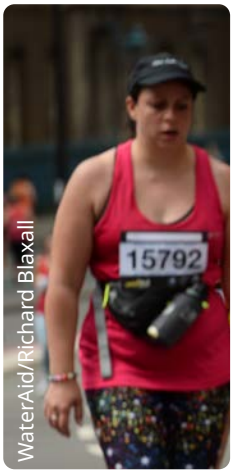
- Prioritise the physical and mental wellbeing of our staff.
- Identify, develop and recruit the skills needed for the new global strategy.
- Further develop ourselves as a diverse and inclusive organisation including addressing the power inequalities that are obstacles to achieving our mission.

- Top: Bintu Nasiru carries a container of water that she has collected from a stream in Adamawa. Nigeria.
- Middle: The London Landmarks Half Marathon, just one of the many ways our wonderful supporters found to raise funds for our work.
- Bottom: Staff and volunteers work and play at Glastonbury Festival, Worthy Farm, England.





WaterAid/Etinosa Yvonne



WaterAid/Richard Blaxall





WaterAid/Ben Roberts



Looking after our people

Safeguarding

Our commitment

Safeguarding is a priority for us. Wherever we work in the world, 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. We expect all staff, volunteers, partners, and those representing us to conduct themselves in a way that preserves the dignity and respect of every individual. All representatives are required to uphold our Global Code of Conduct. We ensure all reports of misconduct are fully investigated by trained staff, with a survivor-centred approach, and that appropriate actions are taken to protect and safeguard all individuals involved. Where a staff member has been dismissed for sexual harassment or abuse, we are committed to sharing the reason for termination on any future reference requests.

Safeguarding activity

During 2021-22, our Global Safeguarding Team received reports of 27 safeguarding concerns from across the WaterAid federation. 11 of these concerns related to WaterAid staff or WaterAid as an organisation. 16 of these concerns related to others such as partner staff, vulnerable fundraisers or donors, or staff family members.

The team responded to all reports; we resolved 12 cases following an initial safeguarding review and 14 cases led to a safeguarding investigation. One concern was not investigated as this was a community safeguarding issue not related to WaterAid or its partners and the issue was reported to a local ombudsman. Of the 27, 19 were confirmed as safeguarding issues.

The outcome of the findings led to some of the following actions:

- 3 staff members being dismissed and 2 staff members receiving warnings.
- 1 partner staff member and 1 partner volunteer were dismissed.
- 1 case where WaterAid returned money to a vulnerable person who had unintentionally made a donation.
- 4 cases led to a revision of our procedures to address identified gaps or risks.
- 2 cases led to thorough learning reviews.

Other cases led to the development of personal welfare plans, risk management plans, individual action plans.

Improving our responses

We recognise that the number of safeguarding concerns from and about partners and communities are fewer than we believe they should be given the challenging circumstances we work in. We remain committed to improving and strengthening our safeguarding reporting and responses with the partners and communities we work with.

We also remain committed to training our staff, partners, and communities to identify and raise concerns, to respond robustly and to mitigate risks. We have updated our core policies and procedures and we launched our Principles of Child Safeguarding (formerly our Child Safeguarding Procedure) with a global staff webinar.

COVID-19 posed an increased risk to already vulnerable groups, our partners and to staff in terms of safeguarding. During 2021-22, we continued the support we offered the previous year, including awareness raising around family and domestic violence (which had seen a global increase) and how to respond to issues being raised whether these related to our own staff, partner staff or community members.

We reviewed the role of Safeguarding Focal Points in every country. We produced clearer guidance on budgeting for safeguarding and set up a fund to support global, regional or country improvement initiatives. Several countries drew upon the fund to deliver partner safeguarding training workshops with positive feedback received. We updated Partnership Agreement Guidelines to include a partner safeguarding self-assessment tool.

Training

We provide ongoing mandatory training to our staff. This past year, we delivered safeguarding training to all Trustee Boards across the Federation and there is now a nominated Safeguarding Trustee for most Boards. During

Safer WaterAid Week, which took place 25-29 October, we ran a range of awareness raising activities.

We remain part of the sector working group run by the international non-governmental organisation network Bond, providing expertise around recruitment, partnership and community awareness. We also helped the Foreign and Commonwealth Department to shape their plans for an aid worker registration scheme, by sharing our safeguarding processes around safer recruitment.

Quality assurance

In the final quarter of 2021-22, we carried out a global safeguarding audit of all federation members against our Global Safeguarding Standard. The findings will generate both global and member-specific action plans. It is the first review of its kind and we will use the findings to implement change across the federation. We also finalised a Global Disclosure Policy to ensure that the highest level of background checks can be carried out on staff where this legal mechanism is available. We will commence Disclosure and Barring Service checks on all our new starters such as those whose roles involve working with children and vulnerable groups.

Our Global Head of Safeguarding provides written reports to all WaterAid Boards, attends the WaterAid UK Board meetings, and liaises regularly with our lead Trustee for safeguarding. Anyone can raise a safeguarding concern, by calling the Global Safeguarding Team on: 0207 793 4468 or emailing: safeguarding@wateraid.org Alternatively, our whistleblowing hotline is through Protect: 020 3117 2520. For more information, please see the safeguarding section on our website.

Modern slavery

Our full Modern Slavery statement can be found on our website. It outlines our commitment and co-ordinated action in relation to the Modern Slavery Act 2015 in respect of our policies for staff and partners, and our operations and supply chains. During the year we recruited a Global Ethical Checks Manager who reviewed and updated our Global Ethical Standards and Policy, and ethical check procedures. Any concerns around modern slavery or trafficking are reported, recorded and dealt with through safeguarding procedures. During 2021-22, no safeguarding concerns about modern slavery were reported.

Remuneration

We are very aware of our responsibilities to those who benefit from our work as well as to our supporters, donors, staff and the public. In setting pay we take seriously our responsibility to ensure value for money in everything we do, by always being effective stewards of our resources. This includes using our money wisely to ensure we pay competitive and fair salaries that enable us to recruit and retain staff with the right values, skills and experience to achieve our mission. We aim to remunerate and to review remuneration in a transparent way.

All of our staff have an annual performance review. We believe that basing an element of pay on performance demonstrates our commitment to value for money, accountability to our stakeholders, and reinforces the importance of high standards of performance for all staff.

Pay scales for all staff are set with reference to market conditions, comparing ourselves with similar not-for-profit organisations. Market pay is determined using recognised salary surveys specialising in the charity and international development sector. We seek to pay between the median and upper quartile of these comparators.

Pay ranges for the Chief Executive and Directors are set with reference to market data for each individual role, benchmarked using at least three relevant remuneration surveys.

Each year we consider an increase to be awarded on 1 April. Increases are determined taking into account the benchmark data, individual performance and affordability. In April 2022, we took note of some significant changes to inflation in many parts of the world.

The People Committee of the Board provide assurance that our global remuneration policies and principles are being applied. The Committee reviews all proposed increases for Directors and recommends the remuneration of the Chief Executive for approval by the Board of Trustees.

Our Board of Trustees are not remunerated.

Gender and ethnicity reporting

The gender pay gap shows the difference in average pay between men and women nationally or within an organisation. As of 5 April 2022, our mean (average) pay gap in the UK was 13.38% and our median (middle) pay gap was 12.52%. Each are below the published national average. The median and the mean pay gap have increased slightly since last year, by 1.3% and 1.2% respectively, the second year we have seen an increase.

We have significantly more women than men in our UK workforce, and our female employees are generally equally distributed across all our grades. Our pay gap arises from the distribution of our male employees across our grades, with a greater proportion of men employed in senior roles and fewer in junior roles, which is similar to other organisations in our sector. This year, we saw even more women and fewer men in the lower quartile, and a greater proportion of men in the upper quartile, which would explain an increase in our gender pay gap.

We carried out our first ethnicity pay gap reporting, using the same process as for our gender pay gap and with the 5 ethnicity categories outlined by the Office for National Statistics. Using the latest available figures, at April 2021 we had a mean ethnicity gap of 0.04% and median pay gap of 5.55%. In April 2022 the mean was -0.64% and the median 4.49%. We will continue to track and review the data to fully understand the reasons.

We now have an integrated gender and ethnicity action plan in place that covers five key areas – developing our apprenticeship schemes; improving opportunities for work; making jobs at all levels flexible, encouraging men and women to share childcare responsibilities; and reducing prejudice and bias in recruitment, promotion and pay. During 2022-23 we will focus specifically on tackling our pay gaps through actions linked to recruitment

Diversity and inclusion

We are passionately committed to being an organisation where everyone is welcome, respected, included and empowered to be their best. We promote and celebrate the diversity of our staff, partners and everyone that we work with, and seek to create a culture where everyone can reach their full potential and bring their unique and valuable contribution.

We have policies in place to ensure we give candidates, existing staff and volunteers equal opportunities to succeed, and we are registered as a Disability Confident employer in the UK. We support flexible working and encourage staff to develop to match their circumstances and aspirations.

Last year we launched our racial equality and inclusion framework, outlining our intentions and actions to stand against all forms of racism and address any unhelpful internal power dynamics. Since launching the framework we held quarterly meetings with the Racial Equality and Inclusion Advisory Group to be accountable for, and report on, progress against the framework's four aims: individual understanding, allyship and action; our people practices; power dynamics within WaterAid; our communications and how we portray ourselves and the communities that we work with.

WaterAiders across the world committed themselves to deepening their understanding and allyship through reading, podcasts, attending webinars and through discussions within their teams. Many teams ran reflection sessions, and developed and started to implement Racial Equality and Inclusion action plans.

As part of our commitment to address the power differentials that hold us back from achieving our mission, we commissioned a consultant to undertake an internal power analysis. Between June and August 2021 around 150 global staff were interviewed or joined focus groups and 655 completed a survey. 61% of those surveyed thought unhelpful power dynamics were holding us back. As a result of the feedback, we formed a steering group with

representatives from country programmes and regions. The group will create a vision of how we will change, and will identify and drive the required actions over both the short and long term. We created a global engagement and communications plan for this area of work, with activities planned at 3 levels: senior leaders; global audiences; and localised team activities. The aims are to learn, to engage people and to challenge our thinking and shift behaviours.

To support our ambition to devolve decision making, address power inequalities, draw on talent from a wide range of countries and grow diversity, in 2021-22 we launched our global opportunities hub and increased the number of global roles based outside the UK.

We recognise and take seriously our responsibility for how we portray ourselves and the communities that we work with, and how this defines us as an antiracist organisation and resonates with recipient audiences. We drafted a representation policy and approach that will ensure our communications are founded on being an anti-racist organisation, drawing on consultations with communities in Ethiopia and Nepal, diaspora communities in the UK, and through internal workshops.

We have reviewed many of our people management practices from a diversity lens with a focus on recruitment, career development, induction, leadership development and other learning activities, and in December 2021 we reviewed and updated our Global Code of Conduct.

In every country, our teams engaged in discussions about diversity and inclusion. In some countries support groups have formed, such as an LGBTQ+ group in the UK and a women's group in Bangladesh. We report annually on our UK gender pay gap and this year also reported on our ethnicity pay gap.

In November 2021 we held our annual global employee engagement survey. 80% thought people at WaterAid are treated fairly, irrespective of nationality, race or ethnic origin; and 85% thought people at WaterAid are treated fairly, irrespective of gender or gender identity. 13% said they had experienced or witnessed discrimination at WaterAid in the previous 12 months.

In March we successfully appointed to the new role of Global Head of Diversity and Inclusion with a remit to develop our diversity and inclusion strategies. In addition, our Vice Chair, Mala Rao, was appointed lead Trustee for Diversity. We update and are held to account by the Board on our progress in this important area.

Everything we do is guided by our values of respect, collaboration, accountability, innovation, courage and integrity. We treat everyone with dignity and respect, and champion the rights and contributions of all to achieve a fairer world. We act with honesty and conviction and our actions are consistent with openness, equality and human rights.

Managing risk

WaterAid works in countries where security is often an issue, which means a level of risk is inevitable. We have an active risk management process in place to make sure appropriate steps are taken to manage and mitigate risk across the organisation.

The Board of Trustees and Directors team have been clear that the areas where risk should be assessed most cautiously relates to the health, welfare, safeguarding and security of people and the reputation of WaterAid. In other areas, there is an evaluation of risk and reward before taking opportunities. Managed risks will be taken where there is a reasonable basis for believing that this will be to the benefit of people in relation to clean water, decent toilets and good hygiene.

The Board of Trustees has overall responsibility for ensuring that WaterAid has a system of internal control, management and audit to take advantage of opportunities and manage risk effectively. Assessment of risk and opportunity is central to WaterAid's decision-making processes, planning and monitoring.

Our process

- Risk appraisals conducted from the Board of Trustees through to country team level, with regular staff training sessions to identify, evaluate and manage risks.
- Risk registers that capture the risks identified across WaterAid, including material risks, controls and mitigating actions.
- An annual risk management plan which is produced by the Directors team for review and approval by the Board of Trustees, who receive regular progress reports.
- A risk management review which is carried out by the Audit Committee twice a year.
- Regular audits which are carried out by our Internal Audit team and reported to the Audit Committee, who review the implementation of each recommendation.
- Multi-year planning and budgeting which focuses on milestones linked to delivering the global strategy.
- Financial reporting which compares results with the budget on a monthly, quarterly and yearly basis.
- Value for money principles which guide when and where we source goods and services, how we benchmark salaries, and our policies on borrowing and reserves.

Last year's most significant risks

The high risk areas we had identified in our business planning were related to people, delivery of programmes, and finances.

- COVID-19
  The pandemic continued to be a big risk during the year in some countries. The two main challenges were keeping our people and our partner staff safe and being able to deliver a high-quality programme of work with continued restrictions, for example on the movement or gathering of people. There were also, however, opportunities to promote the benefits of water, sanitation and hygiene for better public health.
- Economic pressures
  COVID-19 was identified as a risk to the global economy going into 2021-22. The full impact of supply shortages, rising inflation and the national costs of responding to the pandemic was starting to be felt across the globe. However, the impact of this and then the war in Ukraine was mostly felt toward the end of the year and this is identified as a risk for at least the next two financial years, likely impacting income and costs. Restricted income, particularly from the UK Government, was down in the year, however other income streams did better than planned which helped mitigate this risk.
- Political instability / terrorism
  We continued to see political instability in many countries where we work and security issues continued to be a threat in some countries. The rigorous policies and procedures in place to mitigate some risks were followed and increased support given to countries experiencing this increased risk

environment. Tailored security plans and a range of training was in place to support our staff in their context to remain vigilant on their safety and security.

- Safeguarding and security
  The risk of harm to people due to either safeguarding or security incidents remains high in our assessments due to the impact rather than likelihood of such incidents. We had developed mandatory operating procedures at the beginning of the pandemic to help manage staff safety, and rolled out baseline security training for all country programme staff with enhanced training for those in high risk areas. We continue with ongoing safeguarding elearning for all staff and Trustees.
- Cyber security
  We take the security of our data seriously and have good measures in place, but this remained a significant challenge as demonstrated by the increase in phishing, malware and ransomware attempts. Improved security software enhanced how we deal with cyber attacks and we provide regular fraud and cyber security training to staff to raise awareness.

Main risks to manage in the year ahead

- Unstable global politics diverts attention from the water, sanitation and hygiene crisis
  Instability in global politics, coupled with the economic challenges resulting from COVID-19 and the war in Ukraine, may lead to global leaders having less focus on global development objectives. This is especially relevant for water, sanitation and hygiene as they are not yet a priority, despite the critical role they play in human health and climate adaptation.
- Global economy
  The war in Ukraine and continued lockdowns due to COVID-19 variants are impacting heavily on the global economy, with significant risk of global recession. High inflation rates increase the cost of delivering programmes as well as impacting individuals' spending choices and affecting corporate and institutional decision-making. The future trend in individual spending is unknown, although we continue to strengthen our analysis, tracking performance and gathering insight to identify triggers early so we can respond with necessary changes
- Delays and disturbances to programme delivery
  Disruption and delays to delivering on programme commitments (caused in part by COVID-19 and security issues) are likely to continue into 2022-23. The emphasis will be on working in partnership with the communities, local partners, government and funders of these programmes to build realistic expectations that will ensure programme quality and staff wellbeing is prioritised.
- Safeguarding and security
  Risk of harm to people due to a safeguarding or security incident continues to be an elevated risk with the ongoing impact of COVID-19 and security risks in many countries. Global leads for safeguarding and security are in place along with safeguarding and security focal persons in country programmes and UK departments. There is regular staff training, with additional training in high-risk countries. Safer WaterAid Week awareness raising runs annually while global standards, the global safeguarding strategy, and plans are in place.
- Power, diversity and inclusion
  Real and perceived power imbalances between the global north and global south within WaterAid can risk the effective and sustainable achievement of our mission, given the relative size and influence of different countries, with the UK being the largest power base. A key workstream for our new Global Strategy undertook a power analysis and is making recommendations for longer term actions and considerations as part of the Global Strategy. One area of focus for the power work is our Racial Equality and Inclusion framework, which has four focus areas:
  - our individual allyship, understanding and action;
  - our people management practices;
  - addressing power differentials between global north and global south;

- our communications and imagery.

  We are working with sector colleagues to share best practice. We already differentiate ourselves by not having a dual pay structure (expats/local) in countries where we work.
- Staff retention and recruitment
  The risk to retention has been identified more widely than WaterAid as 'the great resignation'. There is a risk that we may not be quick enough to recruit or able to retain the required talent, and a risk that we may not have clearly identified our resourcing needs or have the correct mix of talent for the new strategy or new ways of working. We will continue to retain staff through creating a good working environment and regular benchmarking of pay against the market. Consultation will continue, responding to staff on the need for increased work flexibility following extensive home working. We seek to be an attractive employer in this respect in all countries.

Our public fundraising approach

We raise a significant percentage of our funds from the public and our primary aim is to ensure we do this in a respectful and inspiring way, consistent with our core values. We also support measures that will improve public trust and support for fundraising in the charity sector as a whole.

We speak to a number of our supporters by telephone each year, if they have given prior consent for us to communicate with them on the phone. We use a professional telephone fundraising agency, Angel, to carry out this work on our behalf. They are required to do so in a respectful manner in accordance with our own high standards and sector regulation. We closely monitor our agency's compliance, training and call quality to ensure we provide our supporters with the best experience when they are speaking with our fundraisers. We use an independent assessor to monitor a minimum of 2% of calls made, providing the agency with detailed feedback and training actions where appropriate. We do not hesitate to take action should a call fail to meet our quality expectations. You can learn more about our approach to telephone fundraising at wateraid.org/uk/telephone-fundraising

Understanding and protecting people in vulnerable circumstances is of paramount importance for us: we recognise that we will come into contact with people who are in a potentially vulnerable situation, or who may lack the capacity to make an informed decision about their giving. We follow industry guidelines regarding people in potentially vulnerable situations, and how to manage any interactions we may have. You can read our Vulnerable Supporter Policy on our website at wateraid.org/uk/our-fundraising-promise

While we provide supporter details that an agency partner requires to fundraise on our behalf (as per our Privacy Policy), we do not give or sell our supporters' details to anyone else, and we do not contact people from cold lists. Whenever a partner fundraises on our behalf, we put in place the appropriate data sharing agreements to ensure the security and fair processing of personal data in accordance with the General Data Protection Regulator (GDPR). When considering a new partner who would process personal data, we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the Chartered Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy seriously and are committed to protecting our supporters' personal information. You can read our Privacy Policy on our website at wateraid.org/uk/ privacy-policy

We are registered with the Fundraising Regulator and pay an annual levy as required. We support public consultations on their Code of Fundraising Practice and work diligently to ensure compliance with the Code and champion its standards across all our fundraising.

It is vital that we communicate with our supporters in the manner they prefer, respecting their privacy and communication preferences. We actively encourage supporters to contact us with any feedback, and we give complaints our utmost attention, to help us improve our fundraising approach.

During 2021-22, we made 5,590,718 contacts using email, mail, telephone and SMS.

We received 260 complaints about our fundraising, 0.005% of the total contacts we made. These were 85% of all complaints received. Our Supporter Care team looks into each and every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work. The key causes were direct mail (55%), television advertising (9%) and online activity (13%).

General Data Protection Regulation (GDPR)

The UK GDPR sets out the responsibilities organisations in the United Kingdom have in relation to the personal data they process.

We have successfully implemented the principles of the GDPR and have embedded an excellent culture of awareness and good practice across the organisation. We are always looking to maintain these high standards, and continually strive to make improvements where we can identify opportunities.

We take privacy seriously so that our supporters can trust us with their data. We always demonstrate our accountability to the principles of the GDPR and have the following in place to help protect personal data:

- Data protection policies.
- A regularly maintained data map, so we can always show what data we have.
- Data retention and cleansing policies and procedures.
- Simple processes allowing our supporters to easily exercise their GDPR rights.
- Supporter data privacy, consent, and preference management.
- Contracts with all of our data processors (e.g. our mailing house) to ensure they adhere to the same data protection standards that we do.
- Data Protection Impact Assessments whenever we embark on a new fundraising initiative, ensuring data protection is at the centre of everything we do.
- Excellent working relationships with fundraising teams so data protection expertise can be provided promptly to innovative campaigns.

We consider that every member of staff has a role to play, and we have an active training and awareness raising programme to ensure we are all familiar and compliant with regulatory requirements, including mandatory training for new starters.

For more information on how we use and protect personal data, please see our Privacy Policy: wateraid.org/uk/privacy-policy

Managing our finances

Reserves policy

Our reserves policy seeks to retain a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target for the operational reserve is reviewed on an annual basis and for 2021-22 the target range was £13-17 million. The operational reserve at the end of March 2022 was above this range, at £24 million and the following gives some information on how this excess occurred. On page 29 we outline how the excess above the target range will be utilised in this and coming years.

At the start of the year COVID-19 continued to be a major risk to income, and we initially estimated an income shortfall of up to £4 million. Although support from individuals to campaigns dropped a little in the second half of the year, especially at the beginning of the war in Ukraine, events and support from some corporate partners had a positive return. We were able to deliver the delayed work from 2020-21 and secure further funding for future years. This resulted in an unrestricted surplus, increasing our operational reserve above its target.

Total funds at 31 March 2022 were £44 million, of which £14 million was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals – the restrictions that these partners place on the funds they give us can range from a focus on a region, theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

We aim for as much flexibility in our funding portfolio as we can achieve, working in partnership with those that fund us. We are stringent in our management of all our funding, whether restricted or unrestricted.

Investment policy and performance

We hold short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits.

Accordingly, our investment policy is to invest in short-term deposits and to hold cash only at those banks with a high credit rating.

Despite holding higher cash balances than in the previous year, due to the extremely low interest rate in the UK, investment income was just £20,000 in 2021-22; we expect improved but still low rates of return on cash balances to continue in 2022-23.

Going concern statement for 2022-23

Our going concern statement is an important disclosure to give our supporters, partners and staff confidence in how WaterAid navigates through our environment of global economic uncertainty. The Board of Trustees is confident WaterAid's financial position is strong and that we have adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these accounts. There is still high demand for the work WaterAid is doing but additionally the following factors provide assurance of WaterAid's going concern:

- We have a diverse portfolio of income raised and are not reliant on any key single source of funding – we are not dependant on one or a very few donors.
- Over half our income is from the generosity of individuals, through regular giving and leaving WaterAid legacies in their wills. This is income WaterAid can place a high degree of confidence in. The support comes from a large number of highly engaged individuals, the majority giving small sums of money regularly.

- The generosity of support to those affected by the war in Ukraine together with the increased cost of living in the UK resulted in a reduced number of donations from individual givers and other funders at the end of the last financial year and the beginning of this year. However, historically individuals do continue to be supportive in difficult economic times, and reduction in giving is not material. We currently estimate the engagement and retention levels to remain high, and therefore the risk of significant changes to unrestricted income to be low, but we are monitoring this closely. High levels of inflation are impacting the cost of delivering our programmes in local currency terms in many of our country programmes, This is being somewhat offset in many countries by movements in exchange rate making local currency cheaper to buy and the net difference in costs is not unaffordable in the next year when inflation is predicted to be at its highest.
- Many of the fundraising activities hit by COVID-19 have restarted as a result of the success of the vaccination programme. Similarly, our corporate partners affected by the lockdowns are recovering with positive forecasts for this year and beyond.
- We project high growth for the next three to five years by WaterAid America, with the majority of their funding being directed toward programmes managed by WaterAid UK.
- We ended the year above our target level of operational reserves, leaving us in a strong position to weather future financial shocks and invest in transformation as part of implementing the new strategy.
- We will have sufficient cash throughout the year to meet our liabilities as the cashflow profile is a building of cash in the early part of the year and drawing down on that in the latter part of the year. We 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 WaterAid during a continued period of uncertainty, to ensure the organisation remains a going concern. Any significant changes to the fundraising approach will continue to be brought to the Fundraising sub-committee of the Board before approval by the Board of Trustees. The Board receives appropriate financial reporting including the cash position at its quarterly meetings to enable members to fulfil their responsibilities. The Trustees believe that there are no material uncertainties that would cast doubt on the going concern of the charity and its accounts are therefore prepared on that basis.

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.

How we operate

WaterAid is a global federation of which WaterAid UK is a member. There are six other members in America, Australia, Canada, India, Japan and Sweden. All federation members are independently constituted organisations with their own boards. WaterAid UK receives funding from other members of the federation to deliver services and make change happen. At the same time, WaterAid UK invests in other members to support their future growth. WaterAid UK also funds part of the running costs of WaterAid international – a requirement of all members.

Legal structure

WaterAid was established by Trust Deed on 21 July 1981, incorporated on 30 January 1984 and registered as a charity in England on 22 February 1984. WaterAid registered as a charity in Scotland on 3 April 2008.[iv] WaterAid has a Memorandum which sets out the objects and powers of the organisation and is governed in accordance with its Articles of Association.

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. At 31 March 2021, there were 44 company members. WaterAid UK is a member of the WaterAid federation. WaterAid international was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid international accounts do not require consolidation into WaterAid UK accounts as WaterAid UK does not exercise control or significant influence over WaterAid International.

Trading company

The principal activity of WaterAid Trading Limited ("the Company") is identifying and undertaking commercial licensing deals. WaterAid Trading Ltd made a net profit of £0.3 million on a gross turnover of £0.4 million. This trading company is wholly owned by WaterAid which primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

Organisation structure

WaterAid has an office in London where the Chief Executive and a team of five Directors and the Internal Audit and Compliance department are based, alongside the secretariat for WaterAid international. The Directors are responsible for the Departments of International Programmes; Policy and Campaigns; Finance and Information Technology; Communications and Fundraising; and People and Organisational Development.

As at 31 March 2022, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa.

Country Directors and Team Leaders in each branch report into a Regional Director. All are appointed by and accountable to the Director of International Programmes. Country Heads of Finance report to the Country Directors and have a dotted line to the UK-based Director of Finance and IT. WaterAid also works in partnership with civil society networks and other organisations in countries where there is no WaterAid presence.

Streamlined energy and carbon report

The annual quantity of energy we consumed was 219,020 kWh and the amount of carbon dioxide we emitted was 46,505 kg. These quantities have been calculated using our office online energy portal, which links to each floor's energy meters, and our fleet car mileage. Our intensity ratio was 125.69 kg CO2 / staff member (46,505 kg CO2 / 370 staff) compared to 133.15 kg last year. The reduction in carbon usage was due to all lease cars being handed back at the start of the financial year. The intensity ratio reduced from 2020 (base year) by 33%. In September 2020 we moved to our new office in Canary Wharf. Here we benefit from several energy efficient features including

[iv] WaterAid raised £3,397,539.32 in Scotland through fundraising activities organised both in Scotland and the rest of the UK.

LED lighting, sensor lighting, A grade or above energy efficient appliances, control of our air con system to closely manage output, and energy efficient IT.

WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. WaterAid has a conflicts of interest policy and procedure, and a register of interests is held by the Company Secretary. Trustees and senior management are expected to sign a declaration when they join and update this annually.

WaterAid is committed to the highest standards of governance and seeks to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, WaterAid meets all core areas of key compliance of the Charity Governance Code and has been ranked amongst the top rated of those reviewed by the audit firm RSM on charities' application of the Code. In December 2020 the code was updated to include a new principle on Equality, Diversity and Inclusion, and in the same month the Board of Trustees committed to delivering on a new anti-racism and diversity framework. In the framework we commit to being an antiracist organisation where diversity is celebrated. Managing safeguarding and security risks are also priorities for the Board of Trustees. In 2021 a Trustee was assigned to lead on equity, diversity and inclusion, ensuring an effective approach throughout the organisation and in its own practice as a Board.

Following an amendment to our Articles in 2017, Trustees elected since then serve a four-year term (renewable once). Trustees elected before that date serve a three-year term (also renewable once). In occasional circumstances, these periods may be further extended to retain specific skills.

The Board of Trustees has four committees:

1. The Audit Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management processes, IT and communications systems, capital spend projects and office occupancy strategy.
2. The Nominations and Governance Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees, so as to achieve an appropriate and diverse mix of skills and experience across the Board as a whole.
3. The People Committee reviews the development of our people management policies and practices including our salary policy, with a particular focus on executive remuneration.
4. The Communications and Fundraising Committee oversees and monitors fundraising procedures, policies and activities. It also provides advice on activities that may pose financial, regulatory or reputational risk.

All these committees have terms of reference published in the governance manual, which is on our website. An induction programme is held for Trustees joining the Board. Trustees are invited to participate in seminars with staff as well as being expected to visit WaterAid's work to familiarise themselves with our operations. As part of the development of the Board, a Board evaluation is held biennually and individual Trustees are performance assessed each year. The members of the Board of Trustees who have served during the year are listed in the Trustees, advisors and key details section on page 52, together with the President, Vice President and Directors' Team.

Day-to-day management of the charity is delegated by the Trustees to the Chief Executive. The planning and reporting arrangements in place give Trustees confidence that the charity is being managed effectively.

Registers of interests

WaterAid keeps Registers of Interests for all Trustees and Directors that we regularly review and update as required.

Section 172 (1) Statement of Directors' duties

WaterAid UK is governed by the charitable objectives which set out the purpose and mission of the charity. The consequences of all decisions and activities of WaterAid are assessed by how they drive us towards achieving that long-term purpose. As Company Directors, the Trustees must act in accordance with duties outlined in section 172 of the Companies Act 2006, summarised as follows:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. As a charity we are accountable to our members – people who support us and engage with us. In this regard, our members are:

- those we support with water, sanitation and hygiene;
- staff and volunteers;
- those who provide us with resources to deliver, and those who partner with us to achieve, our vision of water, sanitation and hygiene for everyone, everywhere.

In doing this, Directors have regard (amongst other matters) to:

- The likely consequences of any decision in the long term:
  During 2021-22 our focus was on developing our future global strategy and how it will contribute to our vision of clean water, decent toilets and good hygiene for everyone, everywhere. Trustees evaluated the long-term impact of some strategic choices and made some hard decisions based on organisational priorities. As part of this work, we held a workshop including Trustees on our geographic focus which led to the decision to close three of our country programmes globally. The group had to consider the consequences of the decision carefully, and its impact on our staff and the communities we work with. This resulted in an exit plan that will take place gradually over the next two years.
- The desirability of the company maintaining a reputation for high standards of business conduct:
  We are the world's leading non-governmental organisation in the water, sanitation and hygiene sector, and we purposefully create and deliver all of our work in partnership with others. Our reputation for high standards of business conduct is therefore vital to ensure we can maintain our position and approach, and it is driven by our core values of respect, collaboration, accountability, innovation, courage and integrity. The Board of Trustees has paid particular attention to the embedding of our Safeguarding policies and processes, with the Head of Safeguarding reporting directly to the Board and a specific Trustee tasked with being lead for safeguarding. The work we do means there is always a safeguarding risk, so this is a priority for the Board and each quarterly meeting has a standing agenda item on safeguarding to reflect that. See page 38 for more details.
  Another area prioritised by Trustees this year was promoting anti-racism. We are conscious of power dynamics that exist at WaterAid and set up a workstream to ensure we are demonstrating anti-racism, which is reported back to the Board. We appointed a diversity Trustee during the year – for more details in this area see pages 34-35 and 40-41.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the 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 affairs of the group and charity and of the incoming resources and application of resources,

including the income and expenditure, of the group and charity for that period.

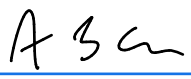
In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on 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 and Charities Act 2011. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein and that all information has been provided to the auditors.

Approved by the Board of Trustees on 16 September 2022. Signed on its behalf by:



Andy Green (Oct 10, 2022 14:11 GMT+1)

Andy Green CBE
Chair of the Board of Trustees

Our leadership team

President
The former Prince of Wales

Vice President
The Rt Hon Baroness Chalker of Wallasey

Board of Trustees
Zaid Al-Qassab[vii, viii]

Manuel Alvarinho

Alyson Clark

Harpinder Collacott

Andy Green CBE[vi, vii, viii]
Chair of the Board of Trustees

Heidi Mottram CBE OBE[vii]

Mala Rao OBE[vi,vii]
Vice Chair

Guido Schmidt-Traub

Myriam Sidibe
(retired October 2021)

Peter Simpson[v]

Heather Skilling[v]

Matthew Tweedie[v]
Treasurer

Hilary Wild[v]
Chair of Audit Committee

Chief Executive and Company Secretary
Tim Wainwright

Directors' Team
Mariame Dem, Acting Director of International Programmes (until February 2022)

Olga Ghazaryan, Director of International Programmes (from February 2022)

Paula Laird, Director of Finance and Information Technology

Marcus Missen, Director of Communications and Fundraising (until June 2021)

Jennie York, Director of Communications and Fundraising (from October 2021)

Sol Oyuela, Director of Policy and Campaigns

Rachel Westcott, Director of People

Principal banker
Barclays Bank plc, 1 Churchill Place, London E14 5HP

Auditor
BDO LLP, 55 Baker Street, London W1U 7EU

Principal solicitor
Bates, Wells and Braithwaite,
10 Queens Street Place, London EC4R 1BE

Company number
1787329

Charity numbers
288701 (England and Wales)
SC039479 (Scotland)

Registered office and operational address
6th floor, 20 Canada Square, London E14 5NN

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[v] Audit Committee member
[vi] Nominations and Governance Committee member
[vii] People Committee member
[viii] Communications and Fundraising Committee member

Independent auditors' report to the members of WaterAid

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources and the Parent Charitable Company's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of WaterAid ("the Parent Charitable Company" and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated) statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement 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 Group and the Parent 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 related 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 Group and the Parent 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

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

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 and the Strategic 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 Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations, grants and legacy revenue recognition, supplier and overseas grant payments.

Our tests included:

- Agreeing the financial statement disclosures complied with applicable legislation;
- Enquiries of the Audit Committee, management and internal audit, review of minutes of meetings of those charged with governance;
- Testing controls over grant funding including agreeing recognition to signed grant agreements to ensure conditions have been met;
- Testing controls over the conduct of country programme audits being conducted;
- Reviewing a sample of gift aid claims and ensuring these have been made in accordance with the regulations;
- Audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance authority limits, agreements and internal control procedures;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual;
- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements;
- review of Serious Incident Reports submitted to the Charity Commission and performing an assessment of any Whistleblowing matters;

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

- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2022; and
- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

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.

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 our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jill Halford
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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London, UK
13 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of financial activities

(including consolidated income and expenditure account)
For the year ended 31 March 2022

	Note	Unrestricted £000	Restricted £000	**2022 Total £000**	2021 Total £000
Income from:					
Donations and legacies					
Donations	3	54,179	4,348	**58,527**	54,847
Grants of a general nature	3	6,316	-	**6,316**	3,660
Gifts in kind	3	264	-	**264**	238
Charitable activities					
Grant funding for specific activities	5	-	25,855	**25,855**	26,983
Other trading activities	4	746	185	**931**	3,778
Investment income		20	-	**20**	12
Total income		61,525	30,388	**91,913**	89,518
Expenditure on:					
Raising funds					
Expenditure on raising grants, donations and legacies	6	21,349	316	**21,665**	21,451
Expenditure on other trading activities	6	38	-	**38**	87
Charitable activities					
Supporting partners to deliver water, sanitation and hygiene	6	9,702	16,500	**26,202**	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	11,678	8,524	**20,202**	20,354
Influencing policy in water, sanitation and hygiene	6	10,075	2,049	**12,124**	10,831
Supporting WaterAid globally	6	3,263	1,002	**4,265**	4,186
Total expenditure		56,105	28,391	**84,496**	85,392
Net income		5,420	1,997	**7,417**	4,126
Transfers	19	828	(828)	**-**	-
RECONCILIATION OF FUNDS					
Net movement in funds or net income for the year	24	6,248	1,169	**7,417**	4,126
Funds brought forward at 1 April	19	23,122	13,306	**36,428**	32,302
Total funds carried forward at 31 March	19	29,370	14,475	**43,845**	36,428

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All incoming resources and resources expended derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 61 to 83.

There is no material difference between the net incoming resources stated above and its historical cost equivalent.

Charity only statement of financial activities

For the year ended 31 March 2022

	Note	Unrestricted £000	Restricted £000	**2022 Total £000**	2021 Total £000
Income from:					
Donations and legacies					
Donations	3	54,179	4,348	**58,527**	54,847
Grants of a general nature	3	6,316	-	**6,316**	3,660
Gifts in kind	3	264	-	**264**	238
Charitable activities					
Grant funding for specific activities	5	-	25,855	**25,855**	26,983
Other trading activities	4	543	-	**543**	3,304
*Other income**		350	-	**350**	388
Investment income		20	-	**20**	12
Total income		61,672	30,203	**91,875**	89,432
Expenditure on:					
Raising funds					
Expenditure on raising grants, donations and legacies	6	21,349	316	**21,665**	21,451
Expenditure on other trading activities	6	-	-	**-**	-
Charitable activities					
Supporting partners to deliver water, sanitation and hygiene	6	9,702	16,500	**26,202**	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	11,678	8,524	**20,202**	20,354
Influencing policy in water, sanitation and hygiene	6	10,075	2,049	**12,124**	10,831
Supporting WaterAid globally	6	3,263	1,002	**4,265**	4,186
Total expenditure		56,067	28,391	**84,458**	85,305
Net income		5,605	1,812	**7,417**	4,127
Transfers	19	828	(828)	**-**	-
RECONCILIATION OF FUNDS					
Net movement in funds or net income for the year	24	6,433	984	**7,417**	4,127
Funds brought forward at 1 April	19	22,937	13,306	**36,428**	32,302
Total funds carried forward at 31 March	19	29,370	14,290	**43,845**	36,429

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All incoming resources and resources expended derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 61 to 83.

There is no material difference between the net incoming resources stated above and its historical cost equivalent

*Other income is made up of the Deed of Covenant from WaterAid Trading and licence fee paid by WaterAid Trading. These are both eliminated on consolidation.

Consolidated and charity balance sheets

At 31 March 2022
Company number: 01787329

	Note	The group		The charity	
		2022 £000	2021 £000	**2022 £000**	2021 £000
Fixed assets					
Intangible assets	10	**1,792**	976	**1,792**	976
Fixed Asset Investments	10	**82**	-	**-**	-
Tangible assets	10	**3,323**	3,610	**3,323**	3,610
Total fixed assets		**5,197**	4,586	**5,115**	4,586
Current assets					
Debtors	11	**10,560**	8,656	**11,387**	9,389
Cash at bank and in hand	15	**29,998**	28,036	**28,907**	26,928
Short term deposits	15	**7,000**	4,000	**7,000**	4,000
Total current assets		**47,558**	40,692	**47,294**	40,317
Liabilities					
Creditors: amounts falling due within one year	16	**(7,380)**	(7,613)	**(7,353)**	(7,238)
Provision for liabilities and charges	17	**(1,425)**	(1,237)	**(1,106)**	(1,237)
		(8,805)	(8,850)	**(8,459)**	(8,475)
Net current assets		**38,753**	31,842	**38,835**	31,842
Provision falling due over one year	17	**(105)**	-	**(105)**	-
Net assets		**43,845**	36,428	**43,845**	36,428
The funds of the charity					
Unrestricted income funds					
Designated funds	19	**5,195**	4,585	**5,195**	4,585
General income funds	19	**24,175**	18,537	**24,175**	18,537
Total unrestricted income funds		**29,370**	23,122	**29,370**	23,122
Restricted income funds	19	**14,475**	13,306	**14,475**	13,306
Total charity funds		**43,845**	36,428	**43,845**	36,428

The financial statements on pages 61 to 83 were approved by the Board of Trustees on 16 September 2022 and signed on its behalf by:

Andy Green (Oct 10, 2022 14:11 GMT+1)

Andy Green,
Chair

Matthew Tweedie,
Treasurer

Consolidated cash flow statement

For the year ended 31 March 2022

	2022 £000	2021 £000
Net income for the year	**7,417**	4,126
Interest receivable	**(20)**	(12)
Amortisation and depreciation of fixed assets	**1,245**	980
Gain on disposal of fixed assets		(18)
Movement in disposals	**-**	(27)
Movement in debtors	**(1,904)**	3,126
Movement in short term creditors	**(233)**	(8)
Movement in long-term creditors	**105**	-
Movement in provisions	**188**	213
Generated from operating activities	**6,798**	8,380
Bank interest received	**20**	12
Payments to acquire tangible fixed assets	**(526)**	(880)
Payments to acquire intangible fixed assets	**(1,249)**	(2,762)
Fixed Asset investment	**(82)**	-
Proceeds from sales of fixed assets	**-**	19
Cash flows expended in investing activities	**(1,837)**	(3,611)
Increase in cash in the year	**4,961**	4,769

Analysis of cash as shown in the balance sheet	2022 £000	2021 £000
Balance at beginning of the year	**32,036**	27,267
Net cash inflow	**4,962**	4,769
Balance at the end of the year	**36,998**	32,036

The charity held no borrowings, related derivatives or obligations under finance leases during the year.

The cash balances were held in the following locations:	2022 £000	2021 £000
UK	**29,998**	29,529
Overseas	**7,000**	2,507
Balance at 31 March	**36,998**	32,036

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies

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

WaterAid is incorporated in the United Kingdom (company number: 01787329) and is a registered charity in England, Wales and Scotland and is a public benefit entity. WaterAid's registered office and operational address is: WaterAid 6th Floor, 20 Canada Square, London E14 5NN.

a) Basis of preparation

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and under the historical cost accounting rules, except for investments which have been included at fair value or the value considered appropriate by the Board of Trustees.

The Financial Statements are drawn up on the going concern basis which assumes WaterAid will continue in operational existence for the foreseeable future (deemed to be a period of 12 months from the date of this report).

As permitted by exemption under Section 408 of the Companies Act 2006, a separate income and expenditure account dealing with the results of the charity only has not been presented.

b) Basis of consolidation

The charity has three wholly-owned subsidiaries and a 20% share in an associated company. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited have been prepared on a line by line basis. Two further subsidiaries, WaterAid (WASH and Health) Limited and WaterAid (WASH and Climate Change) Limited were dormant for the whole of the financial year. Consolidation does not include WaterAid international as there no ability to direct nor does it include dormant companies or other WaterAid members. Further details can be found in note 14. A 20% fixed asset investment in WeAreGoodGiving Ltd is treated as an associated company and accounted for under the equity method with the consolidated accounts.

The activities of the regional fundraising committees in England, Wales, Scotland and Northern Ireland raising funds for WaterAid are deemed to be part of the activities of the charity. As such, they are included in full in the Financial Statements of the charity and group.

c) 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 and losses are included within support costs and reallocated across charitable activities in the Statement of Financial Activities (SOFA) as per note 6.

d) Income

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

- Grant income Grants are credited to the SOFA when the charity is entitled 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 the charity's control, the income is recognised when there is sufficient evidence that conditions have been met.

  Grants that have specific restrictions placed upon their use are included within income for charitable activities and are credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund:
- Donations Individual donations are recognised in the period in which they are received.
- Legacies and in memoria Legacy income is recognised when three criteria are met when entitlement is established, receipt of the income is probable and it can be reliably measured.
  - Entitlement is established when we receive notification of an interest in an estate and probate is granted.
  - Receipt is probable and the estate is reliably measurable when the final estate accounts is received.

  Legacy income is only recognised in the financial statements when the above criteria are met.
- Investment income Investment income is primarily bank interest received and is recognised when earned.

1. Accounting policies (continued)

- Gifts in kind Goods, facilities and services donated for the charity'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.
- Fundraising events Fundraising events income is included in donation and legacies income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which the charity has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis. Fundraising event income received in advance are deffered until the event has taken place.

e) Expenditure

Expenditure is recognised in the period in which it is incurred on an accruals basis. Expenditure includes attributable VAT which can only be partially recovered.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities together with associated support costs. Charitable expenditure is reported as it relates to work undertaken by the charity, in supporting partners, sector strengthening, capacity building and influencing policy to deliver water, sanitation and hygiene, and supporting WaterAid globally.

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. Partner agreements and funding contracts may be for longer than one year.

The costs of raising funds relate to the costs incurred by the group and the charity in raising funds for the charitable work

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Support costs comprise the salary and overhead costs of the central function. The central function includes costs relating to the Departments of Finance, Facilities, Information Services, People and the Chief Executive's Office. Governance costs include internal and external audit costs, legal and tax advice, Trustee expenses and Directors' time in governance of the organisation. Governance costs and other support costs have been allocated to expenditure on charitable activities based upon staff numbers. These staff numbers are listed in note 7 to the Financial Statements.

f) Fund accounting

General 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, nor had any specific restrictions applied.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 19.

Restricted funds are used for specified purposes as laid down by the donor. Qualifying project expenditure is allocated to the fund, together with a proportion of overhead costs where agreed by the donor. Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

g) Fixed assets and depreciation

Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where is provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

Motor vehicles	3 years
Equipment and Furniture – Overseas	3 years
Equipment and Furniture – UK	5 years
Computer Hardware and Software	3 years
Lease improvements	10 years

Items of equipment are capitalised where the purchase price exceeds £1,500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

1. Accounting policies (continued)

h) Investment Policy
Our investment in an associated company is consolidated in our accounts using the equity method which is initially measured at cost and subsequently adjusted to reflect our share of the associated company's profit or loss. If there is any indication of impairment then the carrying amount will be tested and adjusted accordingly

i) Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the charity SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 26).

j) Investments
The investment in the subsidiaries is valued at cost.

Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible and proceeds recognised as income.

k) Cash at bank and in hand
Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. A cash equivalent will normally have a short maturity of three months or less from the date of acquisition.

l) Pension cost
The charity operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in independently administered funds. Contribution payments are charged to the SOFA.

Similarly our staff in country programmes and regions are provided with post employment benefits that comply with local employment legislation.

m) Operating leases
Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA on a straight line basis for the duration of the lease contract.

n) Provisions
Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

o) Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. Accounting estimates impacting the financial statements concerned with grant, legacy and gift in kind income are detailed in note (d). It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

For grant income entitlement is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is satisfactory evidence that conditions have been met. This judgement made based on evidence such as receipt of reports showing satisactory progress has been made against agreed donor outcomes.

WaterAid's policy on estimation of legacy income is as follows:
Pecuniary legacies are a fixed value and WaterAid accrues all open gifts, where a letter from executors has been received
Residuary legacies often involve the sale of assets and therefore the value is only estimated at the point of notification. WaterAid maintains a policy of only recognising the income from these legacies once the final estate accounts have been issued. This is when the value is known with certainty and is the most prudent interpretation of the SORP 2015 regulation.

Gift in kind income is recognised within donations and measured at its fair value (ie market value), or if this is not available it may be derived from the cost to the donor.

1. Accounting policies (continued)

Going concern assumptions after the impact of COVID-19

Given the continued global economic uncertainty we have included some additional narrative on the accounting judgements and estimations related to why WaterAid considers it is a going concern.

Over half our income is from the generosity of individuals, through regular giving and leaving us legacies in their wills. The generosity of support to those affected by the war in Ukraine together with the increased cost of living in UK has resulted in reduced number of donations from individual givers and other funders at the end of last financial year and beginning of this year. However, historically individuals do remain continue to be supportive in difficult economic times, and reduction in giving is not material. We currently estimate the engagement and retention levels to remain high, and therefore the risk of significant changes to unrestricted income to be low, but we are monitoring this closely.High levels of inflation are impacting the cost of delivering our programmes in local currency terms in many of our country programmes, This is being somewhat offset in many countries by movements in exchange rate making local currency cheaper to buy and the net difference in costs is not unaffordable in the next year when inflation is predicted to be at its highest.
Many of the fundraising activities hit by COVID-19 have restarted as a result of the opening up of activities following the UK vaccination programme. Similarly, our corporate partners affected by the lockdowns are recovering with positive forecasts for this year and beyond. We ended the year above our target level of operational reserves, leaving us in a strong position to weather future financial shocks and invest in transformation as part of implementing our new strategy. Cashflow is forecast based on a long historical trend of regular income generation and spending pattern in our country programmes. This is not expected to change either suddenly or significantly. The Trustees therefore believe that there are no material uncertainties that would cast doubt on the going concern of the charity and its accounts are therefore prepared on that basis.

2. Prior year consolidated statement of financial activities

	Unrestricted £000	Restricted £000	**2021 Total £000**
Income from:			
Donations and legacies			
Donations	52,361	2,486	**54,847**
Grants of a general nature	3,660	-	**3,660**
Gifts in kind	238	-	**238**
Charitable activities			
Grant funding for specific activities	-	26,983	**26,983**
Other trading activities	1,499	2,279	**3,778**
Investment income	12	-	**12**
Total income	**57,770**	**31,748**	**89,518**
Expenditure on:			
Raising funds			
Expenditure on raising grants, donations and legacies	21,007	444	**21,451**
Expenditure on other trading activities	87	-	**87**
Charitable activities			
Supporting partners to deliver water, sanitation and hygiene	10,297	18,186	**28,483**
Sector strengthening and capacity building to deliver water, sanitation and hygiene	11,122	9,232	**20,354**
Influencing policy in water, sanitation and hygiene	7,248	3,583	**10,831**
Supporting WaterAid globally	2,414	1,772	**4,186**
Total expenditure	**52,175**	**33,217**	**85,392**
Net incoming/(outgoing) resources before transfers	5,595	(1,469)	**4,126**
Net movement in funds or net deficit for the year	**5,595**	**(1,469)**	**4,126**
Reconciliation of funds			
Total funds brought forward at 1 April	17,527	14,775	**32,302**
Total funds carried forward at 31 March	**23,122**	**13,306**	**36,428**

3. Income from donations and legacies

	Unrestricted £000	Restricted £000	**2022 Total £000**	2021 Total £000
Donations				
Regular giving, donations and appeals	41,905	2,362	**44,267**	44,207
Legacies and in memoria donations	10,683	850	**11,533**	9,194
Fundraising events	1,591	1,136	**2,727**	1,446
Total	54,179	4,348	**58,527**	54,847
Grants of a general nature				
Other WaterAid member countries	2,743	-	**2,743**	2,556
The Waterloo Foundation	300	-	**300**	400
Peoples Postcode Lottery	3,269	-	**3,269**	-
Alchemist Foundation	-	-	**-**	300
Coronavirus Job Retention Scheme (CJRS)	4	-	**4**	223
Other	-	-	**-**	181
Total	6,316	-	**6,316**	3,660
Gifts in kind				
Water Industry Partnerships	147	-	**147**	149
Customer appeal	112	-	**112**	82
Rent	5	-	**5**	5
Other	-	-	**-**	2
Total	264	-	**264**	238
Total	60,759	4,348	**65,107**	58,745

At 31 March 2022, in addition to legacy income that has been included in the financial statements, WaterAid expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. Accrued legacy income included within the financial statements is measured as per our policy and amounted to £1,551,000 (2021: £1,224,000). A further £13,724.000 (2021: £10,390,000) of future legacy income is estimated but not accrued as it does not meet WaterAid's income recognition criteria.

Gifts in Kind were provided by our Water Industry Partners in support of fundraising events, appeals and delivery of charitable activities.

The Coronavirus Job Retention Scheme grant from UK government has been disclosed as unrestricted income in note 3 in line with government requirements. The grant was spent in line with government policy to contribute to pay costs for staff on temporary leave ('furlough') because of coronavirus (COVID-19).

4. Other trading activities

	Unrestricted £000	Restricted £000	**2022 Total £000**	2021 Total £000
Lotteries	543	-	**543**	3,304
Trading company	203	185	**388**	474
Total	746	185	**931**	3,778

Where lotteries were run by WaterAid and it acted as the principal, the proceeds were recorded as gross of prizes and other expenditure.

In the case of WaterAid lotteries managed by People's Postcode Lottery (PPL), WaterAid had no ability to alter the ticket price, prizes or management charges and therefore did not act as the principal for these draws. In 2021 proceeds were therefore recognised in the SOFA as net of prizes and other expenditure. In 2022 this funding is now awarded as a grant of a general nature and the relevant recognition criteria is followed.

	Unrestricted £000	Restricted £000	**2022 Total £000**	2021 Total £000
PPL ticket proceeds	-	-	**-**	8,322
PPL prize fund	-	-	**-**	(3,323)
PPL management fee	-	-	**-**	(2,330)
PPL prize indemnity insurance	-	-	**-**	(6)
PPL net income	-	-	**-**	2,663
Other WaterAid lotteries	-	-	**-**	640
Total lotteries income	-	-	**-**	3,303

We received £3.3m unrestricted income from players of People's Postcode Lottery in 21/22. For 22/23 we submitted an application for an award of £3m.

Our application was approved by their Board of Trustees and henceforth WaterAid will no longer run a PPL lottery

5. Income from charitable activities

Grant funding for specific activities	2022 Total £000	2021 Total £000
Other WaterAid member countries	**10,909**	7,108
UNICEF	**1,705**	1,755
Swedish International Development Cooperation Agency	**1,388**	5,568
Heineken Africa Foundation	**1,371**	1,172
Japan International Cooperation Agency	**1,274**	-
Kimberley-Clark	**1,248**	11
European Commission	**1,176**	901
the Foreign, Commonwealth and Development Office (FCDO)**	**845**	1,317
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	**562**	209
CowaterSogema International	**535**	-
Plan International***	**475**	163
Scottish Government	**440**	455
Giorgio Armani Acqua for Life	**417**	359
The Wimbledon Foundation	**415**	188
Unilever*	**359**	3,229
Diageo	**329**	212
Reckitt Benckiser	**209**	-
Halma Plc	**209**	-
Medicor Foundation	**149**	608
Danish International Development Agency	**-**	656
Mastercard Foundation	**-**	377
Swiss Agency for Development and Cooperation	**-**	351
Action Against Hunger	**-**	187
Auxilium	**-**	182
Other grants	**1,840**	1,975
Total	**25,855**	26,983
the Foreign, Commonwealth and Development Office (FCDO), formerly stated as the Department for International Development (DFID)		
Match Funding – Untapped	**845**	623
Covid-19 Project Clear	**-**	500
Water Project Arusha Tanzania	**-**	190
Other	**-**	4
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	**845**	1,317
*Covid-19 Hygiene Behaviour Change Coalition – received through Unilever	**359**	3,229
Accelerating the Sustainable Control and Elimination of Neglected Tropical Diseases – received through Sightsavers	**-**	119
***South Asia Wash Result Project – received through Plan International	**475**	163
UK Aid received indirectly from the Foreign, Commonwealth and Development Office (FCDO)	**834**	3,511
Total UK Aid received from the Foreign, Commonwealth and Development Office (FCDO)	**1,679**	4,828

Grant funding for specific activities are displayed where either the current balance or prior year balance was greater than £150k

Additional information on transactions with WaterAid member countries can be found in note 25.

Funding from the Foreign, Commonwealth and Development Office (FCDO) reduced in 2022 due to the completion of programmes.

Part of the income from the South Asia WASH Result Project – received through Plan International was transferred to unrestricted to be used for WaterAid strategic aims shown in note 19

6. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	**2022 Total £000**	2021 Total £000
Raising funds							
Expenditure on raising grants, donations and legacies		6,869	13,058	292	1,446	**21,665**	21,451
Expenditure on other trading activities		25	13	-	-	**38**	87
		6,894	13,071	292	1,446	**21,703**	21,538
Charitable activities	8						
Supporting partners to deliver water, sanitation and hygiene		8,059	15,660	367	2,116	**26,202**	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene		6,899	10,601	152	2,549	**20,201**	20,201
Influencing policy in water, sanitation and hygiene		4,193	6,111	122	1,700	**12,126**	10,831
Supporting WaterAid globally		15	4,185	-	65	**4,265**	4,186
		19,166	36,556	641	6,430	**62,793**	63,854
Governance		748	69	-	(817)	**-**	-
Support costs		3,579	3,170	310	(7,059)	**-**	-
Governance and support costs		4,327	3,239	310	(7,876)	**-**	-
		30,387	**52,866**	**1,243**	**-**	**84,496**	**85,392**

Governance and support costs have been allocated on the basis of staff numbers in each area of activity. These staff numbers are listed in note 7 to the Financial Statements.

The governance and support costs and losses/(gains) on exchange rates were incurred as follows:	**2022 Total £000**	2021 Total £000
Finance, People and Information Services	**6,049**	5,664
Chief Executive Office, Internal audit and Governance	**817**	643
Premises and facilities	**1,795**	1,661
Office move	**-**	1,027
Gift in kind	**140**	126
Support costs	**8,801**	9,121
Realised and unrealised exchange (gains)/losses on assets	**(925)**	1,033
Total of governance and support costs and exchange (gains)/ losses	**7,876**	10,154

The exchange rate movement is the net of the operational gains/losses incurred in delivering our services funded in GBP in local currencies and the gains/losses made on asset values held in currencies other than GBP.

7. Staff costs and numbers

Staff costs for the charity and group were as follows:

	2022 £000	2021 £000
Wages and salaries	**26,420**	25,360
Social security costs	**1,336**	1,490
Other pension costs	**2,631**	2,428
	30,387	29,278

The number of employees, calculated on a full time equivalent basis and analysed on a functional basis, was as follows:

	2022 No.	2021 No.
Fundraising staff (cost of generating funds)	**146**	141
Staff delivering charitable activities	**643**	639
Support staff	**71**	71
Governance	**9**	9
	869	860

During the year, there was an increase in staff costs of 2.7% (2021: increase of 1.3%) per full time equivalent employee.

The average monthly headcount was 897 staff (2021: 882). The total number of WaterAid employees at 31 March 2022 was 912 (2021: 877). The increase in the total number of WaterAid employees reflects recruitment of roles previously put on hold in response to the impact of the Covid-19 pandemic.

The charity paid termination payments totalling £18k (2021: £14k).

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

Employee benefits (excluding employer national insurance contributions and employer pension costs)	**2022 No.**	**2022 Total pension contribution £000**	2021 No.	2021 Total pension contribution £000
£60,000 – £69,999	**21**	**137**	23	152
£70,000 – £79,999	**14**	**90**	12	71
£80,000 – £89,999	**7**	**33**	6	53
£90,000 – £99,999	**3**	**25**	6	51
£100,000 – £109,999	**2**	**21**	-	-
£110,000 – £119,999	**3**	**30**	3	34
£120,000 – £129,999	**1**	**11**	-	-
	51	**347**	50	361

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £128,048 (2021: £128,862) and pension contributions of £13,526 (2021: £13,618). The Chief Executives salary is shown in the table above net of employer national insurance contributions of £10,957 (2021: £11,110)

In the UK, WaterAid makes contributions for its employees to a defined contribution scheme operated by Aegon. Pension contributions due to the Aegon scheme as at 31 March 2022 were £167k (2021: £161k).

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Directors' Team. The Trustees' Annual Report provides information on how remuneration is set. The total employee benefits of the key management personnel of the group was £674k (2021: £798k). The key management roles in WaterAid Trading Limited were fulfilled by members of the key management personnel of the charity.

8. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	**2022 Total £000**	2021 Total £000
West Africa				
Burkina Faso	721	3,061	**3,782**	6,217
Ghana	574	713	**1,287**	1,541
Liberia	481	651	**1,132**	1,094
Mali	883	2,054	**2,937**	2,140
Niger	358	863	**1,221**	1,157
Nigeria	838	848	**1,686**	1,661
Sierra Leone	259	480	**739**	1,033
Regional management and support costs	928	84	**1,012**	925
	5,042	8,754	**13,796**	15,768
East Africa				
Ethiopia	549	1,656	**2,205**	2,384
Rwanda	863	1,055	**1,918**	1,689
Tanzania	1,074	567	**1,641**	1,723
Uganda	658	435	**1,093**	867
Regional management and support costs	1,182	26	**1,208**	1,007
	4,326	3,739	**8,065**	7,670
Southern Africa				
Kingdom of eSwatini (previously Swaziland)	542	323	**8 65**	849
Madagascar	466	1,842	**2,308**	1,767
Malawi	634	1,402	**2,036**	1,786
Mozambique	1,181	1,062	**2,243**	1,824
Zambia	616	1,153	**1,769**	1,741
Regional management and support costs	707	557	**1,264**	1,239
	4,146	6,339	**10,485**	9,206
Asia				
Bangladesh	1,309	3,185	**4,494**	5,555
Myanmar	475	1,070	**1,545**	1,301
Nepal	915	1,356	**2,271**	1,964
Pakistan	573	827	**1,400**	2,277
Regional management and support costs	436	46	**482**	461
	3,708	6,484	**10,192**	11,558
UK and Other				
Supporting WaterAid globally	3,204	995	**4,199**	4,101
Other UK direct international programme support costs (including technical and programme effectiveness)	3,619	1,146	**4,765**	4,066
UK-based policy, campaigns and education costs	4,285	578	**4,863**	3,156
Allocated UK support costs to charitable activities	7,185	-	**7,185**	7,482
Exchange (gains)/losses	(796)	40	**(756)**	847
	17,497	2,759	**20,256**	19,652
Total	**34,719**	**28,075**	**62,794**	**63,854**

The total cost of supporting partners to deliver water, sanitation and hygiene (including sector strengthening) was £46.4m (2021: £48.8m) and the cost of influencing policy in water, sanitation and hygiene was £12.1m (2021: £10.8m).

9. Payments to partner organisations

WaterAid has made transfers under partnership agreements to 102 partners with a total value of £10.2m for the year ended 31 March 2022. For the year ended 31 March 2021, payments were made to 127 partners with a total value of £13.2m. Payments below are those made to implementing partners.

Transfers have been made to the following number of partners by size:	**2022 No.**	2021 No.
£0- £49,999	**55**	67
£50,000 – £99,999	**13**	21
£100,000 – £149,999	**7**	9
£150,000 – £199,999	**7**	6
£200,000 – £249,999	**9**	5
£250,000 and over	**11**	19
	102	127

The top 20 financial implementing partners recipients during the year ended 31 March 2022 are listed below. The implementation costs are included in the charitable expenditure outlined in notes 6 and 8.

	Name of partner	**Country**	**2022 £000**	**2021 £000**
1	Dushtha Shasthya Kendra – DSK	Bangladesh	**507**	577
2	Compagnons Fontainiers du Rwanda COFORWA	Rwanda	**481**	545
3	Eau Vive Ouagadougou	Burkina Faso	**477**	759
4	Sajida Foundation	Bangladesh	**453**	410
5	Community Development Forum	Nepal	**395**	-
6	Association DAKUPA (DAKUPA)	Burkina Faso	**375**	340
7	Rupantar	Bangladesh	**322**	329
8	SKS Foundation	Bangladesh	**317**	463
9	Association les Mains Unies du Sahel (AMUS)	Burkina Faso	**295**	291
10	Village Education Resource Center – VERC	Bangladesh	**282**	423
11	Tsogang Water and Sanitation	South Africa	**250**	286
12	Centre Culturel Korê	Mali	**246**	-
13	Dalit Janjati Kalyan Yuwa Club	Nepal	**246**	-
14	Association Malienne pour la Sauvegarde du Bien Etre Familial	Mali	**244**	-
15	ON CALL AFRICA	Zambia	**230**	-
16	Association Pour la Promotion de la Femme et de l'Enfant au Mali	Mali	**226**	-
17	ONG ZUMA	Niger	**217**	-
18	Nabolok	Bangladesh	**212**	241
19	Salvation Army	Zambia	**209**	241
20	Amref Health Africa	Malawi	**208**	241
	Other partners in top 20 in 2021			2,612
Total payments to top implementing partners			**6,192**	7,758

Notes to the financial statements

For the year ended 31 March 2022 (continued)

10. Fixed assets

The group	Intangible assets			Tangible assets		
	Fixed Asset Investment £000	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost						
At 1 April 2021	-	5,816	2,430	4,144	4,176	**16,566**
Additions in year	82	1,249	28	413	85	**1,857**
Disposals in year	-	(43)	-	(635)	(1,147)	**(1,825)**
At 31 March 2022	**82**	**7,022**	**2,458**	**3,922**	**3,114**	**16,598**
Accumulated amortisation/depreciation						
At 1 April 2021	-	4,840	122	3,697	3,321	**11,980**
Charge for the year	-	389	247	299	311	**1,246**
Disposals in year	-	1	-	(659)	(1,167)	**(1,825)**
At 31 March 2022	**-**	**5,230**	**369**	**3,337**	**2,465**	**11,401**
Net book value						
At 31 March 2022	**82**	**1,792**	**2,089**	**585**	**649**	**5,197**
At 31 March 2021	-	976	2,308	447	855	**4,586**

Intangible assets include £1.3m assets under construction for a software development project to migrate our fundraising database to the cloud.

Fully depreciated assets with a net book value of £nil have been removed from the balance sheet under disposals. Wateraid trading has a 20% share in WeAreGoodGiving which is accounted for using the equity method in our consolidated accounts. There were no distributions or impairments in 2022.

The charity	Intangible assets		Tangible assets		
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2021	5,816	2,430	4,144	4,176	**16,566**
Additions in year	1,249	28	413	85	**1,775**
Disposals in year	(43)	-	(635)	(1,147)	**(1,825)**
At 31 March 2022	**7,022**	**2,458**	**3,922**	**3,114**	**16,516**
Accumulated amortisation/depreciation					
At 1 April 2021	4,840	122	3,697	3,321	**11,980**
Charge for the year	389	247	299	310	**1,245**
Disposals in year	1	-	(659)	(1,167)	**(1,825)**
At 31 March 2022	**5,230**	**369**	**3,337**	**2,465**	**11,401**
Net book value					
At 31 March 2022	**1,792**	**2,089**	**585**	**649**	**5,115**
At 31 March 2021	976	2,308	447	854	**4,585**

11. Debtors

Amounts due within one year:	The group		The charity	
	2022 £000	2021 £000	**2022 £000**	2021 £000
Amounts owed by WaterAid International	**166**	736	**166**	737
Amounts owed by WaterAid Trading	**-**	-	**900**	865
Grant debtors	**4,549**	3,288	**4,549**	3,288
Other debtors	**822**	798	**754**	659
Gift Aid tax recoverable	**2,005**	1,332	**2,005**	1,332
Prepayments	**1,062**	846	**1,062**	846
Other accrued income	**1,956**	1,656	**1,951**	1,662
	10,560	8,656	**11,387**	9,389

Amounts owed by WaterAid Trading Limited and WaterAid international are unsecured, interest free, have no fixed date of repayment and are payable on demand.

12. Investments

The company sold shares held at the start of the financial year or acquired during the financial year for proceeds of £16,727 (2021: £8,246). At 31 March 2022 there were no shares waiting to be sold (2021: nil).

13. Fixed asset investments

The company has an unlisted investment with a historical cost of £2 representing its 100% shareholding in WaterAid Trading Limited and invested £82k for a 20% shareholding in WEAREGOODGIVING Ltd. WaterAid Trading Limited generates income from licensing agreements made with a number of organisations. A summary of that company's financial position is set out in note 14.

14. Group companies

WATERAID TRADING LIMITED Company number 02362892

WaterAid Trading Limited is incorporated in England and Wales (company number: 02362892). WaterAid Trading Limited's registered office and operational address is: WaterAid, 6th Floor 20 Canada Square, London, England, E14 5NN.

a) Profit and loss account	**2022 £000**	2021 £000
Turnover	**383**	452
Cost of sales	**(20)**	(20)
Gross profit	**363**	432
Administrative expenses	**(38)**	(86)
Operating profit	**325**	346
Interest receivable	**5**	22
Profit on ordinary activities	**330**	368
Gift Aid to WaterAid under Deed of Covenant	**(330)**	(368)
Retained earnings	**-**	-

b) Balance Sheet	**2022 £000**	2021 £000
Non-Current assets		
Investment in associated companies:		
WeAreGoodGiving Ltd.	**82**	-
	82	-
Current Assets		
Debtors	**77**	133
Cash at bank and in hand	**771**	788
	848	921
Creditors		
Amounts due within one year	**(930)**	(921)
Net assets	**-**	-
Represented by:		
Share capital	**-**	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2020: two £1 ordinary shares)

A deed of covenant is in place whereby all profits generated by the company are distributed to the parent charity in the form of a 'Qualifying distribution'.

Wholly owned subsidiaries

WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772
Registered Office 6th floor, 20 Canada Square, London E14 5NN

WATERAID (WASH AND HEALTH) LIMITED Company number 12508779
Registered Office 6th floor, 20 Canada Square, London E14 5NN

On 10th March 2020, two new gambling and betting companies guaranteed by WaterAid, without share capital, were incorporated in England and Wales. WaterAid holds 100% of the voting rights of each company and has the right to appoint a majority of the board of directors of the companies. In accordance with sections 394A and 448A of the Companies Act 2006, Directors confirm that both companies were dormant throughout the financial year. Directors are exempt from the requirement to deliver a copy of the companies annual accounts in accordance with these sections.

Associated Company
Wateraid trading company invested £82k in March 2022 in a 20% shareholding in a new payroll giving company: WEAREGOODGIVING Ltd with registered company number 13256341. The other equal shareholders are four other charities. The new company was set up with an independent Managing Director and three Non-Executive Directors nominated from the charities. In addition to the articles of association the company governance is established by the Subscription and Shareholding Agreement.

15. Cash at bank and in hand

	The group		The charity	
	2022 £000	2021 £000	**2022 £000**	2021 £000
Cash and bank balances in UK	**26,553**	25,529	**25,462**	24,421
Cash and bank balances overseas	**3,445**	2,507	**3,445**	2,507
Short term deposits UK	**7,000**	4,000	**7,000**	4,000
	36,998	32,036	**35,907**	30,928

16. Creditors: amounts falling due within one year

	The group		The charity	
	2022 £000	2021 £000	**2022 £000**	2021 £000
Trade creditors	**3,555**	4,276	**3,555**	4,276
Taxation and social security	**731**	355	**713**	310
Other creditors	**274**	533	**274**	212
Accruals	**2,638**	2,437	**2,629**	2,428
Deferred income	**182**	12	**182**	12
	7,380	7,613	**7,353**	7,238

The deferred income relates to funding received for activities in a future period.

The movements in deferred income are analysed as follows:

Group and charity	**2022 £000**	2021 £000
Deferred income at the beginning of the year	**12**	119
Amounts released from previous years	**(12)**	(119)
Incoming resources deferred in the year	**182**	12
Deferred income at the end of the year	**182**	12

17. Provision for liabilities and charges

	The group		The charity	
Provision falling due under one year	**2022 £000**	2021 £000	**2022 £000**	2021 £000
Provisions at beginning of the year	**1,237**	1,024	**1,237**	1,024
Amount charged to statement of financial activities	**1,329**	1,001	**1,010**	1,001
Amount released to statement of financial activities	**(1,141)**	(788)	**(1,141)**	(788)
Provisions at the end of the year	**1,425**	1,237	**1,106**	1,237
Provision falling due more than one year				
Dilapidation Provision	**(105)**	-	**(105)**	-
	(105)	-	**(105)**	-

Provisions include end of contract provisions for staff on non-UK contracts. These end of contract provisions include lump sums paid at the end of their contract is similar to a pension scheme and/or loyalty payment which is paid on full completion of their service. Other provisions include dilapidation for WaterAid UK head office and at country level contract retentions on construction works.

18. Contingent liability

There were no new reported legal actions against WaterAid in 2022 and the contingent liability is £nil (2021: £nil).

19. Movements in funds

	At 1 April 2021 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	**At 31 March 2022 £000**
Unrestricted funds:					
Designated funds:					
Fixed assets fund	4,585	30	580	-	**5,195**
Property project	-	-	29	(29)	**-**
Total Designated funds	4,585	30	609	(29)	**5,195**
General funds	18,537	61,495	(56,714)	857	**24,175**
Total unrestricted funds	23,122	61,525	(56,105)	828	**29,370**
Restricted funds:					
Bangladesh	1,958	2,460	(3,296)	-	**1,122**
Burkina Faso	2,004	1,998	(3,096)	-	**906**
East Africa Region	35	11	(26)	-	**20**
Ethiopia	1,005	1,771	(1,721)	-	**1,055**
Ghana	498	856	(727)	-	**627**
Kingdom of eSwatini	207	495	(365)	-	**337**
Liberia	139	386	(665)	-	**(140)**
Madagascar	318	1,777	(1,880)	-	**215**
Malawi	399	1,629	(1,444)	-	**584**
Mali	440	2,124	(2,062)	-	**502**
Mozambique	(44)	1,101	(1,087)	-	**(30)**
Myanmar	528	1,023	(1,116)	-	**435**
Nepal	925	2,638	(1,427)	-	**2,136**
Niger	(461)	1,244	(876)	-	**(93)**
Nigeria	(23)	1,554	(871)	-	**660**
Pakistan	383	539	(827)	-	**95**
Rwanda	140	1,352	(1,086)	-	**406**
Sierra Leone	(172)	563	(481)	-	**(90)**
Southern Africa Region	115	885	(574)	-	**426**
South Asia Region	40	35	(24)	-	**51**
Tanzania	263	692	(566)	-	**389**
Uganda	780	488	(439)	-	**829**
West Africa Region	64	3	(83)	-	**(16)**
Zambia	1,444	2,557	(1,170)	-	**2,831**
UK	2,321	2,207	(2,482)	(828)	**1,218**
Total restricted funds	13,306	30,388	(28,391)	(828)	**14,475**
Total funds	36,428	91,913	(84,496)	-	**43,845**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.4m (2021: £2.7m). Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

Transfers between funds in the year consist of £29K expense relating to the property project being transferred into unrestricted expenditure and £828K relating a payment by result project where the surplus income at the end of the project is transferred from restricted to unrestricted income in line with donor conditions.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

19. Movements in funds (continued)

	At 1 April 2020 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	**At 31 March 2021 £000**
Unrestricted funds:					
Designated funds:					
Fixed assets fund	1,898	521	2,166	-	**4,585**
Property project	1,665		(3,394)	1,729	**-**
Total Designated funds	3,563	521	(1,228)	1,729	**4,585**
General funds	13,964	57,249	(50,947)	(1,729)	**18,537**
Total unrestricted funds	17,527	57,770	(52,175)	-	**23,122**
Restricted funds:					
Bangladesh	1,837	4,351	(4,230)	-	**1,958**
Burkina Faso	2,637	5,214	(5,847)	-	**2,004**
East Africa Region	(1)	45	(9)	-	**35**
Ethiopia	706	1,705	(1,406)	-	**1,005**
Ghana	349	1,275	(1,126)	-	**498**
Kingdom of eSwatini	100	687	(580)	-	**207**
Liberia	205	554	(620)	-	**139**
Madagascar	769	1,202	(1,653)	-	**318**
Malawi	550	879	(1,030)	-	**399**
Mali	733	1,059	(1,352)	-	**440**
Mozambique	(261)	797	(580)	-	**(44)**
Myanmar	470	910	(852)	-	**528**
Nepal	2,376	734	(2,185)	-	**925**
Niger	(196)	608	(873)	-	**(461)**
Nigeria	12	916	(951)	-	**(23)**
Pakistan	795	1,144	(1,556)	-	**383**
Rwanda	518	824	(1,202)	-	**140**
Sierra Leone	(7)	683	(848)	-	**(172)**
Southern Africa Region	280	337	(502)	-	**115**
South Asia Region	108	34	(102)	-	**40**
Tanzania	(382)	1,586	(941)	-	**263**
Uganda	325	684	(229)	-	**780**
West Africa Region	111	105	(152)	-	**64**
Zambia	1,073	1,861	(1,490)	-	**1,444**
UK	1,668	3,554	(2,901)	-	**2,321**
Total restricted funds	14,775	31,748	(33,217)	-	**13,306**
Total funds	32,302	89,518	(85,392)	-	**36,428**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.7m (2020: £3.1m). These arise due to the timing differences between the income due under individual funding contracts still to be claimed and the actual project expenditure already incurred.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

Designated funds
The Fixed Asset Fund of £5.2m (2021: £4.6m) represents the net book value of the charity's intangible and tangible fixed assets. £3.4m of assets relating to the property project were added to the fixed asset fund when the asset was brought into use in September 2020. £29,000 was transferred from Unrestricted to Designated funds in 2022 to cover the release of a retention payment.

General funds
The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2021-22 was a range of £13m-£17m. The balance at 31 March 2022 was £23.8m (2021: £18.5m).

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

Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

20. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	**Total funds £000**
Restricted income funds	-	14,475	**14,475**
Designated funds	5,195	-	**5,195**
General income funds	-	24,175	**24,175**
Total funds as at 31 March 2022	5,195	38,650	**43,845**

21. Taxation and charitable status

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary WaterAid Trading Limited pays available profits to the charity through Gift Aid under deed of covenant. Its charge to corporation tax in the year was £nil (2021: £nil).

22. Company limited by guarantee

The liability of 44 members (2021: 44) of the charity is limited by guarantee to £1 each.

23. Operating lease commitments

The charity had the following future minimum lease payments under noncancellable operating leases for each of the following periods:

	Land & Buildings	
	2022 £000	2021 £000
within one year	**680**	618
1 – 2 years	**906**	638
2 – 5 years	**2,921**	2,792
More than 5 years	**3,866**	3,866
	8,373	7,914

WaterAid holds a 15 year operating lease from 31 December 2019 for the rental of office space in the UK with a break option after 10 years.

24. Net movement in funds or net income for the year

This is stated after charging/(crediting):	2022 £000	2021 £000
Amortisation and depreciation	**1,245**	980
Trustees' indemnity insurance	**6**	6
Trustees' reimbursed expenses	**-**	2
Auditors' remuneration – BDO and its affiliates		
Audit – WaterAid UK	**53**	55
Audit – WaterAid Trading Limited	**8**	8
Audit – country programmes	**30**	26
Auditors' remuneration – Other audit firms	**81**	107
Exchange (gain)/loss	**(925)**	1,033
UK operating lease rentals – buildings	**601**	128

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. No Trustees were reimbursed for expenses incurred during the year (2021: 3 Trustees).

Trustee indemnity insurance covers Trustees against personal liability in certain circumstances if legal claims were to be made against them.

The group paid £172,000 in audit fees in the year ended 31 March 2022 (2021: £195,000). This figure includes £61,000 for the consolidated statutory audit provided by BDO LLP (2021: £62,000). Other audit fees relate to overseas country office external audits, project audits and donor grant audits as required by conditions of contracts. These services are provided by a range of audit firms.

25. Related party transactions

WaterAid, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden, WaterAid India (Jal Seva Charitable Foundation) and WaterAid Japan are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. All these organisations share the same objectives and vision. WaterAid receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan and WaterAid Sweden. WaterAid gives grants to support WaterAid America, WaterAid Australia, WaterAid Canada and WaterAid India in their programmatic, fundraising and organisational development.

Transactions between WaterAid and other member countries of the WaterAid Federation were as follows:

	Received from:		**Paid to:**	
	2022 £000	2021 £000	**2022 £000**	2021 £000
WaterAid America	**7,868**	4,205	**1,536**	2,435
WaterAid Australia	**456**	144	**-**	80
WaterAid Canada	**861**	921	**-**	-
WaterAid Japan	**51**	11	**-**	238
WaterAid Sweden	**3,955**	4,382	**-**	-
WaterAid India	**-**	-	**1,967**	913
	13,191	9,663	**3,503**	3,666

During the year WaterAid did not contribute to the WaterAid international investment fund (2021:£238,000) and paid expenses on behalf of WaterAid international of £141,000 (2021:£149,000). At 31st March the outstanding debtor balance with WaterAid international was £166,000 (2021: £737,000) which is due to be settled early in the 2023 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £712,000 (2021: £641,000).

Full declarations of interest are obtained from Trustees and Directors for their own activities outside of WaterAid governance as well as those of their spouses/ partners and dependants.

Harpinder Collacott, a trustee of WaterAid, was a former executive director and shareholder of Development Initiatives International. During the year WaterAid made no payments to Development Initiatives (2021: £35,000). She was also a trustee of Bond to which WaterAid made payments of £60,711 in 2022 (2021: £30,000)

Andy Green was appointed chair of WaterAid in October 2020. He was a trustee of WWF to which WaterAid made payments of £13,000 in 2022 (2021: £3.000)

Guido Schmidt-Traub was employed by Systemiq Limited. During the year Wateraid made payments of £106,749 to Systemiq Limited (2021: £nil)

Heidi Mottram was a trustee and CEO of Northumbrian Water Group. During the year WaterAid received £38,775 from Northumbrian Water Group Ltd (2021: £49,000). Heidi also personally donated £5,000 in 2022 (2021: £nil)

Mala Rao was a trustee of WaterAid and personally donated £600 in 2022 (2021: £nil)

Alyson Clark was a trustee of WaterAid and personally donated £120 in 2022 (2021: £nil)

Peter Simpson was a trustee and CEO of Anglian Water. During the year WaterAid received £679,000 from Anglian Water Services Limited (2021: £347,000), £160 from AWG Corporate Services Limited (2021: £nil) and Peter also personally donated £3,630 in 2022 (2021: £nil)

Rachel Westcott, an executive Director of People and Organisational Development, was a Director of of Water & Sanitation for the Urban Poor (WSUP). During the year, WaterAid made no payments to WSUP (2021: £10,000)

Jennie York, an executive Director of Communications and Fundraising personally donated £60 to WaterAid

The charity has disclosed the financial statements of the subsidiary, WaterAid Trading Limited, detailed in note 14.

Transactions between WaterAid UK and WaterAid Trading

	Net income to charity £000	Balance owed to charity at 31 March 2022 £000	Balance owed to charity at 31 March 2021 £000
Trademark - Logo	19	**-**	-
Deed of Covenant	330	**-**	-
Admin expenses	34	**-**	-
Group undertakings	-	**900**	866
Other income	(5)	**-**	-

26. Financial instruments

	2022 £000	2021 £000
Financial assets		
Cash and bank	**36,998**	32,036
Grant receivables	**4,549**	3,288
Other receivables	**2,827**	2,130
Other accrued income	**1,956**	1,656
	46,330	39,110
Financial liabilities		
Trade creditors	**3,555**	4,276
Other creditors	**1,005**	888
Accruals	**2,638**	2,437
	7,198	7,601

In respect of disclosure of financial instruments, sections 11 and 12 of FRS 102 have been adopted.

All financial assets and liabilities are payable or receivable within one year are therefore measured at an undiscounted value.

We are determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation.

By tackling these three essentials in ways that last, people can change their lives for good.

- Front cover top image: Aregashe Addis, Store Officer at the Debre Tabor Water Utility in South Gondar, Ethiopia.
- Other cover images captioned on pages 20 and 32.



Clean water. Decent toilets. Good hygiene.

WaterAid

Best Workplaces™ Large Organisations Great Place To Work. UK 2020

disability confident EMPLOYER

WaterAid, 6th Floor, 20 Canada Square, London E14 5NN

Registered charity numbers 288701 (England and Wales) and SCO39479 (Scotland) Company number: 1787329

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Final Audit Report 2022-10-10

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WATERAID

England & Wales - Charity number 288701

Accounts

Building resilience in turbulent times

UK annual report 2020-21


WaterAid/James Kiyimba


WaterAid/Basile Ouedraogo


WaterAid/Ernest Randriarimalala


WaterAid/H&M/Drik/Farzana Hossain

WaterAid

Achieving our vision: our strategic aims

To have the greatest impact, we share the same global strategy with six other national members of the WaterAid federation. They are in Australia, Canada, India, Japan, Sweden and the USA. Together we focus on:

- **Equality**
  We will tackle and challenge the inequalities that prevent people from realising their right to safe water, sanitation and hygiene.
- **Sustainable services**
  We will support governments and service providers to strengthen the systems and capabilities required to deliver sustainable water, sanitation and hygiene services.
- **Integration**
  We will work with others to develop plans and activities that accelerate change by integrating water, sanitation and hygiene into sustainable development.
- **Hygiene**
  We will positively influence hygiene behaviour to maximise the benefits of access to safe water and sanitation.

Welcome

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- Priority one photo: Batuuka and her daughter Keila in their backyard garden, which provides them healthy organic vegetables in Kamwokya, Kampala, Uganda.
- Priority two photo: Worokia, drinking clean water at one of the tap stands we installed in the village of Samabogo, Segou, Mali.
- Priority three photo: Fanambinantsoa is a nurse at Anjoma village health centre, Vakinankaratra, Madagascar. He stands in front of the sanitation block we installed.
- Priority four photo: Rikita washes her hands at Mirpur public toilet in Dhaka, Bangladesh.

Find out more about our latest achievements, and the issues facing our work at:

/wateraid /wateraidUK /wateraid

Additional image credits: Front cover, pages 3 and 38 Bangladesh, and page 19 Uganda – work funded by H&M Foundation. Page 4 Burkina Faso – work supported by the European Union and players of People's Postcode Lottery. Page 7 Malawi, and page 9 Nepal – work made possible with UK Aid from the British people.

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Priority one

Responding to COVID-19 and climate change

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WaterAid/James Kiyimba

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WaterAid/Basile Ouedraogo

Priority two

Benefiting more people with clean water, decent toilets and good hygiene

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WaterAid/Ernest Randriarimalala

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WaterAid/H&M/Drik/Farzana Hossain

Priority four

Supporting staff to be their best

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Building resilience in a year like no other

In a year like no other, we can be enormously proud of the positive impact we had on people's lives. Throughout COVID-19 and climate change, we kept our focus on building people's resilience with clean water, decent toilets and good hygiene. This report provides a snapshot of the breadth and depth of our achievements during this turbulent time.


WaterAid

Looking beyond ourselves

As ever, we were only able to achieve so much because of the incredible commitment of our partners and supporters. Hundreds of thousands of individual supporters, our friends from the water industry who founded us, companies, institutions and governments all deserve our thanks and the thanks of all those we have helped. Each had to cope with their own immediate challenges, yet found the time and energy to look beyond themselves so that others could unlock their potential. We are immensely grateful to everyone who helped us make such a difference.

Before the virus struck, the communities we serve were already more vulnerable, with fewer choices and resources to draw on, than most. This was true across healthcare, education and employment for example, and the pandemic amplified these vulnerabilities, while making it harder for us to support them through lockdown restrictions and staff illness.

However, we quickly adapted our working practices to provide immediate, practical help, and plan for the longer term. We also prioritised staff welfare, building on the previously excellent work of our People team and leaders. Sadly though, the pandemic claimed the lives of two members of staff. They are sorely missed by colleagues, and their families have our deepest condolences.


WaterAid/Basile Quedraogo


WaterAid/LIS Parham



Top to bottom:

- **Despite COVID-19's impact, we kept our focus on clean water, decent toilets and good hygiene. In Shwe Pyi Thar township, Yangon, Myanmar, for example, we publicised a three-year project to bring clean water to four wards to reduce the risk of disease.**
- **Justine stands in her family field, which is missing rain and thirsty for water, in Bonam, Boulsa, Burkina Faso. The effects of climate change are already having severe consequences for many people we work with.**
- **Chief Executive Tim Wainwright.**
- **Chair of Trustees Andy Green.**

Investing in the benefits

COVID-19 demonstrated more clearly than ever the pivotal role clean water, decent toilets and good hygiene have in securing public health and, in turn, a strong economy. Despite these obvious and significant benefits, we continue to see a lack of investment across the sector that puts the realisation of Sustainable Development Goal 6 – ensuring water and sanitation for all – by 2030 in jeopardy.

This lack of investment in such basic rights is also evident in the global response to climate change. As with the virus, water, sanitation and hygiene play an essential role in enabling people to survive the worst effects of increased drought and floods. Yet the countries with the lowest levels of access to clean water get as little as 13 pence per person per year from climate finance funds. This is simply not enough, and places billions of lives at risk. We were disappointed to see the G7 summit in June 2021 failed to make any progress on this.

Setting our future direction

Looking ahead, we began planning our strategy for 2022-2030 this year. We took soundings from many of our partners and involved all of our staff to identify key areas to explore and questions to answer. These range from our theory of change to the key trends and actors influencing our sector.

At the heart of our strategic planning though remains our focus on communities, who are particularly vulnerable to the twin threats of COVID-19 and climate change. We are determined that together, through the critical intervention of clean water, decent toilets and good hygiene, we will build their resilience, and make a lasting difference to their lives.

Tim Wainwright
Chief Executive

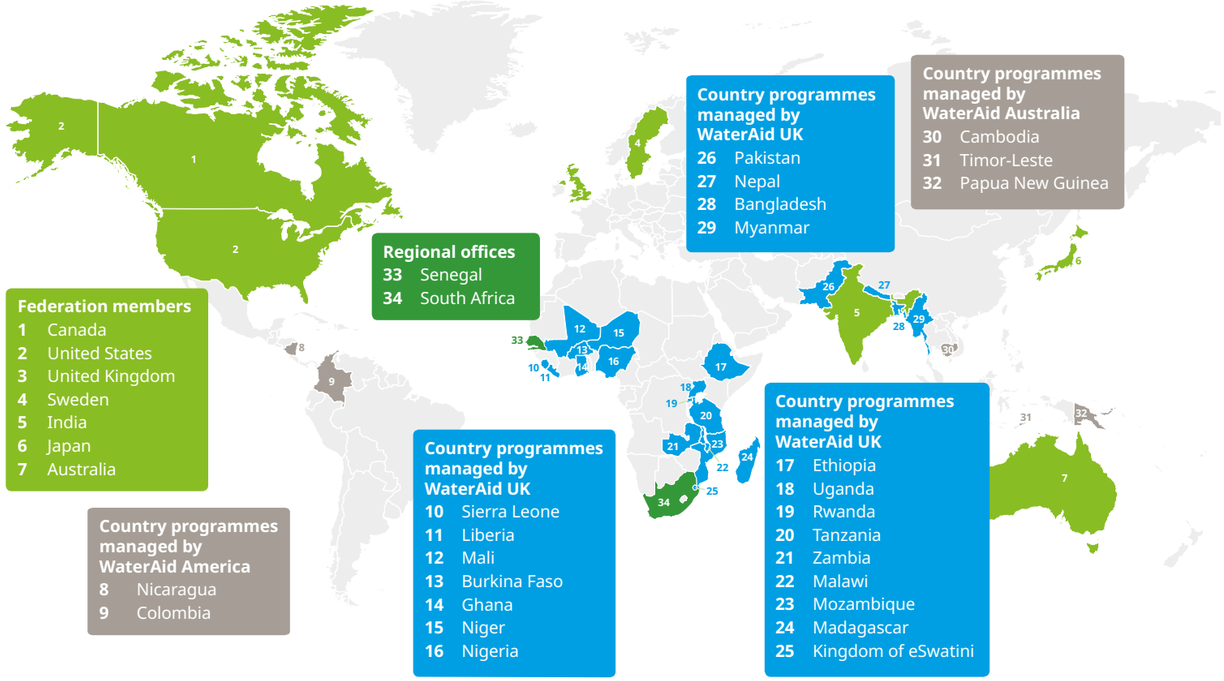
Andy Green CBE
Chair of Trustees

Changing Chairs

Huge thanks to Tim Clark, who stepped down as our Chair of Trustees in October. Tim's invaluable experience and deep commitment to our vision played a vital role in our increasing impact over the previous seven years. Under his leadership we developed and implemented our current strategy, and grew our income so that we could change more lives for the better. What's more, Tim was an absolute pleasure to work with.

Despite the challenges of the pandemic, we achieved a smooth transition between Tim and Andy, who joins us as a long-term supporter and past CEO of several large companies. Andy received a CBE in the 2020 New Year's Honours list for services to the information technology sector and British space industry, and we are delighted to welcome him.

Where we work



Supporting our federation

As well as directly managing programmes in Africa and Asia, we contribute support and finance to other members of the WaterAid federation. WaterAid India helped hundreds of thousands of people secure services and facilities provided directly by the Indian Government, together all of the other members provided direct services to tens of thousands of people.

Countries of global significance

Throughout our work we prioritise ways of working that maximise our impact with the resources we have. As part of this process, we have identified five of the countries we work in as having greater global significance. These are Bangladesh, Ethiopia, India, Nigeria and Pakistan. Each of these countries has a large population whose lives will be significantly affected by improvements in water, sanitation and hygiene. Crucially, they also wield regional, and in many cases global, influence. Changes in these countries will have a positive knock-on effect in others.

SDG 6 explained

All United Nations Member States adopted the Sustainable Development Goals (SDGs) in 2015, to achieve by 2030. The goals provide a shared blueprint to achieve peace and prosperity, now and into the future. Our commitment to ensure clean water, decent toilets and good hygiene for everyone, everywhere is embodied in Goal 6 – which we were instrumental in securing. It is vital, both in itself and as a key contributor to other goals such as ending poverty, improving nutrition, securing good health and quality education.

Top to bottom:

- **Ali, a water monitor, demonstrates how he uses a rain gauge to monitor rainfall in Dungass, Zinder, Niger.**
- **Ma Naw Tha Yi Phaw fills her buckets at the water storage tank in Seik Gyi East, Myanmar.**
- **Issouf is a mason trained in latrine construction in the village of Kangoura, Cascades, Burkina Faso.**
- **Dolophy, mother of a newborn baby, washes her hands at Mangamba Health Centre, Machinga, Malawi.**


WaterAid/Basile Ouedraogo


WaterAid/Ko Ko Htay

Working in partnership

We make a bigger impact because we bring people together, actively encouraging collaboration so that many voices can be heard and ideas can spread. By working closely with partners internationally and on the ground in some of the toughest places in the world, we help achieve lasting change.

In 2020–21, we worked with **225 partner organisations** on **256 projects**. Our partners included:

- **81** governmental bodies and **92** non-governmental organisations from the local to the global.
- **42** networks or alliances, and a wide range of others we also helped.
- **59** rural and urban authorities, including **10** utilities.


WaterAid/Basile Ouedraogo


WaterAid/Dennis Lupenga



WaterAid/James Kiyimba

Priority one

Responding to COVID-19 and climate change

We will:

- **Deliver urgent large-scale prevention hygiene campaigns, handwashing facilities and water supplies to vulnerable communities.**
- **Convince governments and donors to give greater priority to water and hygiene now their importance to public health has been so urgently highlighted.**
- **Reduce delays and overcome stoppages caused by the pandemic in our planned work.**
- **Transition resource from the shorter term threat of COVID-19 to the longer term threats of recurrent health and climate change crises.**

Protecting people from twin threats

We started the year having already initiated a lot of work to help governments and communities prepare for, and respond to, the threat of the pandemic. During the year we built on these early interventions to protect people and push home the demonstrable value of clean water, decent toilets and good hygiene in securing better public health.

For example, we adapted and increased the reach of existing hygiene behaviour change activities, produced and distributed additional materials and facilities such as contactless, inclusive handwashing stations, and helped to shape national emergency response plans. We conducted research to identify where we could have the biggest impact, and strengthened the ability of partner organisations to deliver above and beyond their previous capacity.

While dealing with the immediate threat of the virus, we did not take our eye from the longer term threat of climate change. We drew attention to the vital role of water, sanitation and hygiene as the first line of defence against increasing drought and flood, developed new climate-resilient technology, and launched the Water and Climate Finance initiative.

Our impact on COVID-19

We implemented 59 projects in direct response to the pandemic, and installed over 4,100 new handwashing stations – of which more than 60% will stay permanently in place. COVID-related activity in just two of our multi country projects – with The HEINEKEN Africa Foundation, and with Unilever and the Foreign, Commonwealth and Development Office – by themselves reached over 183 million people with mass media messages. These included training more than 1,100 people in hygiene behaviour change promotion, and distributing over 1,900,000 hygiene products.



WaterAid/Mani Karmacharya

Kabita washes her hands at her school's tapstand in Mayankhu, Udayapur, Nepal.

Advocacy secures change for good

In May, we helped secure commitment to water, sanitation and hygiene in the COVID-19 response resolution of the virtual 73rd World Health Assembly. From there, several governments and donors requested our support to shape their COVID-19 and water, sanitation and hygiene policies to respond and rebuild.

2020 also saw the launch of the WHO- and UNICEF-led Hand Hygiene for All Global Initiative in response to COVID-19, which aims to amplify the importance of hand hygiene to protect the health of the world's most vulnerable communities in the face of the pandemic and beyond. We are a core partner in this initiative and will help drive its advocacy strategy over the next two years.

We worked hard behind the scenes to influence and support governments to keep the spotlight on water, sanitation and hygiene at this critical time. In Bauchi state, Nigeria, the Government allocated nearly £3 million for these essentials in the post-pandemic budget to boost economic recovery. Work is already underway, with 800 boreholes rehabilitated and 700 new boreholes constructed – bringing clean water to 450,000 people in rural areas. And following public pressure in Mozambique, the Government pledged £37 million for water, sanitation and hygiene in schools – ensuring the rehabilitation of 667 secondary schools and 15 teacher training institutes.



WaterAid/Ernest Randriarimalala

Promoting good hygiene in Madagascar We delivered over 200 contactless handwashing facilities across the country, with each helping around 500 people to stay healthy and hygienic every day. 80 went to health centres, 27 to centres for homeless people, and the rest to busy public locations such as markets. We complemented this practical impact with a hygiene promotion campaign that reached over 13 million people through television spots and 8,000 posters.

"I am planning to produce liquid soap to sell in the market. I thought it would be complicated but I found the procedure simple."
Januka, pictured below middle

- **Above: Some of the 200 contactless handwashing stations we delivered in Madagascar, in this case for exam centres in Manjakandriana, Analamanga. These stations helped 2,000 students continue their studies safely.**
- **Below left: The truck we used to advertise handwashing and good hygiene across all 43 suburbs of Maputo, Mozambique.**
- **Below middle: Our health promotion response in Nepal included training people such as Januka to make liquid soap in Bhumlutaar, Kavre.**
- **Below right: One of 17 foot-operated handwashing stations we installed in public places in Liberia – here at Monrovia airport.**



WaterAid



WaterAid/Mani Karmacharya

Using bikes and jingles in Mozambique

Across the countries we work in, we used all means at our disposal to tackle the pandemic through clean water and good hygiene, and Mozambique was no exception. To help people understand how to prevent COVID-19 we used tried and tested methods, and innovated new ones.

We put up static billboards plastered with hygiene messages, then also applied them to a truck and three motorbikes. These toured all 43 suburbs of Maputo city – home to over one million people – 30 times each. We broadcast over 1,000 radio spots and reached around 1.3 million people with a specially-made jingle.

We offered practical support too, installing 160 handwashing facilities in Maputo and 230 in Nampula. As in other countries, we acted quickly to use our expertise to help people stay safe during the crisis.

Reaching 11 million people in Nepal

We reached 11 million people across the regions with our mass media campaign, sharing essential messaging on how to prevent the spread of COVID-19 through loud speakers, radio, TV and social media channels. Our hygiene campaign work meant we were able to act quickly in the early days of the pandemic – using our existing hygiene promotion materials, research and strong government relationships to reach communities rapidly.

We also reached more than 780,000 people by installing 311 contactless handwashing facilities in healthcare facilities in the districts of Dolakha, Bardiya, Kavre, Siraha, Kathmandu and Lalitpur. Every day, a further 40,000 people used handwashing facilities that we installed in 140 stations in hospitals, public places and quarantine centres – vital steps to protect communities against the threat of COVID-19.



Working with the Ministry of Health in Liberia Together with the Ministry of Health, we reached 250,000 people through our COVID-19 awareness campaign – airing messages through multiple channels. We supported 18,500 people by installing 17 foot-operated handwashing facilities in public places, and with funding from LDSC and Wessex Water we constructed three, and rehabilitated four, community water points that serve 1,500 people.

Ending water poverty Our partnership with End Water Poverty called for governments to protect people from the virus and future pandemics by urgently realising their rights to safe water and sanitation. Achievements include legislative change in Pakistan to honour sanitation workers' rights to PPE, and supporting over 1,000 people in Mansa, Zambia, to demand their human rights to water on regional TV and radio, leading Mansa's member of parliament to instruct authorities to restore their water supply.

Drones combat COVID-19 in Zambia Together with the Ministry of Health we tested drones to target hard to reach densely populated communities, sharing advice on good hygiene practices. However, we put the test on hold as the drones did too well in attracting huge crowds, increasing the risk of COVID-19 spreading. We expect to use drones again once social distancing is no longer required.

Increasing climate resilience in Pakistan

In Islamabad, we completed four communal and three institutional water filtration plants that serve 16,500 people. Together with the community and the Water and Sanitation Agency in Lahore, we also rehabilitated four community and four institutional climate-resilient and inclusive water filtration plants that serve 17,500 people. Further, we introduced the community's role in monitoring the plants for future operation and maintenance – empowering them to run lasting services despite our changing climate.

President accelerates climate funding

In March, our President, HRH The Prince of Wales, launched the Resilient Water Accelerator to reach 50 million people in water-stressed areas by 2030. The Accelerator will support national efforts to secure vital climate finance and will select six locations in Africa and South-East Asia to test new practical and technical community-led approaches to help tackle climate-related threats to water sources.

Influencing climate adaptation across Africa

We collaborated with the Pan Africa Climate Justice Alliance to influence their long-term goals for adaptations to climate change in five countries. In Tanzania, the Office of the Vice President accepted our feedback to include water, sanitation and hygiene activities in the plan – a breakthrough for our advocacy efforts and a step towards making a bigger difference.

Below: Francois, a market gardener, stands in the middle of the dried up Yargho dam in Toece, Bazega, Burkina Faso.



WaterAid/Basile Ouedraogo

Climate change risks lives

Climate change is making it harder for the world's poorest people to get clean water. More frequent and extreme flooding is polluting fragile water sources. Longer and more severe droughts mean wells and springs are running dry. As a result, people's lives, livelihoods and futures are at risk.

For World Water Day on 22 March we detailed these issues, and how to overcome them, in our report *Turn the tide: The state of the world's water 2021*. We drew attention to the report in the UK by creating a stunning 60-metre sand portrait on Whitby beach of a child carrying water on dry, cracked ground next to the rising tide. In Nigeria we produced a short animation on water and climate change, while in Uganda we launched Waupo the WASH hippo, a dynamic cartoon character on a mission to make water, sanitation and hygiene (WASH) accessible to young people.

Using theatre in Burkina Faso

We trained theatre groups from four regions on the power of sustainable water resource management, climate change and human rights. The groups will create plays based on these important subjects to be broadcast on radio shows across the regions. The climate and health emergencies have shown the need for stronger national systems, with an emphasis on water supplies in countries with arid climates, like Burkina Faso. Our focus on training and development will elevate these issues – amplifying them to help ignite change in the future.



WaterAid/DRIK/Habibul Haque



WaterAid/Sibtain Haider

Above left: Parul walks near her house in Shaibbati Poshchim Para, Khulna, Bangladesh. Climate change is bringing more extreme floods to some, and more severe droughts to others.

Above right: Imamzadi carries her pot, ready to fetch water from a canal in Dagar Palari, Sindh, Pakistan. Only 7% of people in rural Sindh have tap water.

Below: Tsehaynesh is happy as she collects clean water that we installed in her home village of Derekwa, Ethiopia. The changing climate had caused the village's spring to dry up.

Expanding capacity in Ethiopia

In Jara Town, Ethiopia, over 17,000 people have benefited from the improved utility-managed water supply scheme. Previously the area lacked enough investment to find sufficient good quality water. In partnership with the utility and district, we increased the capacity of the network with a new reservoir tank, laying pipes and connecting water points. We also carried out specialist training to Jara Town utility focusing on operation and maintenance, roles and responsibilities, fee collection, financial management and conflict resolution.

"Together, the clean water and hygiene will help me fulfil my dreams of completing school."
Tsehaynesh, pictured right



WaterAid/Joey Lawrence



WaterAid/Basile Ouedraogo

Priority two

Benefiting more people with clean water, decent toilets and good hygiene

We will:

- **Influence global and national policies, strategies and standards that ensure services are sustainable, of good quality, and for everyone, everywhere.**
- **Strengthen governments', utilities' and private companies' commitment and ability to provide services to people who need them.**
- **Directly reach people with services in or near their homes, schools and healthcare facilities.**

Responding to changing opportunities

We responded to changing opportunities brought about by the pandemic, focusing on those most likely to help us achieve our mission in this fast-moving context. In particular, we encouraged governments and donors to back up their positive rhetoric on the importance of clean water, decent toilets and good hygiene to better public health with the appropriate policies and investments for the long-term benefit of the poorest communities.

Thanks to our strong relationship-building and catalogue of proven approaches, we were able to quickly help governments develop, implement and scale up appropriate national responses that will have lasting benefits. For example, we ensured that sanitation workers were classified as being on the front line, and added our expertise to new and amended infection control guidelines. Outside of the pandemic response, key achievements included completing the prominent inclusion of water, sanitation and hygiene in Pakistan's new unified national curriculum, and adapting our approach to gender-based violence in countries across southern Africa.

Using our influence

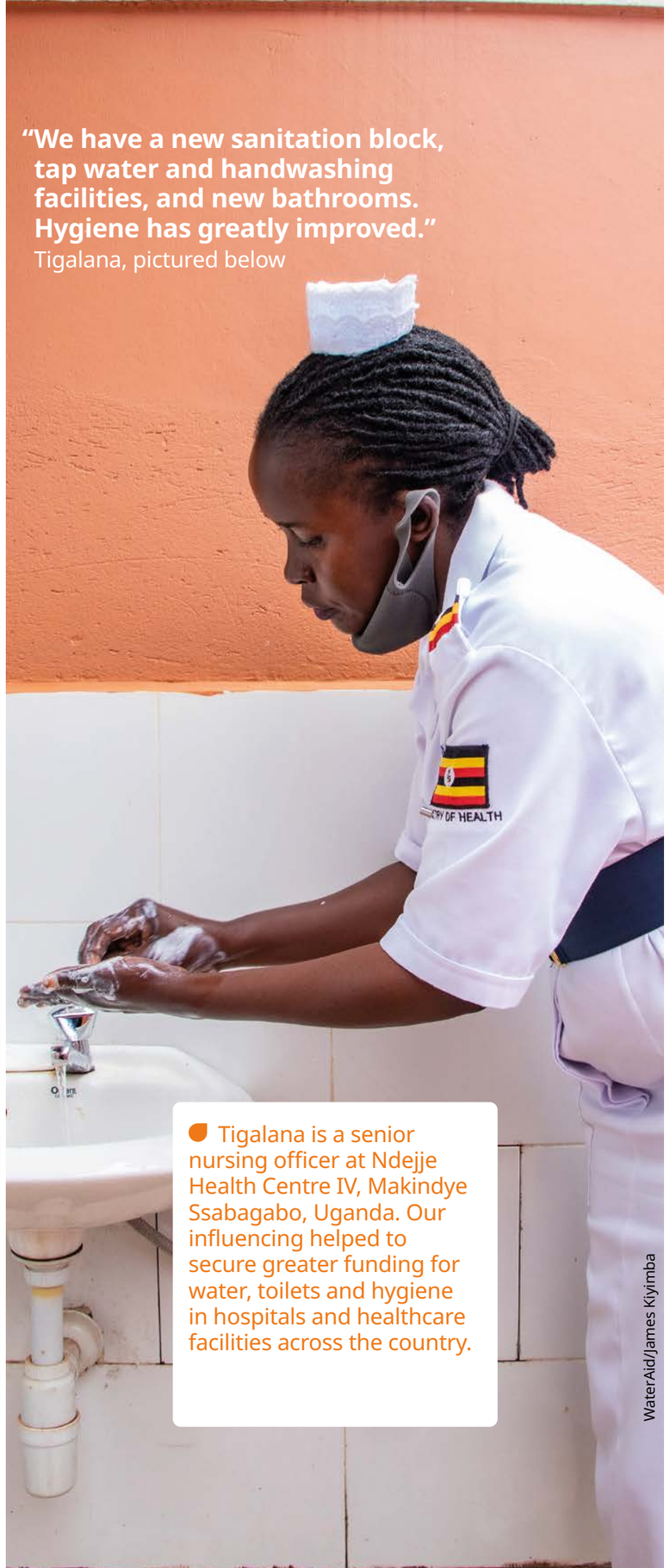
Our impact by influencing

We influenced 11 national policies, strategies or standards to benefit people without clean water, decent toilets or good hygiene, in addition to delivering services directly, and strengthening other organisations' capacity.

Bigger budgets in Uganda

Our influencing led the Ministry of Health of Uganda to reprioritise funding towards sanitation and hygiene. Together with our partners, this is the result of years of advocating for change. In 2019, the Commissioner for Environmental Health pitched our report on the gaps in healthcare facilities in the Greater Kampala area. Our campaigning resulted in all districts and municipalities directing 30% of their budgets to district health offices, hospitals and healthcare facilities to ensure clean water, decent toilets and good hygiene. In addition, the Commissioner secured greater authority and a wider remit to monitor how the money is spent. This commitment to funding means we are a step closer to changing normal for everyone in Uganda.

"We have a new sanitation block, tap water and handwashing facilities, and new bathrooms. Hygiene has greatly improved."
Tigalana, pictured below



- Tigalana is a senior nursing officer at Ndejje Health Centre IV, Makindye Ssabagabo, Uganda. Our influencing helped to secure greater funding for water, toilets and hygiene in hospitals and healthcare facilities across the country.

WaterAid/James Kiyimba

Using our influence


WaterAid



Holly Thomas

Below: We organised a one-day workshop for ten journalists in Liberia to enhance reporting on water, sanitation and hygiene in mainstream media and to stress how important journalism is in the role of advocacy and influencing.



WaterAid/Liberia

Far left: People wash their hands at stations we installed in Multan City, Pakistan. We also ran an international webinar in the country to call for greater investment in clean water and good hygiene.

Above left: Holly Thomas' winning entry for our Art of Change campaign. Thanks to artists Grayson Perry and Jean Jullien, photographer Aida Muluneh, and actor Russell Tovey, for shortlisting from 285 entries, and the 27,000 people who voted.


WaterAid/Sam Vox

"I am not doing this to benefit myself, but because we must help each other in the community. It is hard work, but the problem will not go away, so I will continue." Julias, pictured left

Left: Julias is a sanitation worker in Kigamboni, Dar Es Salaam, Tanzania. Such work is essential, but too often ignored.

Renewing commitments in Malawi Influencing governmental change can bring big benefits, but is rarely straightforward. In Malawi for example we secured commitments from the Principal Secretary for water, including a review of sector governance and finance, development of an integrated sectoral plan, and to disaggregate the budget for water, sanitation and hygiene to improve monitoring. However the Secretary was then moved and no replacement provided, stalling progress that we continue to push for through other means.

Prioritising water in the EU In January, we co-organised a high-level event on water by the European Commission, alongside UNECE, UNESCO and other partners. With over 500 participants, speakers at ministerial level and more than 70 representatives of EU delegations, we took the opportunity to put water at the heart of political priorities by shaping the event agenda, session topics and speaking on a panel. Through our influencing, we secured commitments to make water a core priority for future EU aid.

Shining a light on menstruation in Burkina Faso On Menstrual Hygiene Day, we co-organised a national ceremony to amplify conversations around menstruation. We also reached 200,000 people through social media channels and radio shows with messaging in three national languages to reach girls not in school. We helped girls manage their periods by distributing 500 menstrual hygiene kits, and officially launched the global menstruation bracelet with our partners to represent our shared commitment to a world without the shame and stigma around periods.

Celebrating handwashing

Handwashing with soap is a front-line defence against COVID-19 – which is why Global Handwashing Day was one of our most important dates in the 2020 calendar. Over 15 of the countries where we work undertook a range of activities to amplify our call for good hygiene and increase pressure on key governments to do more to improve hygiene for health security.

In Pakistan, we called for an increase in investment in clean water and good hygiene, as some of the most effective ways to prevent the virus spreading. Together with the Government, and others, we held an international webinar on hand hygiene. Wendy Morton, UK Minister for the Foreign Commonwealth and Development Office, spoke to champion the importance of handwashing and the need for climate-resilient programmes to reduce stress on water resources. The event was a big step toward amplifying our message to the people who can accelerate positive change.

Supporting sanitation workers

Sanitation workers play a critical role in delivering safe and reliable sanitation but face high levels of discrimination and danger in the essential work they do. This is why we put sanitation workers at the heart of sector discussions – building a high-level cross-sector coalition with the World Bank, International Labour Organization, World Health Organization and Netherlands Development Organisation to raise their profile so they can claim their rights. We secured a grant of £354,000 from the Bill and Melinda Gates Foundation to improve lack of knowledge, identify areas to change and support political prioritisation for sanitation workers across the globe.

Turning stress into innovation

While the pandemic put additional stress on many already stretched and underfunded systems, it also led to innovations that will ensure a lasting, positive difference to people's lives. For example, in some areas the pandemic's economic impact caused a decline in revenue for utilities, resulting in reduced services. In other areas though, increased demand meant utilities could start new, or improve existing, ones.

In both situations we worked hard to ensure these essential services for the most vulnerable communities. We ran training sessions to build skills and knowledge, shared proven designs to ensure quality and inclusivity, and set up new collaborations between civil society, the private sector and local government.

On top of this new work, we maintained our commitment to existing activity that is leading the way for the sector as a whole. Examples include: the Beacon project in Lahan, Nepal – a unique collaboration between many partners; the water treatment system in Arusha, Tanzania, that removes excessive fluoride using reverse osmosis; and our approach to toilet waste processing that has influenced the Government's next five-year plan in Bangladesh.

Our impact through strengthening capacity

As well as influencing and directly delivering services ourselves, we strengthen the capacity of local institutions to deliver better quality, sustainable services. Below we report on people reached by these institutions from fourteen of the countries we work in:

Number of people we reached indirectly with new or improved services in 14 countries[i ii]	**In or near people's homes**	**Schools**	**Health facilities**	**Public facilities**
Clean water	519,593	23,687	401,949	11,100
Decent toilets	130,927	38,693	48,259	14,381
Good hygiene through better facilities	n/a	32,691	847,060	71,945
Good hygiene through behaviour change activities	394,243	n/a	34,359	n/a

Highs and lows for SusWASH

It has been a year of highs and lows for our SusWASH programme, funded by the H&M Foundation to achieve long lasting clean water, decent toilets and good hygiene in Cambodia, Ethiopia, Uganda and Pakistan.

COVID-19 restrictions slowed progress. Governments shifted their focus to tackle the virus, with travel restrictions, school closures, and large groups of people being banned. Floods in Pakistan and heavy rain in Ethiopia delayed some activities while national elections in Uganda halted some work.

Despite these challenges, the pandemic catalysed several innovations. For example, in Uganda, over 1,900 students are practising good hygiene since we installed 'WASHalot' communal handwashing facilities in two primary schools. Kampala Capital City Authority is planning to scale up this work to reach more than 50 more schools.

We also launched the SusWASH Global Learning Report. This ground-breaking work demonstrates the need for strong systems that deliver inclusive and long-lasting water, sanitation and hygiene to reduce the risk of current and future pandemics, advance economic development and tackle gender inequalities.



WaterAid/Ernest Randriarimalala

Right: We work closely with utilities to ensure their essential services are of good quality and sustainable. Here, technicians from Madagascar's state-run utility company consider plans in Manjakandriana, Analamanga, Madagascar.

Right: Inclusive, low-water-use toilets and handwashing facilities installed in Natete Muslim High School, Kampala, Uganda.

Below: Hailu Moti is the manager of Jara Town Water Utility in Oromia, Ethiopia. More than 17,000 people live in the town, which only had water for three hours a day before our package of support improved the service.



WaterAid/Behailu Shiferaw



WaterAid/James Kiyimba

i. We count users of the services we provide directly in different ways, according to where we reach them: • In or near people's homes – population served by water, sanitation and hygiene facilities. • Schools – school population plus staff. • Healthcare facilities – total number of patient visits over one year plus staff. We count people as having been reached with good hygiene through behaviour change activities when they have been exposed to those activities at least three times in a year.
ii. Data provided by the institutions we supported. Reporting this data means we can not only show the indirect reach of our work, but also focus attention on the data's importance in planning and monitoring water, sanitation and hygiene services, especially to local institutions.

Strengthening capacity

Right: Mothers playing a hygiene game during a training session ahead of immunisation in Nawalparasi, Nepal.

Below left: Aissa next to a handwashing stand near the girls toilet block at her school in Koulikoro, Mali.

Below right: Muhammad in front of his new toilet in Joya, Muzaffargarh, Pakistan. Muzaffargarh is the first district to be declared open defecation free in the country.


WaterAid/Mani Karmacharya


WaterAid/Basile Ouedraogo


WaterAid/Sibtain Haider

Making menstrual hygiene matter in Mali

In collaboration with UNICEF and our partners, we developed a design model for toilets in schools that will enable girls to manage their periods with privacy, dignity and in safety. We will promote this model nationally and through our advocacy to integrate it into the school standards for water, sanitation and hygiene across Mali.

Transforming sanitation in Pakistan

At a time when clean water, decent toilets and good hygiene are more important than ever, we have been working with our partners to develop a sustainable sanitation model for Muzaffargarh – the first district to be declared open defecation free in Pakistan. We developed the model in a way that can be applied across the Punjab province, and it has already reached 300,000 people after a successful initiation in one of the four sub-districts of Thatta.

We joined forces with the Public Health Engineering Department, the Local Government Department, representatives from the Health and Education Departments, international non-governmental organisations, UNICEF and civil society organisations to develop the strategic plan and guidelines – working in collaboration to bring the entire province of Punjab one step closer to being open defecation free. There is still a lot to do. But together we're making progress.


Mariam collects water at the newly installed water kiosk in Machochwe, Tanzania, thanks to our partner Diageo.

WaterAid/Sam Vox

"I used to walk for hours searching for water, but now I can dedicate my time to my family and farming." Mariam, pictured above.

Checking water quality in Madagascar Installing water points often feels like the end of the story, but in fact it's just the beginning. For example, ensuring they continue to provide quality water is vital, which is why we performed follow-up testing on 268 water points across the country. 90% passed, and we shared the results with the relevant authorities and managers so that the remaining 10% could be improved.

Facilitating progress in Myanmar We facilitated talks between the Department of Rural Development and five villages in Myaing Township to set up new water services, to benefit their combined population of over 10,000 people. We ensured women and people with disabilities were involved in the planning stages, and to reduce costs, volunteers dug and installed pipelines. One scheme is already complete and the other four are well on their way.

Reaching 630,000 mothers in Nepal In July, we launched an initiative to reach 630,000 mothers and their children by integrating hygiene promotion into the national vaccination programme at immunisation clinics across Nepal. Since launching in 2016–17, we have scaled up this initiative to ensure people make lasting changes to their hygiene habits. By March, we had mobilised consultants to monitor 284 hygiene sessions in 60 districts to ensure good hygiene behaviours were embedded in the immunisation programme.

Making a bigger difference in Tanzania

In Arusha, Tanzania, we changed normal for over 20,000 people who now have clean water. Together with Babati Water Supply and the sanitation authority we completed our three-year project to treat water using reverse osmosis. Now five villages benefit from clean water without fluoride. Excitingly, the scale up for this project has started, as the utility company is now connecting more households, and we will undertake a full technical review. This will identify further ways to expand the project and make a bigger change for even more people.

Adapting and expanding

While the pandemic paused much of our existing delivery activity for a time, we quickly adapted to new ways of working that allowed us to honour our commitments.

In communities, towns, healthcare centres and schools around the world, we continued designing and installing water and sanitation projects directly to fulfil hundreds of thousands of people's rights to these essentials. We also used this work to innovate with new approaches and technologies that we assess and promote, for others to use and adapt. In this way we can have an even bigger impact.

Responding to the pandemic enabled us to expand our service provision, especially via handwashing facilities, in public spaces such as markets and bus stations, and to increase their disability-friendly elements.

There is still a lot to do, but together we're making progress. We have the commitment, experience, resourcefulness and connections to change millions more lives – until everyone, everywhere has clean water, decent toilets and good hygiene.

Our impact through direct services[iii]

We supported **8,713 communities** to reach the following numbers of people in or near their homes:

- **227,754** with clean water – by installing **641** water points, rehabilitating **462** water points, and supporting **92** piped systems
- **516,947** with decent toilets
- **391,861** with good hygiene through better facilities, and **2,206,137** through behaviour change activities.

We supported **1,273 schools** to reach the following numbers of children and staff:

- **120,225** with clean water
- **113,187** with decent toilets
- **1,009,715** with good hygiene through better facilities, and **320,717** through behaviour change activities.

We supported **1,152 healthcare facilities** to reach the following numbers of patient visits and staff:

- **785,064** with clean water
- **840,583** with decent toilets
- **9,010,826** with good hygiene through better facilities, and **916,459** through behaviour change activities.

Reaching 10,000 people in Nigeria

Together with The Coca-Cola Foundation we celebrated the end of a 19-month project which bought clean water, decent toilets and good hygiene to over 10,000 people living in small towns and rural areas in Nigeria.

Under the project, we: constructed 1 motorised water scheme in Umuabor, Nsukka local government area (LGA); installed 5 new boreholes equipped with hand pumps at Ugwuaji community, Enugu South LGA; rehabilitated 11 boreholes with hand pumps in Isi-Uzo, Uzo-Uwani LGA; and renewed 1 solar powered motorised borehole in Ezeagu LGA. We followed up these improvements by forming and training a Water, Sanitation and Hygiene Committee and Water Consumers Association. Members, which include 50 women and young people, can now repair their own borehole hand pumps. These changes will transform people's lives for good.



Below left: Juliet is a mother of four children and owns a store in Obinofia Ndiuno, Enugu State, Nigeria.

"You cannot fetch water from Iyi-itu spring twice in a day, no matter how strong you are. After going for one trip, you can barely stand because your legs will be shaking. I could see the pain on my children's faces every time they returned from climbing the hill to fetch water from Iyi-itu spring. Now, we do not have to go through all of that stress and discomfort to get clean water. Our lives have changed forever."





Far left: Nurse and midwife Nyaganga collects water to clean her work area in Nyamalimbe Dispensary, Geita, Tanzania. In 2020-21 we reached more than 785,000 people globally with clean water through our work in healthcare facilities.

Left: Rose is a trader in Guzape, Nigeria. We have transformed many people's lives in the country, but Rose and her three children still do not have clean water or decent toilets.

iii. We count users of the services we provide directly in different ways, according to where we reach them: • In or near people's homes – population served by water, sanitation and hygiene facilities. • Schools – school population plus staff. • Healthcare facilities – total number of patient visits over one year plus staff. We count people as having been reached with good hygiene through behaviour change activities when they have been exposed to those activities at least three times in a year.

"I am excited about the availability of clean piped water in our facility. This greatly helps to prevent the spread of disease." Lennie, pictured left


WaterAid/Chileshe Chanda


WaterAid/Chileshe Chanda

Transforming healthcare in Zambia

In Zambia, we improved 20 healthcare facilities across eight districts as a model to be replicated elsewhere in the country.

The work included: fitting a new water supply for toilets, handwashing points and stand taps; installing male and female toilets for staff and patients, making sure they were inclusive for people with disabilities – including features such as ramps, wider entrances and grab rails for wheelchair users; and ensuring designated areas for waste, which is now treated hygienically to prevent the spread of diseases.

The improved facilities will mean staff can treat patients in hygienic surroundings that won't threaten anyone's health. Now everyone has these basic rights, which keep them well and unlock their potential.

- **Above left: Nurse Lennie holds a newborn baby in the postnatal area of Njola Mwanza Clinic, Monze, Zambia. We improved 20 healthcare facilities across the country during the year.**
- **Above right: Njola Mwanza clinic in Monze, Zambia.**
- **Right: Maxwell, from our partner Nazarene Compassionate Ministries, stands next to water storage tanks for a solar water system in Ka-Ben, Lubombo, eSwatini.**


WaterAid/Nyani Quarmyne/Panos

Improving sustainability in eSwatini

Over 7,000 people across the Hhohho, Lubombo and Manzini regions now have clean water thanks to two solar powered supply systems and 11 inclusive hand pumps we installed in autumn 2020. But the benefits will reach far more people, as they demonstrate new technologies and new management approaches.

We are promoting these to others in the sector because of their positive impact on sustainability and energy efficiency. We also want the Government to use them more in future. To help this, we arranged for the Minister of Natural Resources and Energy to visit the hand pumps, and hand over the solar powered supply systems to the communities.


WaterAid/Nana Kofi Acquah

- Above: Lucy, Kokoyeh and Nancy celebrate the new water pump that we installed in Tombohuaun, Kailahun, Sierra Leone.

Increasing resilience in Sierra Leone
We supported 332 communities, 54 schools and 33 healthcare facilities with hygiene kits to help promote good hygiene and prevent the virus spreading. But our work didn't stop there – we also successfully improved water services by completing 6 gravity-fed water systems, rehabilitating 16 water points and constructing 12 new water wells in communities across Sierra Leone. These sustainable water sources are a valuable lifeline in the face of ever-present health and climate threats.

"I helped with the construction of the new water well. I provided labour and I also mobilised the youth, because the well is very good for us, it keeps us away from diseases." Sellu, father of Nancy, pictured left

Empowering communities in Ghana We empowered communities to demand sustainable water, sanitation and hygiene services through our Making Rights Real training sessions. We also trained 20 teachers on the human rights-based approach to engage with the Government and hold them accountable for poor services. We further completed a disability-friendly toilet block with 28 toilets that will serve 1,350 school children and their teachers – yet more progress to celebrate!

Going door to door in Mozambique In the Cuamba and Mecanhelas districts of Niassa province we improved people's hygiene by sharing good practice, using a variety of methods. These ranged from broadcast, such as using community radio to reach around 280,000 people, to personal – for example, using COVID-safe door to door visits in 12 communities. We also produced and distributed leaflets that included COVID-19 prevention messaging in schools and healthcare centres.

Improving sanitation in Ethiopia In Finote Selam Town, Amhara, work is underway on a faecal sludge management and co-compost model which processes toilet waste with other household waste to produce a safe compost for fertiliser. Once complete 6,300 people will directly benefit, with a further 11,990 indirectly benefitting. We will then make a bigger difference by sharing our work with the Government and utility companies to replicate in other areas.


WaterAid/Ernest Randriarimalala

Priority three

Resourcing our work

We will:

Engage a broad range of support across the water industry, other companies, institutions and individuals.

Raise between £84–87 million, with a minimum of £28 million being restricted income.

Spend between £86–89 million, with 74–76% spent on charitable objectives and 24–26% spent on raising funds for this and future years.

A year of solidarity

The continued generosity of our supporters, despite the difficulties faced by everyone during the pandemic, has been deeply inspiring. We are incredibly grateful for their efforts and were glad to make a positive difference to their experiences of the last year.

Fundraising helped WaterAiders push through lockdowns, fending off boredom and anxiety through virtual twists on classics like quizzes. And as the nation considered how to exercise during outdoor restrictions, challenges like distance runs or our new Swim Marathon gave people a great way to stay fit while making a life-changing difference.

We want to extend an enormous, extra special thank you to everyone who chose to donate to us during an extremely tough year. Thanks to you, we are making a lasting difference, protecting the health of more people than ever before with clean water, decent toilets and good hygiene.

From Manchester to Madagascar

Access, our digital agency partner, turned their lockdown into a truly epic distance running challenge for us. Two teams covered a total of 5,777 miles, the same distance as between their office in Manchester and ours in Madagascar.

We provided runners with inspiring content, a Madagascar-themed playlist, and organised a Q&A session with Ernest Randriarimalala, our Voices from the Field Officer in Madagascar, to tell them all about our work in the country. By the end of the challenge, staff had boosted their mental health and fitness, and raised over £4,200 to make clean water, toilets and hygiene a normal part of daily life in communities that need them.

North Tyneside GPs support Nepal

North West North Tyneside Primary Care Network saw the link between the pandemic and the global water crisis and wanted to make a difference. In an astonishing display of generosity and solidarity, the GP practice group donated more than £14,000 from staff salaries at their vaccination centre to provide clean water, decent toilets and good hygiene in Nepal. Thank you!

Zoom dancing – the new walking

The New School Rome has raised nearly £15,000 for us in the last 12 years, and the pandemic didn't stop them finding new ways to keep going. Staff and pupils celebrated World Water Week during lockdown in Italy, replacing their regular Walk for Water challenge with a giant Zoom dance, with 84 families and teachers dressing in blue and joining together to Coldplay's 'Viva la Vida'.

A generous gift for Ghana

Dr Alison Imrie left us an incredibly generous gift of £100,000 from her estate. We used her legacy to support one of our ongoing projects in Ghana, rebuilding clean water, toilet and hygiene facilities in schools in Kotopon Municipality, Greater Accra. Thank you to all our supporters who have chosen to add a gift in their will and make these services a normal part of people's daily lives.

Our new Swim Marathon challenge event raised an amazing £17,900 between September and March, helping swimmers stay fit and focused during lockdown while raising vital funds.

"So good to do something that does so much for others and have a lot of fun along the way. Doing the marathon swims has encouraged me to keep the effort up." Neil Osborne, below


WaterAid/Neil Osborne



WaterAid/John Hide


WaterAid/Robert Prothero

Left: The 2020 festival may have been cancelled, but our collaboration with Glastonbury, Oxfam and Greenpeace on limited edition Hope Shines Brightest in the Dark merchandise raised £93,000. Thank you to Glastonbury organisers Michael and Emily Eavis, and the whole Glastonbury team, for their continued support.

Left below: A huge thank you to volunteers like Penelope in our dedicated Speaker Network. Speakers quickly adapted to pandemic restrictions and together delivered more than 135 online talks about our mission to communities during lockdown.

United through partnerships

The HEINEKEN Africa Foundation became a critical funder of our emergency pandemic response across sub-Saharan Africa. Through their donation of more than £1 million in August 2020, we were able to help prevent the spread of illness in vulnerable communities across Nigeria, Mozambique, Rwanda and South Africa.

Together we installed more than 1,000 handwashing stations in markets, schools and health centres, giving 1.5 million people the ability to wash their hands. We also distributed much-needed soap, hand sanitiser and hygiene products to schools and at-risk households, and reached an estimated 30 million people with hygiene messages through TV, radio and print campaigns across the four countries. The HEINEKEN Africa Foundation has now renewed its commitment, providing a further £1.4 million, and we are expanding this crucial relief work into a fifth country, Ethiopia.



WaterAid/Kwizera Emmanuel

Left: People try out Kinyinya Health Centre's new handwashing facilities in Kigali, Rwanda. Thanks to COVID-19 relief funding from HEINEKEN Africa Foundation, we installed hygiene facilities in eight healthcare centres across the capital.

Coalition amplifies our campaigns

We joined the newly-established Water Resilience Coalition as a founding partner. This industry-driven, CEO-led initiative of the UN Global Compact CEO Water Mandate is pushing the urgent issue of global water stress to the top of the international corporate agenda.

So far, the initiative has amplified our global COVID-19 campaigns and helped companies along their journey to integrate clean water, decent toilets and good hygiene into their supply chains. We are now planning ways to deliver practical interventions together in water stressed basins, and contribute to reaching 100 million people with climate resilient solutions.


WaterAid/Mani Karmacharya

Left : As members of the Hygiene and Behaviour Change Coalition, we increased our COVID-19 response work in Ethiopia, Ghana, Nepal (pictured), Pakistan, Tanzania and Zambia. Together, the 24-member Coalition has helped curb the spread of COVID-19 for 1 billion people through £50 million in funding from UK Aid and £50 million of vital hygiene goods from our partner Unilever.

Wimbledon Foundation extend partnership Following the success of our first three-year partnership with the Wimbledon Foundation, we were delighted to announce their decision to extend it in July 2020. The Foundation have committed to donating a further £1.2 million over the next three years to provide life-changing clean water sources, decent toilets and hygiene facilities to healthcare centres and communities across Ethiopia, Madagascar, Malawi and Myanmar.

Blue Friday brings big benefits Thank you to Armani Beauty, who brought new purpose to the 2020 Christmas holidays with Blue Friday. An alternative to Black Friday sales, Blue Friday saw 30% of every purchase made over a five-day period donated to our partner, Giorgio Armani's Acqua for Life initiative. The £215,000 raised will now support an 18-month programme providing clean water, toilets and hygiene in rural healthcare facilities in eastern Uganda.

Changing lives with Diageo Diageo, producer of Johnnie Walker, Smirnoff and Guinness, joined forces with us again in 2020 for a renewed £4 million, five-year strategic partnership. The new commitment is part of their ten-year action plan, Society 2030: Spirit of Progress. Together, we will be changing thousands of lives for good with clean water, decent toilets and good hygiene in communities across the company's global supply chains and beyond.


WaterAid/Sam Vox

Pioneering supply chain research
Together with our partners Diageo, Gap Inc., HSBC, Twinings and Unilever, we are piloting pioneering research to strengthen the business case for clean water, toilets and hygiene solutions in supply chains and the communities surrounding them. Currently in its final phase, the research will show how these vital services not only improve people's health but are key for sustainable business practices. We will release the findings in 2022.

Left: Together with Diageo, we built a new water kiosk for Joyce, her husband Mwita and their farming community in Machochwe, Tanzania. This community grows and sells sorghum crops to Diageo's local brewery to make beer.



Left and below: Leyew works for a local water utility in Finote Selam, in western Ethiopia – one of the areas supported by Yorkshire Water. He maintains water facilities, carrying out daily checks to ensure the system is working well and addressing customer concerns.

We work closely with the UK water industry to help empower people like Leyew and his community with the skills and training to plan and manage their water and sanitation services, ensuring they are sustainable.



Scottish Water and Northern Ireland Water adapted their annual fundraising balls into two star-studded virtual fundraisers for our Scottish Government partner projects. Featuring KT Tunstall, The Snuts (right), and *Line of Duty's* Martin Compston, Scottish Water raised £48,000 for toilets and hygiene in Rwandan schools. And in Northern Ireland, host Sarah Travers was joined by Paddy Raff (far right) and Ryan McMullan to raise £47,000 to support healthcare facilities in Malawi.





Appreciating our utilities

The past year has taught us there are many things we cannot afford to take for granted, and that includes water. It's easy to forget that every aspect of our lives depends on water and that we all have a role to play protecting it.

Our partners from across the UK water industry work to provide this vital resource to each of us every single day. But through continued fundraising and international skill sharing programmes we facilitate, they are doing so for people and utilities in the countries where we work too.

We want to say thank you to the UK water industry for continuing to commit their vital expertise and support to us during such a challenging year. Together we are making clean water, decent toilets and good hygiene normal for everyone, everywhere, no matter what the future holds.

Yorkshire Water's crucial contribution Yorkshire Water's contributions were more crucial than ever during 2020. Over the past seven years, their support for the 20 Towns project helped us develop sustainable clean water, sanitation and hygiene solutions in small towns across Ethiopia. By working together with these communities, local utilities and authorities, Yorkshire Water helped us keep these systems running and protecting people's health during the pandemic.

Severn Trent supports Bangladesh Thanks to Severn Trent, communities on the southern coast of Bangladesh are developing climate resilient solutions to the region's cyclones and water salinity. The company has raised £191,000 so far to provide 51,423 people with sustainable clean water sources, six health centres and three schools with improved toilets and hygiene facilities, and 38 local women with training to run affordable water treatment plants as small businesses.

Beacon Project progresses despite pandemic

The Beacon Project, our collaboration with Anglian Water and its alliances, the Nepal Government, and local authorities and utilities in the city of Lahan, adapted to the pandemic while continuing to make incredible progress.

We worked together with the region's water company, NWSC, to scale up their technical knowledge, decommission contaminated boreholes, repair leaks, construct a new water tower in Bhawaradaha, and make more than 60 piped connections to serve 326 people. We have also constructed and renovated toilets in Dalit communities and schools, and responded to COVID-19 by installing 25 contactless handwashing points, distributing disinfectant and PPE for health workers, and soap and masks to the public.

Lotteries change lives
2020 marked 35 years of WaterAid Lotteries changing lives for good. Played through local water companies by more than 13,000 people each year across the UK, the Lotteries have rewarded lucky winners with cash prizes and raised over £14 million so far for clean water, decent toilets and good hygiene. Thank you to all players, and good luck in your next draw!

People power raises £2.6m

Since 2013, players of People's Postcode Lottery have helped communities break free from poverty and change their lives for good with clean water, decent toilets and good hygiene. In 2020/21, their support continued, with players raising a phenomenal £2.6 million. This has been vital to our continued operation during the pandemic, supporting our emergency response and helping us press on with our scheduled programmes.

As part of the Postcode Climate Challenge, players of People's Postcode Lottery raised £2 million for climate-resilient water, sanitation and hygiene solutions around the world. From Burkina Faso to Bangladesh, players are helping us build new systems, sharing the power of good hygiene and tackling the injustice of water poverty across 12 countries. We cannot thank players of People's Postcode Lottery enough. Together we are making a bigger difference.

The value of agility We are so grateful to Tom Richardson and Kate McCallum, who shifted their support to our unrestricted work when we needed it most, urgently responding to the pandemic across the countries and at-risk communities where we work. Unrestricted funding allows us to be agile and act quickly in the ever-changing context of our mission. Thank you, Tom and Kate!

Celebrating 30 years This year marks 30 years of support from The Ranworth Trust. During this time, trustees have donated £323,500 in unrestricted funds to be used across the full breadth of our varied programmes. The stability this provides has helped us make significant progress to deliver our mission. We are extremely grateful for their long-term commitment, and wish to extend our sincere thanks.

You're putting the future on tap Last winter, our Future on Tap appeal raised £6,084,108 for the people of Frat in Ethiopia, including £2m to be matched by the UK Government. Philanthropists and trusts were vital to achieving this. Work is now well underway in Frat, with more than 400 households installing climate resilient toilets and handwashing facilities, new taps and loos planned for the school, and a local water system launching this Autumn.

Thanks to The Waterloo Foundation Thanks to partners like The Waterloo Foundation, we have been able to help thousands of people during our emergency COVID-19 appeal. Their invaluable support meant we were able to respond quickly and effectively, offering innovative and targeted solutions to communities we work with.

Generosity + experience = better hygiene

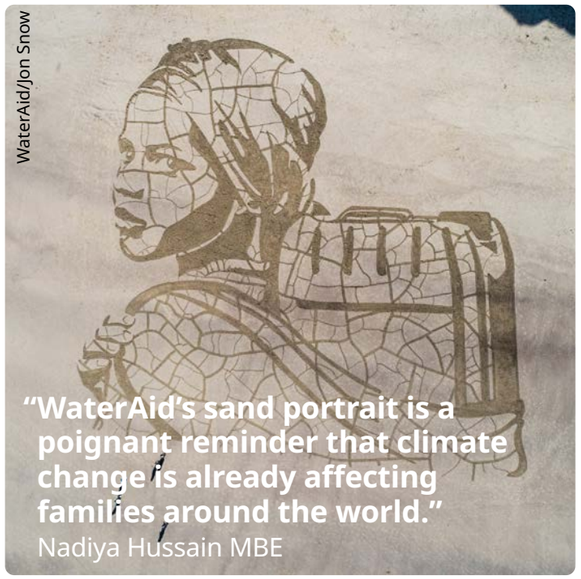
Philanthropists and trusts provided vital assistance to COVID-19 relief actions across Africa and Asia over the past year. Combining their generosity with our 40 years of experience, we committed the majority of their gifts to incredible responsive actions.

Together we installed public handwashing facilities in remote rural locations and dense urban centres, worked with utilities to keep services running, and reached millions of people with hygiene campaigns.

Response funds that went to healthcare centres will also have a truly lasting impact, with recent research by WHO and Unicef showing that clean water, decent toilets, and good hygiene in particular give a 50% return on investment. Thank you to all philanthropists and trusts who recognise the lasting difference these vital services make.


WaterAid

Left: Behind the scenes with Three Degrees singer Sheila Ferguson hosting our virtual Christmas Concert. Special guests included Tobias Menzies, Dougray Scott, KT Tunstall, Katie Melua, Cerys Matthews, Joe Stilgoe, Sir Richard Stilgoe, Catrin Finch, Sir Tony Robinson and London primary school choirs. Supported by players of People's Postcode Lottery, it attracted viewers from around the world to raise almost £10,000 for our Future on Tap appeal.

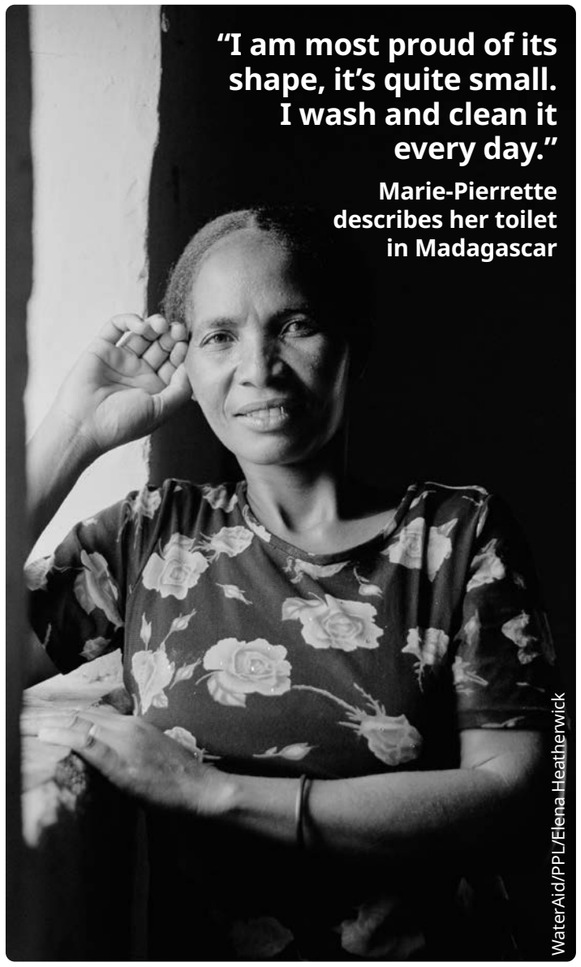

WaterAid/Jon Snow

"WaterAid's sand portrait is a poignant reminder that climate change is already affecting families around the world."
Nadiya Hussain MBE

Players of People's Postcode Lottery supported memorable moments this year, including:

Above: For World Water Day, we brought the hidden stories of communities affected by climate change to national attention with a 60-metre sand portrait of Ansha, from Frat in Ethiopia, on Whitby Beach.

Right: Our online exhibition Toilet Stories revealed intimate portraits and sanitation stories from people in Madagascar and Rwanda, such as Marie-Pierrette. It received coverage from the BBC, *The Telegraph*, *Wallpaper and publications in Nigeria and China.**



WaterAid/PPL/Elena Heatherwick

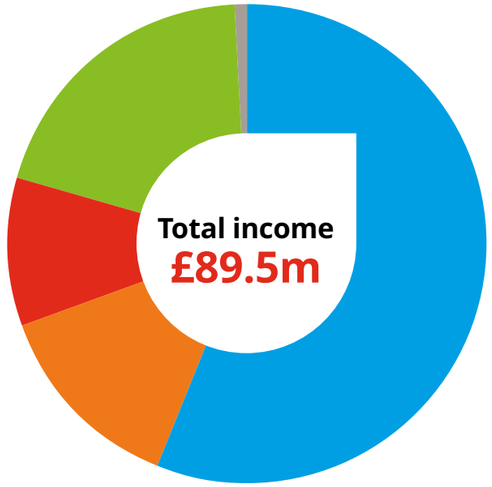
Financial summary

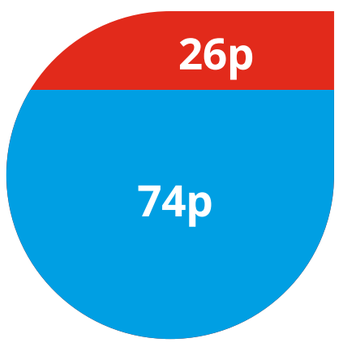
Income

Total income fell by just 1.9% compared to the prior year, a remarkable achievement given the pandemic's impact and the constantly-evolving response to it. It was clear at the start of the year that COVID-19 was going to be a major risk to income, and we initially estimated it to cause a shortfall of up to £10 million. However, our staff responded magnificently, rolling up their sleeves and finding creative ways to engage our audiences, so that we avoided this worst-case scenario.

While some income streams, such as events, were decimated, others including individuals, companies and philanthropic organisations supported our work with greater generosity than we planned for. We are immensely proud of and grateful for this, as it had a direct impact on our response to the crisis in some of the most difficult circumstances in the countries where we work.

- Individual supporters **£50.3m**
- Corporate and trust supporters **£12.0m**
- Other WaterAid member countries **£8.9m**
- Governments and other institutions **£17.8m**
- Other income **£0.5m**





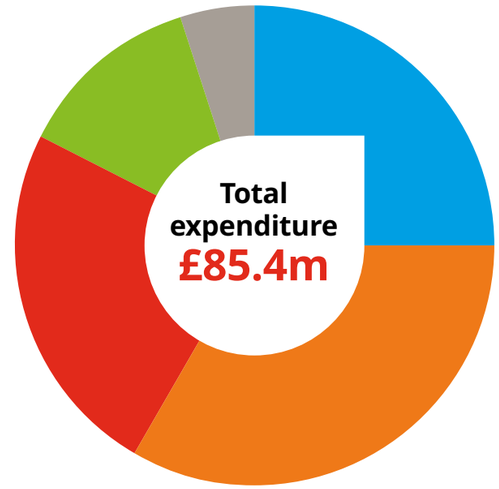
In every £1 we spent, 74p went on delivering services and making change happen and 26p went on fundraising and governance.

Expenditure

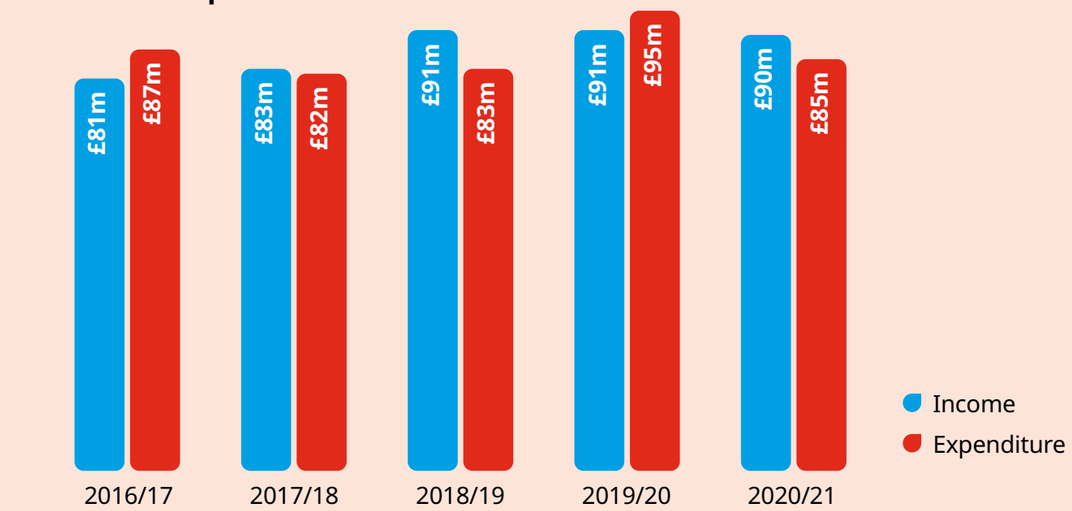
Total expenditure reduced by 10% on the previous year, and we took hard decisions immediately after we estimated the likely scale of the pandemic's potential financial impact. For example, we cancelled a planned cost of living pay increase for all staff, and prioritised staff retention to help us emerge from the crisis healthy and resilient.

We had planned to take £5 million from our operational reserves for critical programme work during the year, but the virus prevented some of this from going ahead. This difficulty in delivering our planned programme, combined with the excellent income results, led to an unrestricted surplus for the year, increasing our operational reserve above its target. We will draw upon this excess to deliver the delayed work from 2020-21 as soon as we are able, and to invest in implementing our new global strategy, which will start in 2022.

- Fundraising **25.2%**
- Supporting partners to deliver water, sanitation and hygiene **33.4%**
- Sector strengthening and capacity building **23.9%**
- Influencing policy in water, sanitation and hygiene **12.6%**
- Supporting WaterAid globally **4.9%**



Income and expenditure 2016–2021



Thank you

So much of our work is only possible because of the passion and commitment of individuals and organisations who share our vision of clean water, decent toilets and good hygiene for everyone, everywhere.

We acknowledge some of them below – but whether listed here or not, our heartfelt thanks go to each and every one of you.


WaterAid/Habibul Haque

Below: Shimla washes her hands after using her family's climate-resilient toilet, which is raised up off the ground to avoid floods in Trimohoni, Khulna, Bangladesh.

4Water
Access
Affinity Water
All the individuals who kindly left a gift in their will
All UK water industry supply chain partners and sector bodies
Allegra Foundation
Amey
Anglian Water Alliance partners – Beacon project
Anglian Water Direct
Anglian Water Services Ltd
Association of Inner Wheel Clubs in Great Britain and Ireland
AXA XL
Balfour Beatty Utility Solutions
Barhale Construction Plc
Belu Water Ltd
Black & Veatch Ltd
Bournemouth Water
Bristol Water Plc
Cambridge Water
Clancy Docwra
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
Diageo Plc
Dŵr Cymru Welsh Water
Water industry Education Forum
Environment Agency
Essex and Suffolk Water
European Commission
Eversheds Sutherland LLP
Faversham House
Foreign, Commonwealth and Development Office
Fujifilm
Giorgio Armani Acqua for Life
Grundfos
H&M Foundation
Halma Plc
HEINEKEN Africa Foundation
HSBC Holdings Plc
Institute of Water
Jeanne Wilson
Jersey Overseas Aid
John Lewis Foundation
Kier Group
Kimberly Clark Corporation
Liberty Specialty Markets
Lions Clubs International
Medicor Foundation
Morrison Utility Services
Mott MacDonald Bentley
Natural Resources Wales
Nick Heung
Northern Ireland Water
Northumbrian Water Ltd
Ocorian Corporate Trustees Limited
Ofwat
Peter & Pamela McPhillips
Players of People's Postcode Lottery
Portsmouth Water
Poul due Jensen Foundation
R Twining and Company Limited
Refinitiv Charities
Rotary Club of Christchurch
Rotary Clubs of Great Britain and Ireland
Scottish Government International Development Fund
Scottish Water
SES Water
Severn Trent
ShareGift
Skanska
Soroptimist International Great Britain and Ireland
South East Water
South Staffs Water
South West Water
Southern Water
Stantec
Sweco
Swedish International Development Agency
Swiss Agency for Development and Cooperation
Thames Water
The Alchemy Foundation
The Allan & Nesta Ferguson Charitable Trust
The Constance Travis Charitable Trust
The Foster Wood Foundation
The Georg & Emily von Opel Foundation
The Water Report
The Waterloo Foundation
The Wimbledon Foundation
The Zochonis Charitable Trust
Tom Richardson and Kate McCallum
UNICEF
Unilever
United Utilities
Water Resilience Coalition
Water UK
Welsh Water
Wessex Water
World Health Organisation
Yorkshire Water
Zermatt Wealth Partners

4



WaterAid/H&M/Drik/Farzana Hossain

Priority four

Supporting staff to be their best

We will:

- **Support and empower staff to be their best, focusing on wellbeing, safety and new ways of working, and building resilience against future shocks such as that experienced with COVID-19.**
- **Equip leaders and senior teams to lead well through the major events of the year and beyond.**



WaterAid/James Kiyimba

- **Left: Lilian is our Water, Sanitation and Hygiene Technical Director in Uganda. Here she consults with Alfred, Masindi District Water Engineer, and Baguma, Hand Pump Mechanic, while testing the functionality of Kijenga village's pump.**
- **Below: Our Hygiene Specialist in Madagascar, Mamy, explains how to use and maintain handwashing stations in Manjakandriana, Analamanga.**



WaterAid/Ernest Randrianirimalala

Keeping communities, partners and staff safe

At the start of the pandemic, we activated crisis management teams to focus on minimising the risk of COVID-19 transmission during the delivery of our programmes and projects, and in our offices. This required many of our teams to shift to remote working and to adjust our programme delivery models to protect communities, partners and themselves.

Putting people first remained our priority, and we produced a steady stream of health, safety and security guidance as well as mandatory operating procedures as circumstances changed. These included: new considerations during project activities such as construction work and community engagement; the safe use and disposal of face masks and vehicle disinfection; minimising other risks that may have been exacerbated such as fraud and ensuring quality; advice on office opening and closing.

Other measures included psychosocial support to help staff deal with stress and navigate uncertainty, frequent Director Team Q&A sessions to provide regular two-way conversations, care surveys to keep a check on staff wellbeing, and restricting non-essential international travel. Together, these resulted in 91% of staff agreeing that 'WaterAid takes reasonable steps to ensure the safety, security and physical wellbeing of staff at work'.

Furlough offers protection In the UK we took part in the Government's job retention scheme to protect both jobs and our finances. 76 staff went on furlough during the year and we made no redundancies due to the pandemic. We supported some to volunteer, for reasons ranging from caring responsibilities to home schooling, and asked others to furlough as their workload reduced. We regularly called furloughed staff to check in on their wellbeing, and created newsletters to keep them up to date with organisational developments and support learning. We also moved staff from teams with reduced workloads to those with higher ones.

Overcoming additional barriers

Our team in Tanzania had additional barriers to overcome in responding to the pandemic, as the Government did not recognise COVID-19, run any national interventions to curb its spread, or share any data about it. The team made use of the guidelines and operating procedures we produced centrally, introduced flexible working arrangements, provided appropriate personal protective equipment, and sourced psychosocial support from a professional consultant.

Supporting people at home

Many of our staff occasionally worked from home and were issued with a WaterAid laptop before the first lockdown started. This meant we were in a good position to quickly shift to home working full-time, helping staff with the practical needs around home setups, additional equipment, and further training on software such as Office 365. More importantly, we supported people with webinars and resources on working remotely from each other, building resilience, and coping with stress and uncertainty. We also kept our offices open, in line with government guidelines, for those whose wellbeing would have been adversely affected by working from home all the time.

Helping with food and finance The People and leadership teams of the countries we work in responded to the specific needs of their staff as appropriate. In Bangladesh for example we provided safety kits consisting of masks, personal protective equipment and sanitiser. We offered personal counselling, supplied food to staff affected by the virus and living by themselves, and helped with medical expenses for a small number of staff needing hospital care in countries without free healthcare.



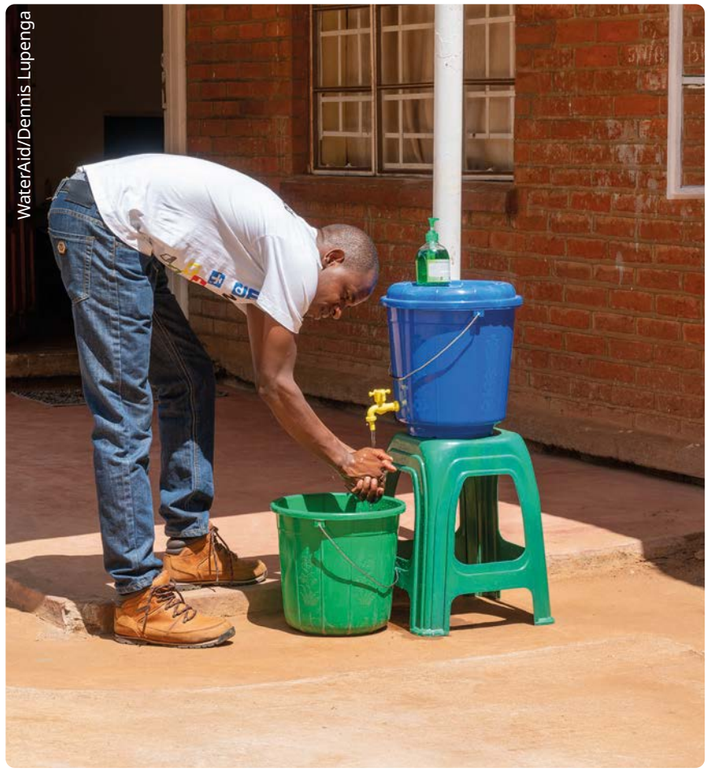
Ensuring racial equality and inclusion

We are committed to being an antiracist organisation that stands against all forms of racism, injustice and inequality; where everyone is welcome, included, respected and where we celebrate diversity. This commitment is laid out in our global framework for racial equality and inclusion, which we launched in November. We developed the framework through feedback from staff group discussions, which are ongoing and allow us all to reflect, listen and learn more about the issues.

Our four areas of focus are: individual understanding, allyship and action; our people practices; power dynamics within WaterAid; our communications and how we portray ourselves and the communities that we work with.

We are committed to reviewing progress against the framework every three months, with a new Racial Equality and Inclusion Advisory Group, which has representatives from seven countries. We are also committed to having diverse Boards and senior teams, with 40% of our UK Board currently identifying as being from Africa, Asia or UK ethnic minority communities.

We are working to ensure our people practices are inclusive, equitable and respectful of difference, and that we support staff to be themselves and bring their unique and valuable contribution to WaterAid. Activities under this area will include all aspects of diversity beyond racism, starting with the development of new global recruitment standards.



WaterAid/Dennis Lupenga

Far left: Although much of our training moved online, we did still run sessions in person when safe to do so, Here, staff in Ghana run a technical training and hygiene campaign workshop on COVID-19 for employees of the Kassena-Nankana and Bongo Health Directorates.

Left: Our Voices from the Field Officer in Malawi, Dennis, washes his hands outside his house while working from home during the country's lockdown.

Let's talk about wellbeing

In August we launched our global wellbeing strategy to help staff avoid or cope with mental health issues, prioritise their mental and physical health, and to create a culture of wellbeing. We brought the strategy to life during the pandemic by starting a wellbeing champions network in all countries at the same time, along with a new internal wellbeing podcast Let's talk: wellbeing conversations.

We followed up by promoting Let's talk coffee mornings among teams, running a virtual art therapy session and other activities based around World Mental Health Day and Mental Health awareness week.

In the UK we started Wellbeing Wednesdays, with optional morning meditation or dance classes, plus a two-hour 'no meeting lunchtime' to encourage staff to have a decent screen break and get some fresh air. On the last Friday of every month we also created 'no meetings Friday' to give people another regular chance to balance work demands with their own wellbeing.

1,000 staff give their views 1,000 staff took part in our biggest engagement survey ever in the autumn, and we were delighted with the results:

94% felt proud to work here.

91% felt part of a global organisation.

89% would recommend us as a good place to work.

In relation to the pandemic, **92%** thought that we responded well.

91% believed that we were taking reasonable steps to ensure staff safety, security and physical wellbeing.

Bespoke training improves security 55 staff completed 16 hours of bespoke training each in their roles as Safeguarding, and Security, Focal Points. The training will help role holders further embed good quality safeguarding and security practice into everyday activities to increase partner capacity and help communities stay safe. 98% of participants said the course was excellent or good, and 100% felt more supported after it.

Seizing opportunities through leadership
We redesigned our successful leadership programme Accelerate to 2030 to be fully virtual, with 20 staff attending in October. They now join 162 others who have benefitted from our drive to encourage transformative thinking to make big decisions and tough choices; to find innovative solutions to challenges we have not faced before; and to seize opportunities we did not expect. We also ran workshops for 56 previous participants to reflect on our response to the pandemic, capture what we want to keep, and feed into our new global strategy.

New office saves costs We completed our office move to 20 Canada Square, Canary Wharf, which will bring long-term cost savings and a more globally connected and inspiring environment for our staff, volunteers and partners. We opened our doors on 1 September, focusing on supporting staff who felt their wellbeing was adversely affected by working from home full time. We are now planning how best to use the office to ensure a high-performing and flexible hub for staff to collaborate, innovate and socialise in.

Priorities for 2021-22



WaterAid/Apag Annankra

Top to bottom:

- **Hayford in the new toilet block at his primary school in Bongo, Ghana.**
- **Mariam washes her hands at the new tap stand in Kakounouso, Segou, Mali.**
- **Hygiene club members clean up at their newly constructed hand washing bay at Insaca School, Mecanhelas, Mozambique.**
- **Rhoda collects water from a shallow well in Bwemba, Kasungu, Malawi**

1



WaterAid/ Basile Ouedraogo

Benefiting more people with clean water, decent toilets and good hygiene. We will:

- Build people's resilience against the twin threats of COVID-19 and climate change.
- Influence global and national policies, strategies and standards that ensure services are sustainable, of good quality, and for everyone, everywhere.
- Strengthen governments', utilities' and private companies' commitment and ability to provide services to people who need them.
- Directly reach people with services in or near their homes, schools and healthcare facilities.

2



WaterAid/Chileshe Chanda

Resourcing our work. We will:

- Engage a broad range of support across the water industry, other companies, institutions and individuals.
- Raise between £87–90 million, with a minimum of £30 million being restricted income.
- Spend between £89-91 million, with 74-76% spent on charitable objectives and 24-26% spent on raising funds for this and future years.
- Ensure an operational reserve target of £13–17 million.

3



WaterAid/Alexia Webster

Supporting staff to be their best. We will:

- Prioritise the wellbeing and mental health of our staff.
- Build the relevant skills, strong leadership and effective working practices we need to achieve our goals.
- Further develop ourselves as an antiracist and inclusive organisation.

Looking after our people

Safeguarding

We are fully committed to the safeguarding and wellbeing of all individuals with whom we come into contact – the people in the communities where we work, our staff, volunteers, contractors, partners and our supporters. Wherever we work in the world, 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. We are committed to being accountable and transparent regarding our safeguarding policies and approaches.

We expect all staff, volunteers, partners, and those representing WaterAid to conduct themselves in a way that preserves the dignity and respect of every individual. All representatives are required to uphold our Global Code of Conduct, which sets out our high standards of expected behaviour and details what will happen if these expectations are not met. We ensure all reports of misconduct are fully investigated by trained staff, with a survivor- centred approach, and that appropriate actions are taken to protect and safeguard all individuals involved. Where a staff member has been dismissed for sexual harassment or abuse, we are committed to sharing the reason for termination on any future reference requests.

In the last year, our Global Safeguarding Team received 23 safeguarding reports from across our federation. Of these, three cases met the criteria for reporting to the Charity Commission. This is an increase in the number of reported cases from the previous year, and we view this positively. We believe the increase is due to enhanced awareness of safeguarding over the last three years and reflects an increase in confidence to report, rather than an increase in incidents. The cases related to bullying and harassment among staff and welfare concerns for staff and vulnerable supporters. Tragically, one case involved the fatality of a child who fell into an uncovered house pit latrine, and one case involved an attempted sexual assault on a community member by a partner's contractor. We fully investigated both of these cases and are taking the learning forward, including reviews of our communication of key policies to communities and contractors (via partners). We reported these two cases to the Charity Commission, who were satisfied with our investigations and recommendations, and they are now closed.

We strengthened our safeguarding capacity with the addition of a Global Safeguarding Officer to our Global Safeguarding Team.

During the course of the year we delivered bespoke training for our global network of Safeguarding Focal Points, who are located in every country that we work. The training increased knowledge and encouraged local contextualisation, to achieve the greatest impact. We also introduced specialised training for line managers, senior leaders and staff groups with regular contact with people in the communities where we work.

We updated our mandatory eLearning to reflect best practice and learning from reviews. We built an interactive resource hub of key safeguarding materials from within WaterAid and across the sector to encourage personal learning and development for our global staff.

To ensure safeguarding is embedded within the work conducted by our hundreds of partners around the world, we further developed our partner safeguarding resources to include assessment tools, training materials and strengthened contractual agreements.

As part of our commitment to strengthening safeguarding and raising standards within the international NGO sector, we co-authored a free and open source community safeguarding visual based toolkit, designed to help organisations communicate safeguarding messages to the people in the communities that they work and build accessible reporting mechanisms. This is hosted by InterAction and received positive feedback throughout the sector.

During a period of crisis such as COVID-19, safeguarding risks can dramatically increase and change at a fast pace. We responded with:

- Dedicated safeguarding programme guidance to increased risk areas in our work within communities.
- Mandatory operating procedures across all our programming to ensure strong and effective safeguarding standards could be met and measured.
- Specialised staff training and guidance notes on the increased risks of family violence due to changes in working practices and prolonged periods working at home.
- Sharing sector-wide safeguarding COVID-19 guidance through our global network of Safeguarding Focal Points.

We continue to invest in safeguarding at all levels and collaborate with others in the sector to ensure safeguarding remains a top priority for all international NGOs.

Our Global Head of Safeguarding reports at all Board meetings and liaises regularly with our lead Trustee for safeguarding.

For more information on safeguarding at WaterAid, please see the relevant policies and procedures on our website.

Remuneration

In setting pay we take seriously our responsibility to ensure value for money in everything we do, always being effective stewards of our resources. This includes using our money wisely to ensure we pay competitive and fair salaries that enable us to recruit and retain staff with the right values, skills and experience to achieve our mission. We aim to remunerate and to review remuneration in a transparent way.

All of our staff have an annual performance review. We believe that basing an element of pay on performance demonstrates our commitment to value for money, accountability to our stakeholders, and reinforces the importance of high standards of performance for all staff.

Pay scales for all staff are set with reference to market conditions, comparing ourselves with similar not-for-profit organisations. Market pay is determined using recognised salary surveys specialising in the charity and international development sector. We seek to pay between the median and upper quartile of these comparators.

Pay ranges for the Chief Executive and Directors are set with reference to market data for each individual role, benchmarked using at least three relevant remuneration surveys.

Each year we consider an increase to be awarded on 1 April. Increases are determined taking into account the benchmark data, individual performance and affordability. In April 2020 we were unable to make a pay award to our staff due to the financial uncertainty brought about by the COVID-19 pandemic. We were pleased though to have made a pay award for our staff in April 2021.

The People Committee of the Board provide assurance that our global remuneration policies and principles are being applied. The Committee reviews all proposed increases for Directors and recommends the remuneration of the Chief Executive for approval by the Board of Trustees.

Our Board of Trustees are not remunerated.

Gender reporting

The gender pay gap shows the difference in average pay between men and women nationally or within an organisation. As of 5 April 2021, our mean (average) pay gap in the UK was 12.1% and our median (middle) pay gap was 11.3%. Each are below the published national average. The median and the mean pay gap have increased slightly since last year, by 0.7% and 0.4% respectively.

We have a female-dominated UK workforce who are evenly spread across all grades. Our pay gap arises from the distribution of our male employees across our grades, with a greater proportion of men employed in senior roles and fewer in junior roles. This is similar to other organisations in our sector, and reflects national trends, though we are actively looking for opportunities to close this gap. During 2020-21 we carried out a review of salaries at Grade 1 as the gap at this level is larger than at other grades. We made some adjustments and are confident that the salaries at this grade are appropriate for the level and size of the roles.

We have a rigorous job evaluation tool to ensure we provide equal pay for work of equal value. In 2020 we launched a framework to support flexible working, and we are reviewing our approach to hybrid working, which

Looking after our people (contd)

should help us reduce our gender pay gap. We design and advertise roles to ensure that they are attractive to women, and we avoid any potential unconscious bias in recruitment or career development. As part of our longer-term commitments, we have started several workstreams on diversity and inclusion. We are still seeking to appoint a Global Diversity and Inclusion Lead, which is currently being covered by an internal secondment. This year we are also starting to report on our ethnicity pay gap.

Diversity and inclusion

We believe in the value of a diverse global team, we are respectful of difference, and promote diversity and inclusion in all its forms. We support and empower staff to be their best and bring their unique and valuable contribution to WaterAid. We have policies in place to ensure we give candidates, existing staff and volunteers equal opportunities to succeed, and we are registered as a Disability Confident employer in the UK.

We recruit the best person for the role, ensuring they have the right values, skills, knowledge and experience to help us achieve our mission. We support flexible working and encourage staff to develop within WaterAid, to match their circumstances and aspirations.

Everything we do is guided by our values of respect, collaboration, accountability, innovation, courage and integrity. We treat everyone with dignity and respect, and champion the rights and contributions of all to achieve a fairer world. We act with honesty and conviction and our actions are consistent with openness, equality and human rights.

We are passionately committed to being an organisation where everyone is welcome, respected, included and empowered to be their best. We represent and celebrate the diversity of our staff, partners and everyone that we work with to create a culture where everyone can reach their full potential.

Our racial equality and inclusion framework outlines our intentions and actions to ensure we stand against all forms of racism and address any unhelpful internal power dynamics. We have four aims under this framework: individual understanding, allyship and action; our people practices; power dynamics within WaterAid; our communications and how we portray ourselves and the communities that we work with.

In our 2020 global employee engagement survey, we included three new questions on feelings towards equity and inclusion. 86% of global staff think WaterAid values diversity; 81% think people at WaterAid are treated fairly irrespective of nationality, race or ethnic origin; and 14% said they have experienced or witnessed discrimination at WaterAid in the last 12 months.

To deepen our own and each other's personal understanding of racism and injustice, allyship and action, we created a global collection of resources and shared them internally and with others in our sector. We held reflection, listen and learn sessions for all staff and formed a new Racial Equality and Inclusion Advisory Group to help us achieve our framework and action plans. Staff also created voluntary learning groups.

To enhance our people practices, we are developing new standards for recruitment and reviewing our Global Code of Conduct. For the first time, we have been able to produce an ethnicity profile of all staff to better understand our diversity and we are preparing to report on our ethnicity pay gap in the UK. To ensure diversity, inclusion and equity are at the heart of our people practices, we have also started to review our approaches to induction, career development, succession planning, learning and development, and coaching and mentoring. We are also recruiting a new role of Global Lead for Diversity and Inclusion to develop our diversity and inclusion strategy.

Power dynamics within WaterAid is a core workstream in developing our new global strategy, focusing on identifying and addressing the power differentials in and between different countries. We formed a steering group to coordinate activities in this area and are creating spaces for conversations around inclusion in every country where we work. We will assess current ways of working and look at privilege and power, where expertise is located and how support is deployed.

We recognise and take seriously our responsibility for how we portray ourselves and the communities that we work with, and how this defines us as an antiracist organisation and resonates with recipient audiences. We are reviewing our existing communications policies and materials, how we gather insight to support our visual content and our use of language. We launched a pilot project in Nepal and Ethiopia to explore how communities want to be portrayed and we are undertaking representation research aimed at UK Black and Minority Ethnic audiences.

Modern slavery

In compliance with the Modern Slavery Act 2015, we have produced a statement which outlines what we have undertaken to identify and prevent modern slavery in our work and our supply chain. The full statement can be found on our website.

Managing risk

WaterAid works in countries where security is often an issue, which means a level of risk is inevitable. We have an active risk management process in place to make sure appropriate steps are taken to manage and mitigate risk across the organisation.

The Board of Trustees and Directors team have been clear that the areas where risk should be very carefully assessed relate to the health, welfare, safeguarding and security of people and the reputation of WaterAid. In other areas, there is an evaluation of risk and reward before taking opportunities. Managed risks will be taken where there is a reasonable basis for believing that this will be to the benefit of people in relation to clean water, decent toilets and good hygiene.

The Board of Trustees has overall responsibility for ensuring that WaterAid has a system of internal control, management and audit to take advantage of opportunities and manage risk effectively. Assessment of risk and opportunity is central to WaterAid's decision-making processes, planning and monitoring.

Our processes

- Risk appraisals conducted from the Board of Trustees through to country team level, with regular staff training sessions to identify, evaluate and manage risks.
- Risk registers that capture the risks identified across WaterAid, including material risks, controls and mitigating actions.
- An annual risk management plan which is produced by the Directors team for review and approval by the Board of Trustees, who receive regular progress reports.
- A risk management review which is carried out by the Audit Committee twice a year.
- Regular audits which are carried out by our Internal Audit team and reported to the Audit Committee, who review the implementation of each recommendation

Managing risk (contd)

- Multi-year planning and budgeting which focuses on milestones linked to delivering the global strategy.
- Financial reporting which compares results with the budget on a monthly, quarterly and yearly basis.
- Value for money principles which guide when and where we source goods and services, how we benchmark salaries, and our policies on borrowing and reserves.

Last year's most significant risks

Again the risks we had identified in our business planning were overtaken by the Covid-19 crisis. We, therefore, quickly re-evaluated the risk environment and what would be prioritised for scrutiny at the most senior level. As might be expected, people, programmes and finance were the most significant risks. The following gives more details on the evaluation and how this was handled.

Health and safety of our people

COVID-19 heavily impacted the health and safety of our staff, not only due to the risk of contracting the virus but also due to increased risk of mental health and safeguarding issues. We introduced mandatory operating procedures for safeguarding and security early in the year and launched a wellbeing strategy to mitigate some of those risks. Each country office made specific plans for the return of its staff to make sure the environment is safe and secure.

Delays to delivering our programmes

Where our programme work required physical contact, we carried out risk assessments and adjusted to the new context. After the initial shock we normalised new approaches to promote flexible working in and out of lockdowns. To achieve this, keeping open communication with our partners and donors to agree next steps was vital. Our sector strengthening work was affected due to group capacity building events not taking place, however we invested in influencing through social media and working with governments to prioritise COVID-19 preparedness and response.

Significant fall in unrestricted income

The impact of COVID-19 periods of lockdown was felt heavily in events-based fundraising and could have potentially adversely affected individual giving, putting pressure on our unrestricted reserves. We revised some of our fundraising plans and took the opportunity of reduced media costs to boost our TV advertising, which received great response rates. We continue to closely monitor for changes in our regular giving performance indicators to adjust our approach if needed, but the fundraising strategy remained strong during the year.

Main risks to manage in the year ahead

External risks

COVID-19

The pandemic will continue to be a big risk for at least the next six months. The two main challenges are keeping our people and our partner staff safe, and being able to deliver a high-quality programme of work – especially if there are continued restrictions, for example on movement or gathering of people. There are of course opportunities we are taking to promoting the benefits of water, sanitation and hygiene for better public health.

Global recession

COVID-19 has increased this pre-existing risk, with the full impact of lockdown and responding to the pandemic on government and individual spending still unknown. Further, the recent FCDO decision to cut international aid funding was a shock for the sector. Although the diversity of WaterAid's income portfolio developed over the last 40 years does mean our financial health is not dependant on UK aid, this decision is likely to have a devastating impact on the broader financing of water, sanitation and hygiene.

Political instability / terrorism

We still see political instability in many countries where we work and terrorism continues to be a threat to which we must be alert. We have rigorous policies and procedures to mitigate some risks, and a range of training, to support our staff to remain vigilant on their safety and security.

Cyber security

We take the security of our data seriously and have good measures in place, but this remains a significant challenge as demonstrated by the increase in phishing, malware and ransomware attempts. Improved security software has enhanced how we deal with cyber attacks and we provide regular fraud and cyber security training to staff to raise awareness.

Regulatory and legal compliance

The regulatory environment in the charity sector is increasingly strict, so we continue to invest in areas of fundraising compliance and data protection. We have increased our due diligence on third party suppliers to make sure robust contract obligations are standard.

Fundraising

This is a challenging time for raising both restricted and unrestricted income. COVID-19 continues to spike in a number of countries which affects the economic situation for individuals, institutions and companies. We continue to strengthen our analysis, tracking performance and gathering insight to identify triggers early so we can respond with necessary changes

Internal risks

Safeguarding and security

The risk of harm to people due to either safeguarding or security incidents elevated during COVID-19 and its lockdowns. At the start of the pandemic we developed mandatory operating procedures to help manage staff safety. We also revised elements of our Global Security Framework, and rolled out baseline security training for all country programme staff and enhanced training for those in high risk areas. Child safeguarding remains an area of high risk and we continue with ongoing child safeguarding e-learning for all staff and Trustees.

Our public fundraising approach

We raise a significant percentage of our funds from the public and our primary aim is to ensure we do this in a respectful and inspiring way, consistent with our core values. We also support measures that will improve public trust and support for fundraising in the charity sector as a whole.

We speak to a number of our supporters by telephone each year, if they have given prior consent for us to communicate with them on the phone. We use professional telephone fundraising agency, Angel, to carry out this work on our behalf. They are required to do so in a respectful manner in accordance with our own high standards and sector regulation. We closely monitor our agency's compliance, training and call quality to ensure we provide our supporters with the best experience when they are speaking with our fundraisers. We monitor a minimum of 2% of calls made, providing the agency with detailed feedback and training actions where appropriate. We do not hesitate to take action should a call fail to meet our quality expectations. You can learn more about our approach to telephone fundraising at wateraid.org/uk/ telephone-fundraising

Understanding and protecting people in vulnerable circumstances is of paramount importance for us: we recognise that we will come into contact with people who are in a potentially vulnerable situation, or who may lack the capacity to make an informed decision about their giving. We follow guidelines regarding people in potentially vulnerable situations, and how to manage any interactions we may have. You can read our vulnerable supporter policy on our website at wateraid.org/uk/our-fundraising-promise

While we provide supporter details that an agency partner requires to fundraise on our behalf (as per our privacy policy), we do not give or sell our supporters' details to anyone else, and we do not contact people from cold lists. Whenever a partner fundraises on our behalf, we put in place the appropriate data sharing agreements to ensure the security and fair processing of personal data in accordance with the general data protection regulation. When

Managing risk (contd)

considering a new partner who would process personal data, we also conduct a data protection impact assessment to identify and mitigate any potential risks to that data.

We are members of the Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy seriously and are committed to protecting our supporters' personal information. You can read our privacy policy on our website at wateraid.org/uk/ privacy-policy

We are registered with the Fundraising Regulator and pay an annual levy as required. We support public consultations on their code of fundraising practice and work diligently to ensure compliance with the code and champion its standards across all our fundraising.

It is vital that we communicate with our supporters in the manner they prefer, respecting their privacy and communication preferences. We actively encourage supporters to contact us with any feedback, and we give complaints our utmost attention, to help us improve our fundraising approach.

During 2020–21, we made 4,143,170 contacts using email, mail, telephone and SMS.

We received 283 complaints, 0.005% of the total contacts we made. Our Supporter Care team looks into each and every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work. 85% of our complaints were regarding our fundraising, and of these the key causes were direct mail (52%), television advertising (27%) and online activity (7%).

General Data Protection Regulation (GDPR)

The UK GDPR sets out the responsibilities organisations in the United Kingdom have in relation to the personal data they process.

We have successfully implemented the principles of the GDPR and have embedded an excellent culture of awareness and good practice across the organisation. We are always looking to maintain these high standards, and continually strive to make improvements where we can identify opportunities.

We take privacy seriously so that our supporters can trust us with their data. We always demonstrate our accountability to the principles of the GDPR and have the following in place to help protect personal data:

- Data protection policies.
- A regularly maintained data map, so we can always show what data we have.
- Data retention and cleansing policies and procedures.
- Simple processes allowing our supporters to easily exercise their GDPR rights.
- Supporter data privacy, consent, and preference management.
- Contracts with all of our data processors (eg our mailing house) to ensure they adhere to the same data protection standards that we do.
- Data protection impact assessments whenever we embark on a new fundraising initiative, ensuring data protection is at the centre of everything we do.
- Excellent working relationships with fundraising teams so data protection expertise can be provided promptly to innovative campaigns.

We consider that every member of staff has a role to play, and we have an active training and awareness raising programme to ensure we are all familiar and compliant with regulatory requirements, including mandatory training for new starters.

For more information on how we use and protect personal data, please see our privacy policy: wateraid.org/uk/privacy-policy

Managing our finances

Reserves policy

WaterAid has an approved reserves policy, retaining a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target for the operational reserve is reviewed on an annual basis and, in 2020-21, the target range was £10-14 million. The operational reserve at the end of March 2021 was above this range, at £18 million.

It was clear at the start of the year that COVID-19 was going to be a major risk to income, and we initially estimated a shortfall of up to £10 million. We took a decision to cancel a planned pay rise and prioritise staff retention. Unfortunately, COVID-19 spikes prevented us from delivering some planned programme work which decreased planned expenditure. While some traditional income streams were decimated, others including individuals, companies and philanthropic organisations supported our work with greater generosity than we planned for. This resulted in an unrestricted surplus, increasing our operational reserve above its target. We will draw upon this excess to deliver the delayed work from 2020-21 as soon as we are able.

Total funds at 31 March 2021 were £36 million, of which £13 million was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals – the restrictions that these partners place on the funds they give us can range from a focus on a region, theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

We aim for as much flexibility in our funding portfolio as we can achieve, working in partnership with those that fund us. We are stringent in our management of all our funding, whether restricted or unrestricted.

Investment policy and performance

WaterAid holds short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits. Accordingly, our investment policy is to invest in short-term deposits and to hold cash only at those banks with a high credit rating.

Despite holding higher cash balances than in the previous year, due to the extremely low interest rate in the UK, investment income was just £12,000 in 2020-21; we expect low rates of return on cash balances to continue in 2021-22.

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 supporters, partners and staff confidence in how WaterAid navigates through this financially. The Board of Trustees is confident WaterAid's financial position is strong and that we have adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these accounts. Furthermore, as noted through the narrative of this annual report, there is still much demand triggered by the COVID-19 crisis for the work WaterAid is doing. The following factors provide additional assurance of WaterAid's going concern:

- We have a diverse portfolio of income raised and are not reliant on any key single source of funding – we are not dependant on one or a very few donors.
- Over half our income is from the generosity of individuals, through regular giving and leaving WaterAid legacies in their wills. This is income WaterAid can place a high degree of confidence in. The support comes from a large number of highly engaged individuals, the majority giving small sums of money regularly.

Managing our finances (contd)

- The confidence in this level of income, is driven by historically high retention rates for the sector that have continued throughout this year. We estimate the engagement and retention levels to remain steady, and therefore the risk of significant changes to unrestricted income to be low.
- Many of the fundraising activities hit hardest by COVID-19 are starting to recover this year as a result of the success of the vaccination programme. Relatively, we have a low dependency on the type of fundraising impacted by social distancing but we do have contingency plans in case of further lockdowns.
- We project double-digit percentage growth for the next three to five years by WaterAid America, with the majority of their funding being directed toward programmes managed by WaterAid UK.
- We ended the year above our target level of operational reserves, leaving us in a strong position to weather future financial shocks, to act upon emerging opportunities and invest in transformation as part of implementing the strategy.
- We will have sufficient cash throughout the year to meet our liabilities as the cashflow profile is a building of cash in the early part of the year and drawing down on that in the latter part of the year. We will not go below a manageable working capital cash base at any time of the year.
- We have flexibility with our expenditure and are able to rephase and potentially cancel activities if necessary. Examples of how we have done this include:
  - no pay award increases throughout WaterAid UK managed operations for 2020–21
  - no international travel and reduced local travel in 2020-21, and only a low level of travel expected for 2021-22
  - making use of the government furlough scheme for those that could not work
  - bringing forward fundraising activities where the costs were lower during the UK lockdown.

In conclusion the Trustees are confident the right processes are in place to monitor the financial position of WaterAid during a continued period of uncertainty, to ensure the organisation remains a going concern. In 2020–21 the Board of Trustees held additional meetings to monitor the response to COVID-19, and will do so in 2021–22 if necessary. Any significant changes to the fundraising approach will continue to be brought to the Fundraising sub-committee of the Board before approval by the Board of Trustees. The cash position is reported to the Board and the Board receives appropriate financial reporting at its meeting to enable members to fulfil their responsibilities

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.

How we operate

WaterAid is a global federation of which WaterAid UK is a member. There are six other members in America, Australia, Canada, India, Japan and Sweden. All federation members are independently constituted organisations with their own boards. WaterAid UK receives funding from other members of the federation to deliver services and make change happen. At the same time, WaterAid UK invests in other members to support their future growth. WaterAid UK also funds part of the running costs of WaterAid international – a requirement of all members.

Legal structure

WaterAid was established by Trust Deed on 21 July 1981, incorporated on 30 January 1984 and registered as a charity in England on 22 February 1984. WaterAid registered as a charity in Scotland on 3 April 2008.[iv] WaterAid has a Memorandum which sets out the objects and powers of the organisation and is governed in accordance with its Articles of Association.

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. At 31 March 2021, there were 44 company members. WaterAid UK is a member of the WaterAid federation. WaterAid international was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid international accounts do not require consolidation into WaterAid UK accounts.

Trading company

WaterAid Trading Ltd made a net profit of £0.3 million on a gross turnover of £0.5 million. This trading company is wholly owned by WaterAid which primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

Organisation structure

WaterAid has an office in London where the Chief Executive and a team of five Directors and the Internal Audit and Compliance department are based, alongside the secretariat for WaterAid international. The Directors are responsible for the Departments of International Programmes; Policy and Campaigns; Finance and Information Technology; Communications and Fundraising; and People and Organisational Development.

As at 31 March 2021, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa.

Country Directors and Team Leaders in each branch report into a Regional Director. All are appointed by and accountable to the Director of International Programmes. Country Heads of Finance report to the Country Directors and have a dotted line to the UK-based Director of Finance and IT. WaterAid also works in partnership with civil society networks and other organisations in countries where there is no WaterAid presence.

Streamlined energy and carbon report

The annual quantity of energy we consumed was 194,422 kWh and the amount of carbon dioxide we emitted was 47,934 kg. These quantities have been calculated using our office online energy portal, which links to each floor's energy meters, and our fleet car mileage. Our intensity ratio was 133.15 kg CO2 / staff member (47,934 kg CO2 / 360 staff) compared to 188.39 kg last year. The reduction in carbon usage was because we used less transport during the COVID-19 lockdown period.

In September 2020 we moved to our new office in Canary Wharf. Here we benefit from a number of energy efficient features including LED lighting, sensor lighting, A grade or above energy efficient appliances, control of our air con system to closely manage output, and energy efficient IT.

iv WaterAid raised £2,780,737 in Scotland through fundraising activities organised both in Scotland and the rest of the UK.

How we operate
(contd)

WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. WaterAid has a conflicts of interest policy and procedure, and a register of interests is held by the Company Secretary. Trustees and senior management are expected to sign a declaration when they join and update this annually. WaterAid is committed to the highest standards of governance and seeks to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, WaterAid meets all core areas of key compliance of the Charity Governance Code and has been ranked amongst the top rated of those reviewed by the audit firm RSM on charities' application of the Code. In December 2020 the code was updated to include a new principle on Equality, Diversity and Inclusion, and in the same month the Board of Trustees committed to delivering on a new anti-racism and diversity framework. In the framework we commit to being an antiracist organisation where diversity is celebrated. The Board will appoint a lead Trustee to ensure we meet these commitments. Managing safeguarding and security risks are also priorities for the Board of Trustees. In 2020 a Trustee was assigned to lead on safeguarding and, to maintain independence, receives incident reports directly.

Following an amendment to our Articles in 2017, Trustees elected since then serve a four-year term (renewable once). Trustees elected before that date serve a three-year term (also renewable once). In occasional circumstances, these periods may be further extended to retain specific skills.

At the AGM in October 2020, new Chair of the Board of Trustees, Andy Green, was elected after an open selection process. At the same meeting Tim Clark stood down as Chair of the Board of Trustees. His significant contribution to WaterAid and its Board was noted with great thanks and appreciation.

The Board of Trustees has four committees:

1. The Audit Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management processes, IT and communications systems, capital spend projects and office occupancy strategy.
2. The Nominations Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees, so as to achieve an appropriate and diverse mix of skills and experience across the Board as a whole.
3. The People Committee reviews the development of our people management policies and practices including our salary policy, with a particular focus on executive remuneration.
4. The Communications and Fundraising Committee approves any new communications or methods of fundraising not contemplated within the annual communications and fundraising plan and that may pose a financial, regulatory or reputational risk.

All these committees have terms of reference published in the governance manual, which is on our website. An induction programme is held for Trustees joining the Board. Trustees are invited to participate in seminars with staff as well as being expected to visit WaterAid's work to familiarise themselves with our operations. As part of the development of the Board, a Board evaluation is held biennually and individual Trustees are performance assessed each year. The members of the Board of Trustees who have served during the year are listed in the Trustees, advisors and key details section on page 57, together with the President, Vice President and Directors Team.

Day-to-day management of the charity is delegated by the Trustees to the Chief Executive. The planning and reporting arrangements in place give Trustees confidence that the charity is being managed effectively.

Registers of Interests

WaterAid keeps Registers of Interests for all Trustees and Directors that we regularly review and update as required.

Section 172 (1) Statement of Director's duties

As Company Directors, the Trustees must act in accordance with duties outlined in section 172 of the Companies Act 2006 summarised as follows:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In this regard, our members are:

- those we support with water, sanitation and hygiene
- staff and volunteers
- those who provide us with resources to deliver, and those who partner with us to achieve, our vision of water, sanitation and hygiene for everyone, everywhere.

In doing this, Directors have regard (amongst other matters) to:

- **The likely consequences of any decision in the long term:**

One of our four strategic aims is sustainability and all of our decisions are viewed through the long-term lens of how they will contribute to our vision of clean water, decent toilets and good hygiene for everyone, everywhere. During 2020-21 our focus has been on building resilience to future shocks which includes protecting our level of unrestricted reserves.

Early in the year, the Board of Trustees encouraged investment in unrestricted fundraising to build on the success of a recent campaign which took the opportunity of reduced cost advertising. This resulted in generating more unrestricted income than planned, and attracting more new supporters than expected. We now start 2021-22 in a strong position to respond to unforeseen shocks and also to respond to initiatives that come out of our new strategy development work.

- **The interests of the company's employees:**

See pages 38-41 and 44-47 for detail on how we look after and reward our staff. Priorities for 2020-21 include safeguarding, security and staff welfare during this time of heightened anxiety. The Board of Trustees were balanced in the need for ensuring financial health and resilience of WaterAid and ensuring the workload was proportionate to maintaining the health and welfare of staff. This continues to be a challenge with passionate and engaged staff wanting to do more rather than less. Initiatives to try to alleviate some pressure have included 'meeting free' Fridays, exercise events and increased flexible working.

- **The need to foster the company's business relationships with suppliers, customers and others:**

We prize positive relationships with all of our partners, as evidenced throughout this report with individuals, communities, utilities, local and national governments in the countries we operate in (see pages 6-25), and with our supporter community of individuals, the water industry, institutions, companies, and governments in the UK and beyond (see pages 26-33). During the year we introduced more flexibility into our contract negotiations with our partners who were financially at risk by agreeing certain framework parameters in advance. We asked partners to keep us informed when things were not working well and in turn kept our donors alert and informed if we were facing any difficulties.

- **The impact of the company's operations on the community and the environment:**

See pages 6-33 for our impact on communities, plus the sections on our public fundraising approach (p49), general data protection regulation (p50), and our streamlined energy and carbon report (p53).

- **The desirability of the company maintaining a reputation for high standards of business conduct:**

We are the world's leading non-governmental organisation in the water, sanitation and hygiene sector, and we purposefully create and deliver all of our work in partnership with others. Our reputation for high standards of business conduct is therefore vital to ensure we can maintain our position and approach, and it is driven by our core values of respect, collaboration, accountability, innovation,

How we operate
(contd)

courage and integrity. The Board of Trustees has paid particular attention to the embedding of our improved Safeguarding policies and processes, with the Head of Safeguarding reporting directly to the Board and a specific Trustee tasked with being lead for safeguarding. This has contributed to the good feedback received from the FCDO assessment of our safeguarding approach. With any new funding or supplier partnerships, we have a policy of carrying out ethical checks to ensure we are working with partners that also have high standards of business conduct. We report to the Board of Trustees which of these have been approved, rejected or are pending quarterly.

- **The need to act fairly as between members of the company:**

Members have an equal opportunity to contribute to our governance, for example by voting in our new Trustees at last year's AGM as shortlisted by the Nominations Committee. A critical piece of work by the Board of Trustees was recruiting a new Chair to replace Tim Clark, who has been an outstanding Chair for the past seven years (to October 2020). We were delighted to recruit and appoint Andy Green as Chair of the Board of Trustees at the EGM in October 2020.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the 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 affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board of Trustees on 8th September 2021. Signed on its behalf by:



15th September 2021

Andy Green CBE
Chair of the Board of Trustees

Our leadership team

President

HRH The Prince of Wales

Vice President

The Rt Hon Baroness Chalker of Wallasey

Board of Trustees

Zaid Al-Qassab[viii]

Manuel Alvarinho

Alyson Clark

Tim Clark[vi, vii, viii]
Chair of the Board of Trustees
(retired October 2020)

Harpinder Collacott

Andy Green CBE[vi, vii, viii]
Chair of the Board of Trustees
(joined October 2020)

Heidi Mottram CBE OBE[vii]

Mala Rao OBE[vi, vii, viii]
Vice Chair

Guido Schmidt-Traub

Myriam Sidibe

Peter Simpson[v]

Heather Skilling[v]

Matthew Tweedie[v, vi, viii]
Treasurer

Hilary Wild[v]
Chair of Audit Committee

Chief Executive and Company Secretary

Tim Wainwright

Directors team

Olga Ghazaryan,
Director of International Programmes
(until September 2020)

Mariame Dem,
Acting Director of International Programmes
(from September 2020)

Paula Laird,
Director of Finance and Information Technology

Marcus Missen,
Director of Communications and Fundraising

Sol Oyuela,
Director of Policy and Campaigns

Rachel Westcott,
Director of People and Organisational Development

Principal banker

Barclays Bank plc, 50 Pall Mall, London SW1A 1QB

Auditor

BDO LLP, 55 Baker Street, London W1U 7EU

Principal solicitor

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

Company number

1787329

Charity numbers

288701 (England and Wales) SC039479 (Scotland)

Registered office and operational address

6th floor, 20 Canada Square, London E14 5NN

v. Audit Committee member vi. Nominations Committee member vii. People Committee member viii. Communications and Fundraising Committee member

Independent auditors' report to the members of WaterAid

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of WaterAid ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated statement of financial position, the consolidated cash flow statement 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 Group and the Parent 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 related 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 Group and the Parent 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 UK Annual Report & Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: Annual Report Welcome, Chair's Introduction, CEO's introduction and the Trustee Directors' Report (incorporating the Strategic 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 and the Strategic 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 Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement 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 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent 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.

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 Group's and the Parent 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 Group or the Parent 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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

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

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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations, grants and legacy revenue recognition, supplier payments and overseas grant payments.

Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Audit Committee, management and internal audit, review of minutes of meetings of those charged with governance
- testing controls over grant funding including agreeing recognition to signed grant agreements to ensure conditions have been met
- testing controls over local country programme audits being conducted
- reviewing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
- audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance authority limits, agreements and internal control procedures
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual
- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
- review of Serious Incident Reports submitted to the Charity Commission and performing an assessment of any Whistleblowing matters
- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2021; and
- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

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.

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 our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jill Halford

Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP,
statutory auditor
London, UK

15th September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated statement of financial activities

(including consolidated income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted £000	Restricted £000	**2021 Total £000**	2020 Total £000
Income from:					
Donations and legacies					
Donations	3	52,361	2,486	**54,847**	55,488
Grants of a general nature	3	3,660	-	**3,660**	2,778
Gifts in kind	3	238	-	**238**	531
Charitable activities					
Grant funding for specific activities	5	-	26,983	**26,983**	27,766
Other trading activities	4	1,499	2,279	**3,778**	4,515
Investment income		12	-	**12**	183
Total income		57,770	31,748	**89,518**	91,261
Expenditure on:					
Raising funds					
Expenditure on raising grants, donations and legacies	6	21,007	444	**21,451**	22,123
Expenditure on other trading activities	6	87	-	**87**	85
Charitable activities					
Supporting partners to deliver water, sanitation and hygiene	6	10,297	18,186	**28,483**	30,832
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	11,122	9,232	**20,354**	25,097
Influencing policy in water, sanitation and hygiene	6	7,248	3,583	**10,831**	10,907
Supporting WaterAid globally	6	2,414	1,772	**4,186**	6,003
Total expenditure		52,175	33,217	**85,392**	95,047
Net income / (expenditure)		5,595	(1,469)	**4,126**	(3,786)
RECONCILIATION OF FUNDS					
Net movement in funds or net income for the year	24	5,595	(1,469)	**4,126**	(3,786)
Funds brought forward at 1 April	19	17,527	14,775	**32,302**	36,088
Total funds carried forward at 31 March	19	23,122	13,306	**36,428**	32,302

The financial statements have been prepared in line with FRS 102.

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All incoming resources and resources expended derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 65 to 83.

There is no material difference between the net incoming resources stated above and its historical cost equivalent.

WaterAid's (excluding WaterAid Trading Limited) gross income for the year was £89.0m (2020: gross income: £89.7m). WaterAid's net surplus for the year was £4.1m (2020: net deficit: £3.8m).

Consolidated and charity balance sheets

At 31 March 2021
Company number: 01787329

	Note	The group **2021 £000**	The group 2020 £000	The charity **2021 £000**	The charity 2020 £000
Fixed assets					
Intangible assets	10	**976**	446	**976**	446
Tangible assets	10	**3,610**	1,451	**3,610**	1,451
Total fixed assets		**4,586**	1,897	**4,586**	1,897
Current assets					
Debtors	11	**8,656**	11,782	**9,389**	13,214
Cash at bank and in hand	15	**32,036**	27,267	**30,928**	25,826
Total current assets		**40,692**	39,049	**40,317**	39,040
Liabilities					
Creditors: amounts falling due within one year	16	**(7,613)**	(7,620)	**(7,238)**	(7,611)
Provision for liabilities and charges	17	**(1,237)**	(1,024)	**(1,237)**	(1,024)
		(8,850)	(8,644)	**(8,475)**	(8,635)
Net current assets		**31,842**	30,405	**31,842**	30,405
Net assets		**36,428**	32,302	**36,428**	32,302
The funds of the charity					
Unrestricted income funds					
Designated funds	19	**4,585**	3,563	**4,585**	3,563
General income funds	19	**18,537**	13,964	**18,537**	13,964
Total unrestricted income funds		**23,122**	17,527	**23,122**	17,527
Restricted income funds	19	**13,306**	14,775	**13,306**	14,775
Total charity funds		**36,428**	32,302	**36,428**	32,302

The financial statements on pages 62 to 83 were approved by the Board of Trustees on 8th September 2021 and signed on its behalf by:

Andy Green CBE, Chair
15th September 2021

Matthew Tweedie, Treasurer
15th September 2021

Consolidated cash flow statement

For the year ended 31 March 2021

	2021 £000	2020 £000
Net income / (expenditure) for the year	**4,126**	(3,786)
Interest receivable	**(12)**	(183)
Amortisation and depreciation of fixed assets	**980**	1,147
Gain on disposal of fixed assets	**(18)**	(54)
Movement in disposals	**(27)**	-
Movement in debtors	**3,126**	(2,816)
Movement in creditors	**(8)**	1,858
Movement in provisions	**213**	194
Cash generated from / (expended on) operating activities	**8,380**	(3,640)
Bank interest received	**12**	183
Payments to acquire fixed assets	**(3,642)**	(1,068)
Proceeds from sales of fixed assets	**19**	54
Cash flows expended in investing activities	**(3,611)**	(831)
Increase / (decrease) in cash in the year	**4,769**	(4,471)

Analysis of cash as shown in the balance sheet	**2021 £000**	2020 £000
Balance at beginning of the year	**27,267**	31,738
Net cash inflow	**4,769**	(4,471)
Balance at the end of the year	**32,036**	27,267

The charity held no borrowings, related derivatives or obligations under finance leases during the year.

The cash balances were held in the following locations:	**2021 £000**	2020 £000
UK	**29,529**	23,383
Overseas	**2,507**	3,884
Balance at 31 March	**32,036**	27,267

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to WaterAid's Financial Statements. WaterAid is incorporated in the United Kingdom (company number: 01787329) and is a registered charity in England, Wales and Scotland and is a public benefit entity. WaterAid's registered office and operational address is: WaterAid 6th Floor, 20 Canada Square, London E14 5NN.

a) Basis of preparation
The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and under the historical cost accounting rules, except for investments which have been included at fair value or the value considered appropriate by the Board of Trustees.

The Financial Statements are drawn up on the going concern basis which assumes WaterAid will continue in operational existence for the foreseeable future (deemed to be a period of 12 months from the date of this report).

As permitted by exemption under Section 408 of the Companies Act 2006, a separate income and expenditure account dealing with the results of the charity only has not been presented.

b) Basis of consolidation
The charity has three wholly-owned subsidiaries. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited have been prepared on a line by line basis. Two further subsidiaries, WaterAid (WASH and Health) Limited and WaterAid (WASH and Climate Change) Limited were dormant for the whole of the financial year. Consolidation does not include WaterAid international, dormant companies or other WaterAid members. Further details can be found in note 14.

The activities of the regional fundraising committees in England, Wales, Scotland and Northern Ireland raising funds for WaterAid are deemed to be part of the activities of the charity. As such, they are included in full in the Financial Statements of the charity and group.

c) Related party transactions
The charity discloses all of its transactions with its active subsidiary and other member countries of the WaterAid federation.

d) 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 and losses are included within support costs and reallocated across charitable activities in the Statement of Financial Activities (SOFA) as per note 6.

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

Grant income Grants are credited to the SOFA when the charity is entitled 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 the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants that have specific restrictions placed upon their use are included within income for charitable activities and are credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.

Donations, legacies and in memoria Individual donations are recognised in the period in which they are received with the exception of legacy income is recognised when the charity's entitlement is adjudged to be probable and where the amount can be reliably measured.

Gifts in kind Goods, facilities and services donated for the charity'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 (continued)

1. Accounting policies (continued)

Fundraising events Fundraising events income is included in donation and legacies income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which the charity has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis.

f) Expenditure
Expenditure is recognised in the period in which it is incurred on an accruals basis. Expenditure includes attributable VAT which can only be partially recovered.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities together with associated support costs. Charitable expenditure is reported as it relates to work undertaken by the charity, in supporting partners, sector strengthening, capacity building and influencing policy to deliver water, sanitation and hygiene, and supporting WaterAid globally.

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. Partner agreements and funding contracts may be for longer than one year.

The costs of raising funds relate to the costs incurred by the group and the charity in raising funds for the charitable work.

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Support costs comprise the salary and overhead costs of the central function. The central function includes costs relating to the Departments of Finance, Facilities, Information Services, People and the Chief Executive's Office. Governance costs include internal and external audit costs, legal and tax advice, Trustee expenses and Directors' time in governance of the organisation. Governance costs and other support costs have been allocated to expenditure on charitable activities based upon staff numbers. These staff numbers are listed in note 7 to the Financial Statements.

g) Fund accounting
General 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, nor had any specific restrictions applied.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 19.

Restricted funds are used for specified purposes as laid down by the donor. Qualifying project expenditure is allocated to the fund, together with a proportion of overhead costs where agreed by the donor. Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

h) Fixed assets and depreciation
Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

Motor vehicles	3 years
Furniture and equipment – Overseas	3 years
Furniture and equipment – UK	5 years
Computers and office equipment	3 years
Software	3 years
Lease improvements	10 years

Items of equipment are capitalised where the purchase price exceeds £1,500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

i) Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the charity SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 26).

1. Accounting policies (continued)

j) Investments
The investment in the subsidiary is valued at cost.

Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible and proceeds recognised as income.

k) Cash at bank and in hand
Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. A cash equivalent will normally have a short maturity of three months or less from the date of acquisition.

l) Pension cost
The charity operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in independently administered funds. Contribution payments are charged to the SOFA.

Similarly our staff in country programmes and regions are provided with post employment benefits that comply with local employment legislation.

m) Operating leases
Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA on a straight line basis for the duration of the lease contract.

n) Provisions
Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

o) Critical accounting judgements and estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
The charity makes estimates and assumptions concerning the future. Accounting estimates impacting the financial statements concerned with grant, legacy and gift in kind income are detailed in note (e) and accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in note (h). It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Going concern assumptions after the impact of COVID-19

Given the continued global uncertainty caused by COVID-19 we have included some additional narrative on the accounting judgements and estimations related to why WaterAid considers it is a going concern.

Over half of WaterAid's income is given by individuals, many of whom give regular monthly donations. Investment in this income stream resulted in a higher number of new supporters than planned and more income in 2020-21 than the prior year. Retention rates are high for the sector and remained so throughout the year. We estimate the engagement and retention levels to remain steady and therefore the risk of significant changes to unrestricted income to be low. We actively monitor these indicators for change so we can respond quickly. Additional income raised for COVID-19 sensitive work continues to fund programmes in 2021-22. We estimated starting to generate more events income in the second half of this year due to the success of the vaccination programme. Cost estimates include significant savings in international travel, not just due to the impact of COVID-19 but also our desire to reduce environmental damage. Cashflow is forecast based on a long historical trend of regular income generation and spending pattern in our country programmes. This is not expected to change either suddenly or significantly. The Trustees therefore believe that there are no material uncertainties that would cast doubt on the going concern of the charity and its accounts are therefore prepared on that basis.

Notes to the financial statements

For the year ended 31 March 2021 (continued)

2. Prior year consolidated statement of financial activities

	Unrestricted £000	Restricted £000	**2020 Total £000**
Income from:			
Donations and legacies			
Donations	49,933	5,555	**55,488**
Grants of a general nature	2,778	-	**2,778**
Gifts in kind	531	-	**531**
Charitable activities			
Grant funding for specific activities	-	27,766	**27,766**
Other trading activities	4,125	390	**4,515**
Investment income	183	-	**183**
Total income	**57,550**	**33,711**	**91,261**
Expenditure on:			
Raising funds			
Expenditure on raising grants, donations and legacies	21,606	517	**22,123**
Expenditure on other trading activities	85	-	**85**
Charitable activities			
Supporting partners to deliver water, sanitation and hygiene	10,837	19,995	**30,832**
Sector strengthening and capacity building to deliver water, sanitation and hygiene	13,452	11,645	**25,097**
Influencing policy in water, sanitation and hygiene	9,805	1,102	**10,907**
Supporting WaterAid globally	4,906	1,097	**6,003**
Total expenditure	**60,691**	**34,356**	**95,047**
Net incoming/(outgoing) resources before transfers	(3,141)	(645)	**(3,786)**
Net movement in funds or net deficit for the year	**(3,141)**	**(645)**	**(3,786)**
Reconciliation of funds			
Total funds brought forward at 1 April	20,668	15,420	**36,088**
Total funds carried forward at 31 March	**17,527**	**14,775**	**32,302**

3. Income from donations and legacies

	Unrestricted £000	Restricted £000	**2021 Total £000**	2020 Total £000
Donations				
Regular giving, donations and appeals	43,366	841	**44,207**	42,212
Legacies and in memoriam donations	8,128	1,066	**9,194**	9,182
Fundraising events	867	579	**1,446**	4,094
Total	52,361	2,486	**54,847**	55,488
Grants of a general nature				
Other WaterAid member countries	2,556	-	**2,556**	2,478
The Waterloo Foundation	400	-	**400**	300
Alchemist Foundation	300	-	**300**	-
Coronavirus Job Retention Scheme (CJRS)	223	-	**223**	-
Other	181	-	**181**	-
Total	3,660	-	**3,660**	2,778
Gifts in kind				
Water Industry Partnerships	149	-	**149**	372
Customer appeal	82	-	**82**	101
Rent	5	-	**5**	51
Other	2	-	**2**	7
Total	238	-	**238**	531
Total income from donations and legacies	56,259	2,486	**58,745**	58,797

At 31 March 2021, in addition to legacy income that has been included in the financial statements, WaterAid expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. Accrued legacy income included within the financial statements amounted to £1,224,000 (2020: £1,501,000). A further £10,390,000 (2020: £8,029,000) of future legacy income is estimated but not accrued as it does not meet WaterAid's income recognition criteria.

Gifts in Kind were provided by our Water Industry Partners in support of fundraising events and delivery of charitable activities.

The Coronavirus Job Retention Scheme grant from UK government has been disclosed as unrestricted income in note 3 in line with government requirements. The grant was spent in line with government policy to contribute to pay costs for staff on temporary leave ('furlough') because of coronavirus (COVID-19).

Notes to the financial statements

For the year ended 31 March 2021 (continued)

4. Other trading activities

	Unrestricted £000	Restricted £000	**2021 Total £000**	2020 Total £000
Lotteries	1,280	2,024	**3,304**	2,955
Trading company	219	255	**474**	1,560
Total	1,499	2,279	**3,778**	4,515

Where lotteries are run by WaterAid and it acts as the principal, the proceeds are recorded as gross of prizes and other expenditure. In the case of WaterAid lotteries managed by People's Postcode Lottery (PPL), WaterAid has no ability to alter the ticket price, prizes or management charges and therefore does not act as the principal for these draws. Proceeds have therefore been recognised in the SOFA as net of prizes and other expenditure. All net income raised from ticket proceeds is wholly spent in the pursuit of the aims of the charity.

	Unrestricted £000	Restricted £000	**2021 Total £000**	2020 Total £000
PPL ticket proceeds	1,997	6,325	**8,322**	7,803
PPL prize fund	(799)	(2,524)	**(3,323)**	(3,106)
PPL management fee	(559)	(1,771)	**(2,330)**	(2,185)
PPL prize indemnity insurance	-	(6)	**(6)**	(15)
PPL net income	639	2,024	**2,663**	2,496
Other WaterAid lotteries	640	-	**640**	458
Total lotteries income	1,279	2,024	**3,303**	2,954

5. Income from charitable activities

Grant funding for specific activities	**2021 Total £000**	2020 Total £000
Other WaterAid member countries	**7,108**	9,416
Swedish International Development Cooperation Agency	**5,568**	3,131
Unilever*	**3,229**	-
The Foreign, Commonwealth and Development Office (FCDO)**	**1,317**	4,197
UNICEF	**1,755**	1,219
Heineken Africa Foundation	**1,172**	-
European Commission	**901**	87
Danish International Development Agency	**656**	59
Medicor Foundation	**608**	-
Scottish Government	**455**	-
Mastercard Foundation	**377**	-
Giorgio Armani Acqua for Life	**359**	344
Swiss Agency for Development and Cooperation	**351**	-
Diageo	**212**	102
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	**209**	-
The Wimbledon Foundation	**188**	100
Action Against Hunger	**187**	84
Auxilium	**182**	191
Plan International***	**163**	2,203
Jersey Overseas Aid	**101**	171
HSBC Holdings plc	**5**	2,854
Reckitt Benckiser	**-**	1,435
Coca Cola	**-**	263
The Haverstock Charitable Trust	**-**	250
Other grants	**1,880**	1,659
Total	**26,983**	27,766
**The Foreign, Commonwealth and Development Office (FCDO), formerly stated as the Department for International Development (DFID)		
Match Funding – Deliver Life	**-**	20
Match Funding – Untapped	**623**	1,666
COVID-19 Project Clear	**500**	-
Water Project Arusha Tanzania	**190**	2,507
Other	**4**	4
UK Aid received directly from The Foreign, Commonwealth and Development Office (FCDO)	**1,317**	4,197
*COVID-19 Hygiene Behaviour Change Coalition – received through Unilever	**3,229**	-
Accelerating the Sustainable Control and Elimination of Neglected Tropical Diseases – received through Sightsavers	**119**	
***South Asia Wash Result Project – received through Plan International	**163**	2,203
UK Aid received indirectly from The Foreign, Commonwealth and Development Office (FCDO)	**3,511**	2,203
Total UK Aid received from The Foreign, Commonwealth and Development Office (FCDO)	**4,828**	6,400

Grant funding for specific activities are displayed where either the current or prior year balance was greater than £150k

Additional information on transactions with WaterAid member countries can be found in note 25.

Notes to the financial statements

For the year ended 31 March 2021 (continued)

6. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	**2021 Total £000**	2020 Total £000
Raising funds							
Expenditure on raising grants, donations and legacies		6,696	12,711	219	1,825	**21,451**	22,123
Expenditure on other trading activities		42	45	-	-	**87**	85
		6,738	12,756	219	1,825	**21,538**	22,208
Charitable activities	8						
Supporting partners to deliver water, sanitation and hygiene		7,566	17,653	316	2,948	**28,483**	30,833
Sector strengthening and capacity building to deliver water, sanitation and hygiene		6,852	9,789	129	3,584	**20,354**	25,096
Influencing policy in water, sanitation and hygiene		3,891	5,136	92	1,712	**10,831**	10,907
Supporting WaterAid globally		-	4,101	-	85	**4,186**	6,003
		18,309	36,679	537	8,329	**63,854**	72,839
Governance		602	41	-	(643)	**-**	-
Support costs		3,629	5,658	224	(9,511)	**-**	-
Exceptional items		-	-	-	-	**-**	-
Governance and support costs		4,231	5,699	224	(10,154)	**-**	-
		29,278	**55,134**	**980**	**-**	**85,392**	**95,047**

Governance and support costs have been allocated on the basis of staff numbers in each area of activity. These staff numbers are listed in note 7 to the Financial Statements.

The governance and support costs and losses/(gains) on exchange rates were incurred as follows:	**2021 Total £000**	2020 Total £000
Finance, People and Information Services	**5,664**	6,108
Chief Executive Office, Internal audit and Governance	**643**	783
Premises and facilities	**1,661**	1,936
Office move	**1,027**	438
Gift in kind	**126**	281
Support costs	**9,121**	9,546
Realised and unrealised exchange (gains)/losses on assets	**1,033**	25
Total of governance and support costs and exchange (gains)/ losses	**10,154**	9,571

The exchange rate movement is the net of the operational gains/losses incurred in delivering our services funded in GBP in local currencies and the gains/losses made on asset values held in currencies other than GBP.

7. Staff costs and numbers

Staff costs for the charity and group were as follows:	**2021 £000**	2020 £000
Wages and salaries	**25,360**	24,762
Social security costs	**1,490**	1,534
Other pension costs	**2,428**	2,337
	29,278	28,633

The number of employees, calculated on a full time basis and analysed on a functional basis, was as follows:	**2021**	2020
	No.	No.
Fundraising staff (cost of generating funds)	**141**	135
Staff delivering charitable activities	**639**	639
Support staff	**71**	69
Governance	**9**	9
	860	852

During the year, there was an increase in staff costs of 1.3% (2020: increase of 3.4%) per full time equivalent employee.

The average monthly headcount was 882 staff (2020: 849). The total number of WaterAid employees at 31 March 2021 was 877 (2020: 888). The decrease in the total number of WaterAid employees reflects recruitment of non-critical roles put on hold in response to the impact of COVID-19 pandemic. Current and prior year figures for headcount and FTE exclude 7 WaterAid International staff.

The charity paid termination payments totalling £14k (2020: £52k).

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

Employee benefits (excluding employer national insurance contributions and employer pension costs)	**2021 No.**	**2021 Total pension contribution £000**	2020 No.	2020 Total pension contribution £000
£60,000 - £69,999	**23**	**152**	9	46
£70,000 - £79,999	**12**	**71**	22	118
£80,000 - £89,999	**6**	**53**	5	39
£90,000 - £99,999	**6**	**51**	5	45
£100,000 - £109,999	**-**	**-**	1	11
£110,000 - £119,999	**3**	**34**	1	11
£120,000 - £129,999	**-**	**-**	1	14
£130,000 - £140,000	**-**	**-**	1	8
	50	**361**	45	291

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £128,862 (2020: £132,996) and pension contributions of £13,618 (2020: £13,963). The Chief Executives salary is shown in the table above net of employer national insurance contributions of £11,110 (2020: £11,621)

In the UK, WaterAid makes contributions for its employees to a defined contribution scheme operated by Aegon. There is thus no contingent liability. Pension contributions due to the Aegon scheme as at 31 March 2021 were £161k (2020: £154k).

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Directors' Team. The Trustees' Annual Report provides information on how remuneration is set. The total employee benefits of the key management personnel of the group was £798k (2020: £738k). The key management roles in WaterAid Trading Limited were fulfilled by members of the key management personnel of the charity.

Notes to the financial statements

For the year ended 31 March 2021 (continued)

8. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	**2021 Total £000**	2020 Total £000
West Africa				
Burkina Faso	634	5,583	**6,217**	5,861
Ghana	515	1,026	**1,541**	1,854
Liberia	474	620	**1,094**	965
Mali	878	1,262	**2,140**	1,659
Niger	316	841	**1,157**	860
Nigeria	744	917	**1,661**	1,956
Sierra Leone	169	864	**1,033**	807
Regional management and support costs	771	154	**925**	1,156
	4,501	11,267	**15,768**	15,118
East Africa				
Ethiopia	960	1,424	**2,384**	2,639
Rwanda	562	1,127	**1,689**	1,604
Tanzania	860	863	**1,723**	4,253
Uganda	637	230	**867**	1,097
Regional management and support costs	998	9	**1,007**	1,027
	4,017	3,653	**7,670**	10,620
Southern Africa				
Kingdom of eSwatini (previously Swaziland)	265	584	**849**	919
Madagascar	175	1,592	**1,767**	2,212
Malawi	774	1,012	**1,786**	2,519
Mozambique	1,170	654	**1,824**	3,353
Zambia	311	1,430	**1,741**	2,114
Regional management and support costs	844	395	**1,239**	1,091
	3,539	5,667	**9,206**	12,208
Asia				
Bangladesh	1,496	4,059	**5,555**	5,885
Myanmar	520	781	**1,301**	1,215
Nepal	36	1,928	**1,964**	2,371
Pakistan	793	1,484	**2,277**	2,679
Regional management and support costs	301	160	**461**	468
	3,146	8,412	**11,558**	12,618
UK and Other				
Supporting WaterAid globally	2,341	1,760	**4,101**	5,903
Other UK direct international programme support costs (including technical and programme effectiveness)	2,587	1,479	**4,066**	4,561
UK-based policy, campaigns and education costs	2,790	366	**3,156**	3,953
Allocated UK support costs to charitable activities	7,482	-	**7,482**	7,837
Exchange (gains)/losses	679	168	**847**	21
	15,879	3,773	**19,652**	22,275
Total	**31,082**	**32,772**	**63,854**	**72,839**

The total cost of supporting partners to deliver water, sanitation and hygiene (including sector strengthening) was £48.8m (2020: £55.9m) and the cost of influencing policy in water, sanitation and hygiene was £10.8m (2020: £10.9m). Programme work that required physical contact and group events, such as capacity building, were delayed due to Covid-19 restrictions which reduced expenditure in comparison to 2020.

9. Payments to partner organisations

WaterAid has made grants to 127 partners with a total value of £13.2m for the year ended 31 March 2021. For the year ended 31 March 2020, payments were made to 151 partners with a total value of £15.8m. Payments below are those made to implementing partners.

Transfers have been made to the following number of partners by size:	**2021 No.**	2020 No.
£0- £49,999	**67**	88
£50,000 - £99,999	**21**	18
£100,000 - £149,999	**9**	10
£150,000 - £199,999	**6**	11
£200,000 - £249,999	**5**	4
£250,000 and over	**19**	20
	127	151

The top 20 financial grant recipients during the year ended 31 March 2021 are listed below. These grants are included in the charitable expenditure outlined in notes 6 and 8.

	Name of partner	**Country**	**2021 £000**	2020 £000
1	Eau Vive Ouagadougou	Burkina Faso	**759**	393
2	Eco-Social Development Organization – ESDO	Bangladesh	**612**	323
3	Dushtha Shasthya Kendra – DSK	Bangladesh	**577**	682
4	Compagnons Fontainiers du Rwanda COFORWA	Rwanda	**545**	500
5	SKS Foundation	Bangladesh	**463**	830
6	Village Education Resource Center - VERC	Bangladesh	**423**	-
7	Sajida Foundation	Bangladesh	**410**	451
8	PROJECT CLEAR	Tanzania	**397**	-
9	OCADES Dédougou	Burkina Faso	**368**	557
10	Association DAKUPA (DAKUPA)	Burkina Faso	**340**	419
11	Rupantar	Bangladesh	**329**	436
12	AMREF Health Africa	Malawi	**317**	290
13	National Rural Support Program	Pakistan	**300**	508
14	AGAHE	Pakistan	**292**	-
15	Association les Mains Unies du Sahel (AMUS)	Burkina Faso	**291**	389
16	Tsogang Water and Sanitation	South Africa	**286**	-
17	Circle for integrated community development	Malawi	**278**	-
18	Association MUNYU	Burkina Faso	**274**	401
19	GAAS Mali	Mali	**256**	-
20	Nabolok	Bangladesh	**241**	261
Other partners in top 20 in 2019			**-**	2,748
Total of top 20 recipients' grants			**7,758**	9,189

10. Fixed assets

The group and charity	Intangible assets	Tangible assets			
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	**Total £000**
Cost					
At 1 April 2020	6,043	856	3,895	5,249	**16,043**
Additions in year	880	1,574	298	890	**3,642**
Disposals in year	(1,107)	-	(49)	(1,963)	**(3,119)**
At 31 March 2021	**5,816**	**2,430**	**4,144**	**4,176**	**16,566**
Accumulated amortisation/depreciation					
At 1 April 2020	5,597	-	3,495	5,054	**14,146**
Charge for the year	350	122	269	239	**980**
Disposals in year	(1,107)	-	(67)	(1,972)	**(3,146)**
At 31 March 2021	**4,840**	**122**	**3,697**	**3,321**	**11,980**
Net book value					
At 31 March 2021	**976**	**2,308**	**447**	**855**	**4,586**
At 31 March 2020	446	856	400	195	**1,897**

11. Debtors

Amounts due within one year:	The group		The charity	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Amounts owed by WaterAid International	**736**	627	**737**	627
Amounts owed by WaterAid Trading	**-**	-	**865**	2,006
Grant debtors	**3,288**	1,871	**3,288**	1,871
Other debtors	**798**	1,644	**659**	1,270
Gift Aid tax recoverable	**1,332**	4,072	**1,332**	4,072
Prepayments	**846**	1,038	**846**	1,038
Other accrued income	**1,656**	2,530	**1,662**	2,330
	8,656	11,782	**9,389**	13,214

Amounts owed by WaterAid Trading Limited and WaterAid international are unsecured, interest free, have no fixed date of repayment and are payable on demand.

12. Investments

The company sold shares held at the start of the financial year or acquired during the financial year for proceeds of £8,246 (2020: £68,676). At 31 March 2021 there were no shares waiting to be sold (2020: £4,945).

13. Fixed asset investments

The company has an unlisted investment with a historical cost of £2 representing its 100% shareholding in WaterAid Trading Limited. WaterAid Trading Limited generates income from licensing agreements made with a number of organisations. A summary of that company's financial position is set out in note 14.

14. Group companies

WATERAID TRADING LIMITED Company number 02362892
WaterAid Trading Limited is incorporated in England and Wales (company number: 02362892). WaterAid Trading Limited's registered office and operational address is: WaterAid, 6th Floor 20 Canada Square, London, England, E14 5NN.

a) Profit and loss account	**2021 £000**	2020 £000
Turnover	**452**	1,549
Cost of sales	**(20)**	(70)
Gross profit	**432**	1,479
Administrative expenses	**(86)**	(85)
Operating profit	**346**	1,394
Interest receivable	**22**	11
Profit on ordinary activities	**368**	1,405
Gift Aid to WaterAid under Deed of Covenant	**(368)**	(1,405)
Retained earnings	**-**	-

b) Balance Sheet	**2021 £000**	2020 £000
Current Assets		
Debtors	**133**	574
Cash at bank and in hand	**788**	1,441
	921	2,015
Creditors		
Amounts due within one year	**(921)**	(2,015)
	-	-
Represented by:		
Share capital	**-**	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2020: two £1 ordinary shares).

A deed of covenant is in place whereby all profits generated by the company are distributed to the parent charity in the form of a 'Gift Aid' payment.

WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772
Registered Office 6th floor, 20 Canada Square, London E14 5NN

WATERAID (WASH AND HEALTH) LIMITED Company number 12508779
Registered Office 6th floor, 20 Canada Square, London E14 5NN

On 10th March 2020, two new gambling and betting companies guaranteed by WaterAid, without share capital, were incorporated in England and Wales. WaterAid holds 100% of the voting rights of each company and has the right to appoint a majority of the board of directors of the companies. In accordance with sections 394A and 448A of the Companies Act 2006, Directors confirm that both companies were dormant throughout the financial year. Directors are exempt from the requirement to deliver a copy of the companies annual accounts in accordance with these sections.

15. Cash at bank and in hand

	The group		The charity	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Cash and bank balances in UK	**29,529**	23,383	**28,421**	21,942
Cash and bank balances overseas	**2,507**	3,884	**2,507**	3,884
	32,036	27,267	**30,928**	25,826

The increase in cash balances in 2021 reflects lower levels of expenditure due to COVID-related restrictions.

16. Creditors: amounts falling due within one year

	The group		The charity	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Trade creditors	**4,276**	4,693	**4,276**	4,693
Taxation and social security	**355**	308	**310**	308
Other creditors	**533**	738	**212**	738
Accruals	**2,437**	1,762	**2,428**	1,753
Deferred income	**12**	119	**12**	119
	7,613	7,620	**7,238**	7,611

The deferred income relates to funding received for activities in a future period.

The movements in deferred income are analysed as follows:

Group and charity	**2021 £000**	2020 £000
Deferred income at the beginning of the year	**119**	141
Amounts released from previous years	**(119)**	(141)
Incoming resources deferred in the year	**12**	119
Deferred income at the end of the year	**12**	119

17. Provision for liabilities and charges

	The group		The charity	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Provisions at beginning of the year	**1,024**	830	**1,024**	830
Amount charged to statement of financial activities	**1,001**	1,026	**1,001**	1,026
Amount released to statement of financial activities	**(788)**	(832)	**(788)**	(832)
Provisions at the end of the year	**1,237**	1,024	**1,237**	1,024

Provisions include end of contract provisions for staff on non-UK contracts. These end of contract provisions include lump sums paid at the end of their contract, similar to a pension scheme and/or loyalty payment which is paid on full completion of their service. Other provisions at country level include contract retentions on construction works.

18. Contingent liability

There were no new reported legal actions against WaterAid in 2021 and the contingent liability is £nil (2020: £nil).

Notes to the financial statements

For the year ended 31 March 2021 (continued)

19. Movements in funds

	At 1 April 2020 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	**At 31 March 2021 £000**
Unrestricted funds:					
Designated funds:					
Fixed assets fund	1,898	521	2,166	-	**4,585**
Property project	1,665		(3,394)	1,729	**-**
Total Designated funds	3,563	521	(1,228)	1,729	**4,585**
General funds	13,964	57,249	(50,947)	(1,729)	**18,537**
Total unrestricted funds	17,527	57,770	(52,175)	-	**23,122**
Restricted funds:					
Bangladesh	1,837	4,351	(4,230)	-	**1,958**
Burkina Faso	2,637	5,214	(5,847)	-	**2,004**
East Africa Region	(1)	45	(9)	-	**35**
Ethiopia	706	1,705	(1,406)	-	**1,005**
Ghana	349	1,275	(1,126)	-	**498**
Kingdom of eSwatini	100	687	(580)	-	**207**
Liberia	205	554	(620)	-	**139**
Madagascar	769	1,202	(1,653)	-	**318**
Malawi	550	879	(1,030)	-	**399**
Mali	733	1,059	(1,352)	-	**440**
Mozambique	(261)	797	(580)	-	**(44)**
Myanmar	470	910	(852)	-	**528**
Nepal	2,376	734	(2,185)	-	**925**
Niger	(196)	608	(873)	-	**(461)**
Nigeria	12	916	(951)	-	**(23)**
Pakistan	795	1,144	(1,556)	-	**383**
Rwanda	518	824	(1,202)	-	**140**
Sierra Leone	(7)	683	(848)	-	**(172)**
Southern Africa Region	280	337	(502)	-	**115**
South Asia Region	108	34	(102)	-	**40**
Tanzania	(382)	1,586	(941)	-	**263**
Uganda	325	684	(229)	-	**780**
West Africa Region	111	105	(152)	-	**64**
Zambia	1,073	1,861	(1,490)	-	**1,444**
UK	1,668	3,554	(2,901)	-	**2,321**
Total restricted funds	14,775	31,748	(33,217)	-	**13,306**
Total funds	32,302	89,518	(85,392)	-	**36,428**

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.7m (2020: £3.1m). These arise due to the timing differences between the income due under individual funding contracts still to be claimed and the actual project expenditure already incurred.

The Trustees' Annual Report explains the main reasons why the group and the charity hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy is reviewed on an annual basis and regularly monitored.

Notes to the financial statements

For the year ended 31 March 2021 (continued)

19. Movements in funds (continued)

Designated funds
The fixed asset fund of £4.6m (2020: £1.9m) represents the net book value of the charity's intangible and tangible fixed assets. £3.4m of assets relating to the property project were added to the fixed asset fund when the asset was brought into use in September 2020. £2.2m of these additions were transferred from the fund designated for the property project.

General funds
The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2020-21 was a range of £13m-£17m. The balance at 31 March 2021 was £18.5m (2020: £14.0m).

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

Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

20. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	**Total funds £000**
Restricted income funds	-	13,306	**13,306**
Designated funds	4,585	-	**4,585**
General income funds	-	18,537	**18,537**
Total funds as at 31 March 2021	**4,585**	**31,843**	**36,428**

21. Taxation and charitable status

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary WaterAid Trading Limited pays available profits to the charity through Gift Aid under deed of covenant. Its charge to corporation tax in the year was £nil (2020: £nil).

22. Company limited by guarantee

The liability of 44 members (2020: 44) of the charity is limited by guarantee to £1 each.

23. Operating lease commitments

The charity had the following future minimum lease payments under noncancellable operating leases for each of the following periods:

	Land & Buildings	
	2021 £000	2020 £000
Within one year	**618**	749
1 – 2 years	**638**	561
2 – 5 years	**2,792**	2,406
More than 5 years	**3,866**	4,983
	7,914	8,699

WaterAid holds a 15 year operating lease from 31 December 2019 for the rental of office space in the UK with a break option after 10 years.

24. Net movement in funds or net income for the year

This is stated after charging/(crediting):

	2021 £000	2020 £000
Amortisation and depreciation	**980**	1,147
Trustees' indemnity insurance	**6**	6
Trustees' reimbursed expenses	**2**	57
Auditors' remuneration – BDO and its affiliates		
Audit – WaterAid UK	**55**	45
Audit – WaterAid Trading Limited	**8**	7
Audit – country programmes	**26**	19
Auditors' remuneration – Other audit firms	**107**	123
Exchange (gain)/loss	**1,033**	25
UK operating lease rentals – buildings	**128**	684

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. 3 Trustees were reimbursed for expenses incurred during the year (2020: 8 Trustees).

Trustee indemnity insurance covers Trustees against personal liability in certain circumstances if legal claims were to be made against them.

The group paid £195,000 in audit fees in the year ended 31 March 2021 (2020: £194,000). This figure includes £62,000 for the consolidated statutory audit provided by BDO LLP (2020: £52,000). Other audit fees relate to overseas country office external audits, project audits and donor grant audits as required by conditions of contracts. These services are provided by a range of audit firms.

Notes to the financial statements

For the year ended 31 March 2021 (continued)

25. Related party transactions

WaterAid, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden, WaterAid India (Jal Seva Charitable Foundation) and WaterAid Japan are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. All these organisations share the same objectives and vision. WaterAid receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan and WaterAid Sweden. WaterAid gives grants to support WaterAid America, WaterAid Australia, WaterAid Canada and WaterAid India in their programmatic, fundraising and organisational development.

Transactions between WaterAid and other member countries of the WaterAid Federation were as follows:

	Received from:		Paid to:	
	2021 £000	2020 £000	**2021 £000**	2020 £000
WaterAid America	**4,205**	5,304	**2,435**	1,192
WaterAid Australia	**144**	561	**80**	379
WaterAid Canada	**921**	1,268	**-**	487
WaterAid Japan	**11**	-	**238**	465
WaterAid Sweden	**4,382**	4,760	**-**	-
WaterAid India	**-**	-	**913**	2,916
	9,663	11,893	**3,666**	5,439

During the year WaterAid contributed £238,000 (2020:£465,000) to the WaterAid international investment fund and paid expenses on behalf of WaterAid international of £149,000 (2020:£147,000*). At 31st March the outstanding debtor balance with WaterAid international was £737,000 (2020: £626,000*) which is due to be settled early in the 2022 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £641,000 (2020: £547,000*).

Full declarations of interest are obtained from Trustees and Directors for their own activities outside of WaterAid governance as well as those of their spouses/partners and dependants.

Harpinder Collacott, a Trustee of WaterAid, is an Executive Director and shareholder of Development Initiatives International. During the year WaterAid made payments of £35,000 to Development Initiatives (2020: £55,000). She was also a Trustee of Bond to which WaterAid made payments of £30,000 in 2021 (2020: £32,500*)

Andy Green was appointed chair of WaterAid in October 2020. He was a Trustee of WWF to which WaterAid made payments of £3,000 in 2021 (2020: £1,200)

Heidi Mottram was a Trustee and CEO of Northumbrian Water Group. During the year, WaterAid received £49,000 from Northumbrian Water Group Ltd (2020: £140,400*)

Myriam Sidibe, a Trustee of WaterAid, was a Director of Unilever. WaterAid made no payments to Unilever in 2021 (2020: £nil) and received £3.2m income from the COVID-19 Hygiene Behaviour Change Coalition (see note 5), through Unilever (2020: £27,600). She is also a senior fellow of MRCBG at Harvard University. During the year WaterAid received no income (2020: US$1,175.79) and made no payments to MRCBG.

Peter Simpson was a Trustee and CEO of Anglian Water. During the year WaterAid received £347,000 from Anglian Water Services Ltd (2020: £1,309,000*)

Timothy Clark was a Trustee of Wateraid, during the year WaterAid made no payments to Chatham House Enterprises Limited (2020: £528).

Marcus Missen, an Executive Director of Communications & Fundraising at WaterAid, was also a Trustee of Bond to which WaterAid made payments to as detailed above. In addition he was a Trustee of the Advisory Panel for Resource Alliance to which WaterAid made payments of £6,000 in 2021 (2020: £nil)

Rachel Westcott, an Executive Director of People and Organisational Development, was a Director of Water & Sanitation for the Urban Poor (WSUP). During the year, WaterAid made payments of £10,000 to WSUP (2020: £10,000*)

The charity has disclosed all transactions between the charity and the subsidiary, WaterAid Trading Limited, detailed in note 14.

* Prior year balances have been restated from £nil.

26. Financial instruments

	2021 £000	2020 £000
Financial assets		
Cash and bank	**32,036**	27,267
Grant receivables	**3,288**	1,871
Other receivables	**2,130**	5,717
Other accrued income	**1,656**	2,530
	39,110	37,385
Financial liabilities		
Trade creditors	**4,276**	4,693
Other creditors	**888**	1,046
Accruals	**2,437**	1,761
	7,601	7,500

In respect of disclosure of financial instruments, sections 11 and 12 of FRS 102 have been adopted.

All financial assets and liabilities are payable or receivable within one year are therefore measured at an undiscounted value.

We are determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation.

By tackling these three essentials in ways that last, people can change their lives for good.



Clean water. Decent toilets. Good hygiene.

WaterAid

Best Workplaces™ Large Organisations Great Place To Work. UK 2020

disability confident EMPLOYER

WaterAid, 6th Floor, 20 Canada Square, London E14 5NN

Registered charity numbers 288701 (England and Wales)
and SCO39479 (Scotland) Company number: 1787329