

# Building resilience in turbulent times

UK annual report  
2020-21



**WaterAid**





# 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.



## 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



WaterAid



WaterAid/Basile Quedraogo

### 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.



WaterAid/Lis Parham

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.

## 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

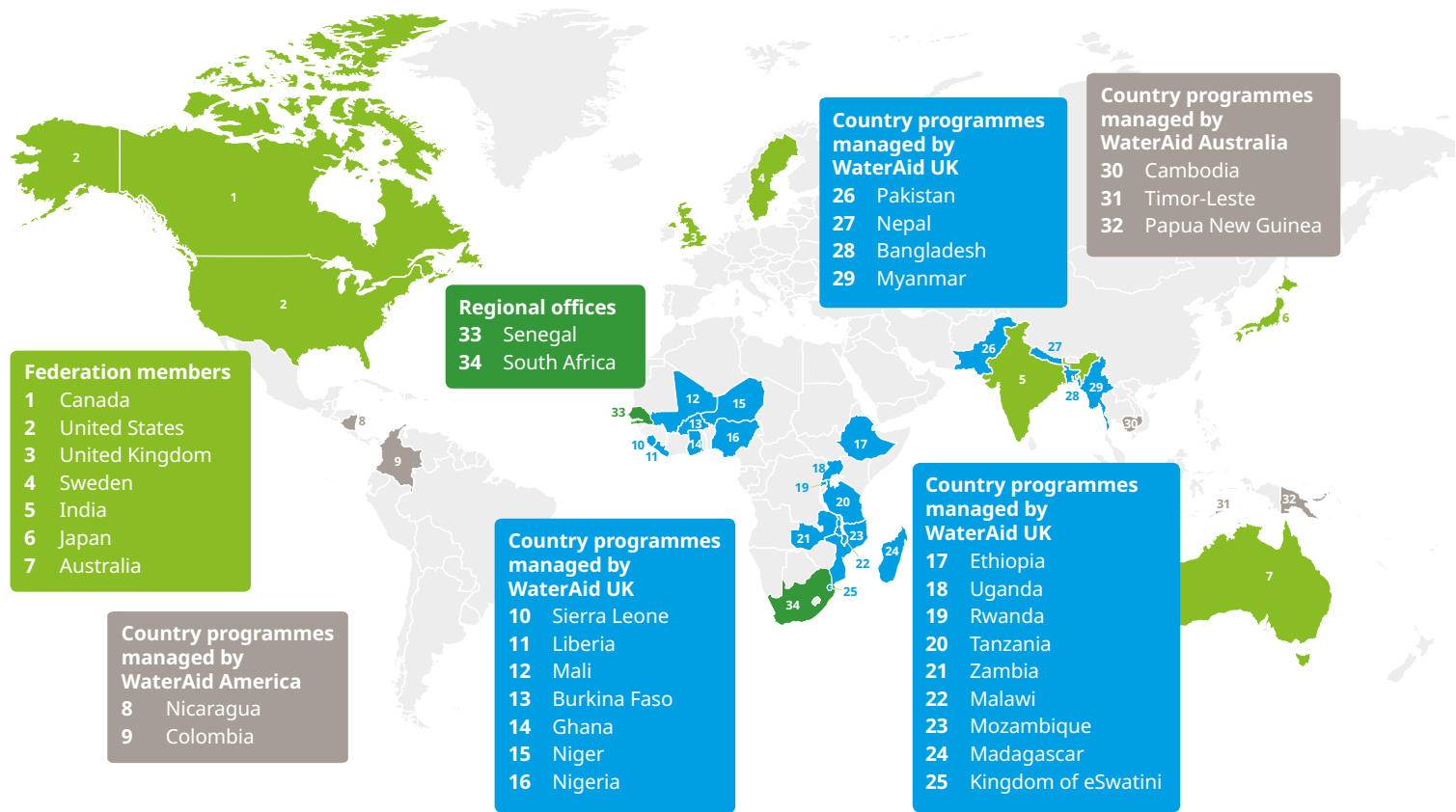
### Changing Chairs

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.



## 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/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.



● Kabita washes her hands at her school's tapstand in Mayankhu, Udayapur, Nepal.

WaterAid/Mani Karmacharya

## 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.





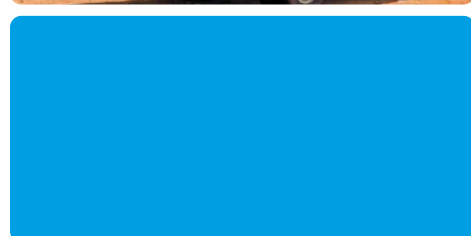
WaterAid/Ernest Randriamalala

**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/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.

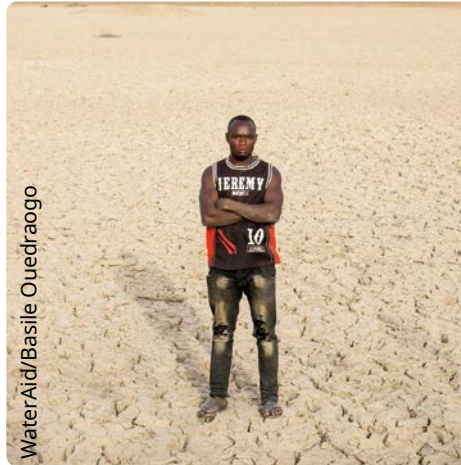
## President accelerates climate funding

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

WaterAid/DRIK/Habibul Haque



## 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.

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

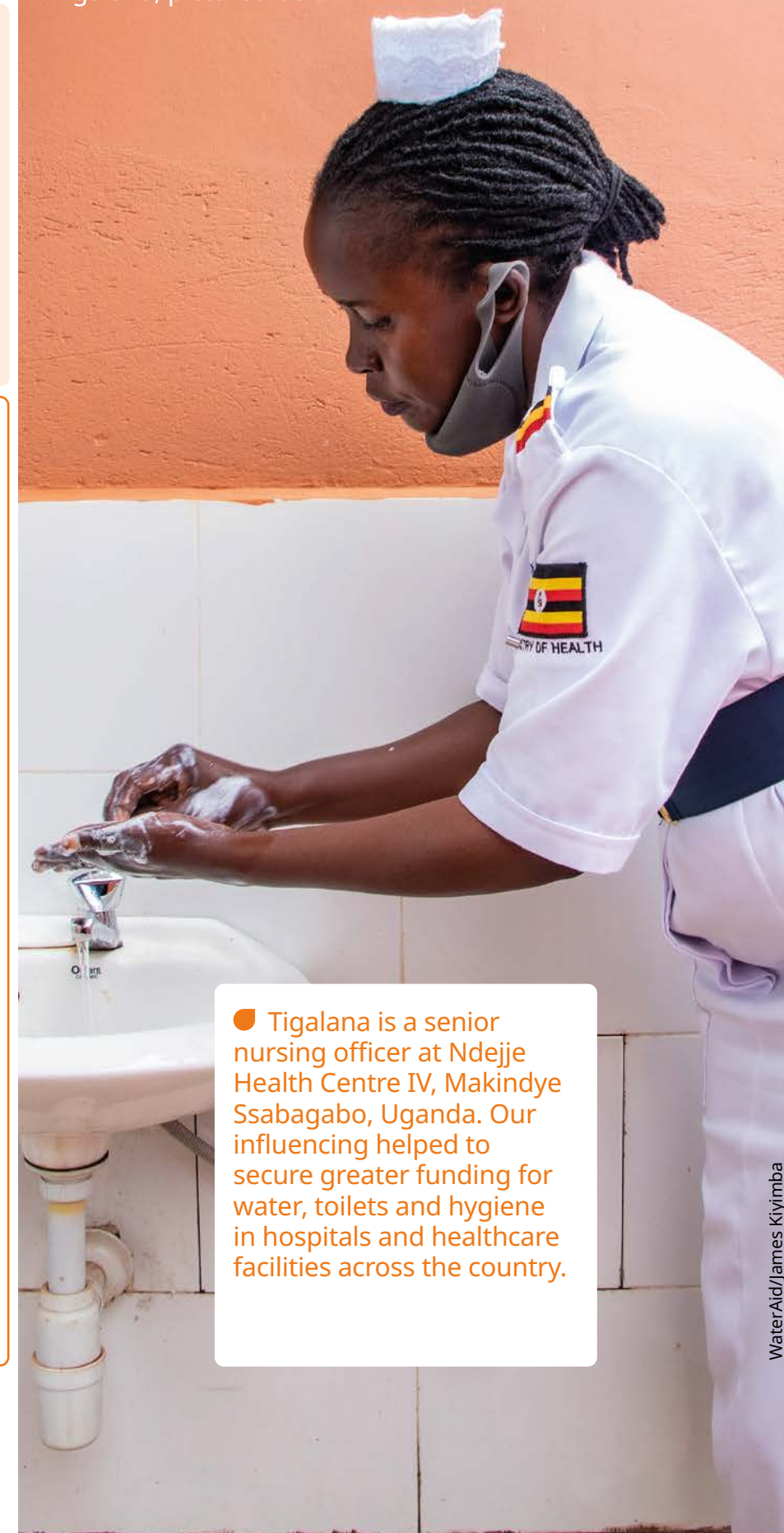
We influenced 11 national policies, strategies or standards to benefit people without clean water, decent toilets or good hygiene, in addition to delivering services directly, and strengthening other organisations' capacity.

### 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



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.

**"The media has a vital role in helping to tackle this water, sanitation and hygiene crisis by influencing those with the power to change the situation."**  
WaterAid Liberia Country Director, Chuchu Selma



**"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.

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.

## 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.



2

Strengthening capacity

# 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.

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.

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 <sup>ii</sup>	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	



WaterAid/Ernest Randriarimalala

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.

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



● Mariam collects water at the newly installed water kiosk in Machochwe, Tanzania, thanks to our partner Diageo.

WaterAid/Sam Vox



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.

**"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.



# 2

## Delivering services directly

### 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.



WaterAid/James Kiyimba

### Our impact through direct services<sup>iii</sup>

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 brought 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.





## Delivering services directly



WaterAid/Chileshe Chanda

**"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

## 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 Quarumyne/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

## 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

● Above: Lucy, Kokoyeh and Nancy celebrate the new water pump that we installed in Tombohuan, Kailahun, Sierra Leone.

**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 Mecanheles 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.

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

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.



WaterAid/Robert Prothero

## 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.



## 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.



● 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.



● 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.



## 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.



**"We are just like the health workers, our work is getting busier. There is a lot of pressure on us because of that."**

● 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.



## 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!

● 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.





## 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

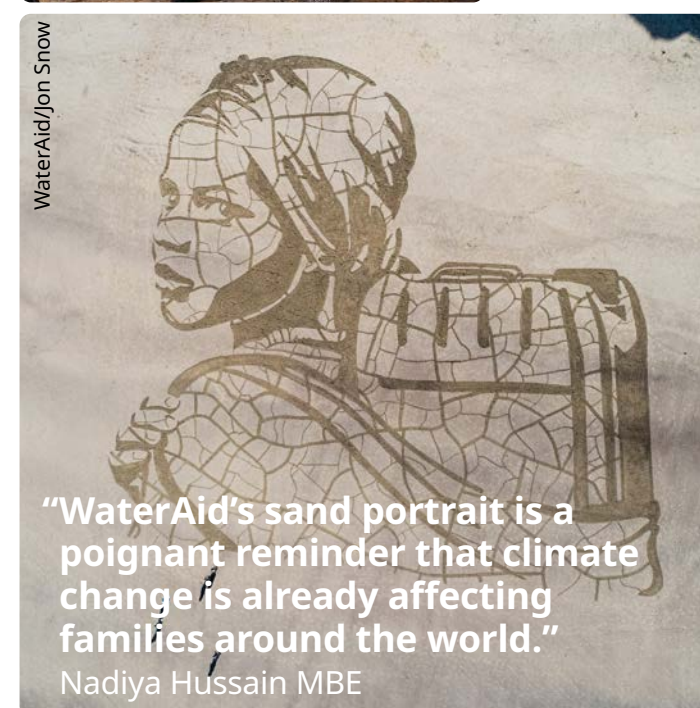
Philanthropists and trusts provided vital assistance to COVID-19 relief actions across Africa and Asia over the past year. Combining their generosity with our 40 years of experience, we committed the majority of their gifts to incredible responsive actions.

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.



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'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.



"I am most proud of its shape, it's quite small. I wash and clean it every day."

Marie-Pierrette describes her toilet in Madagascar



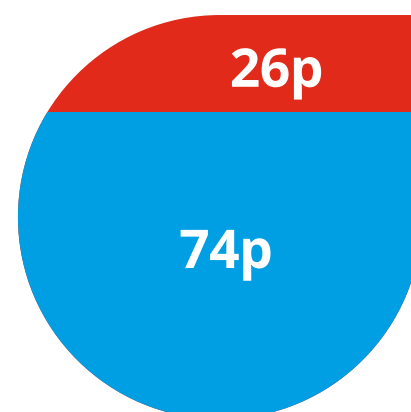
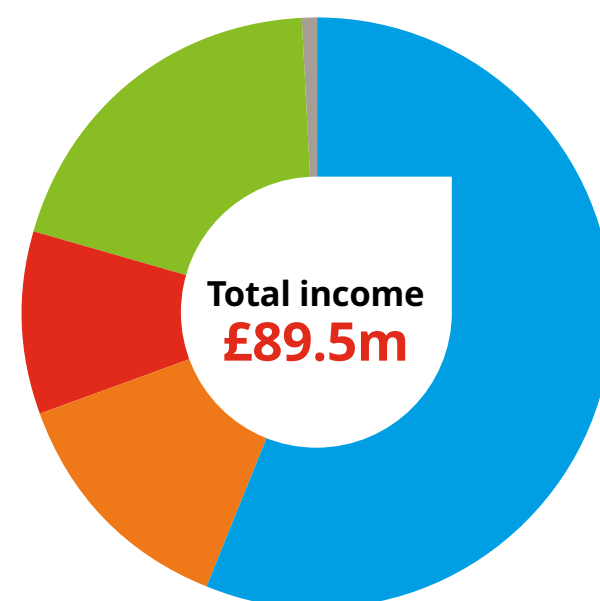
# Financial summary

## 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.

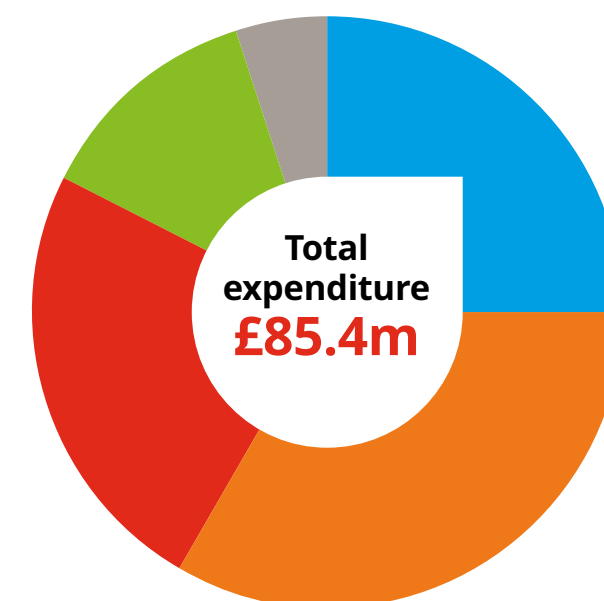
## Expenditure

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.

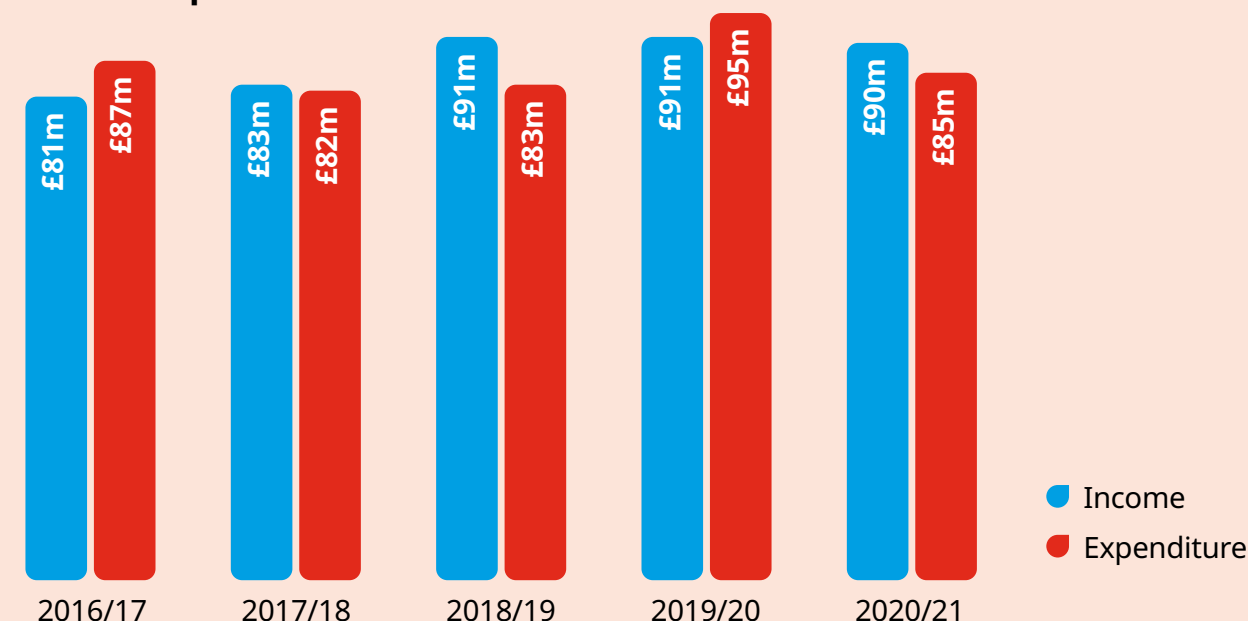
We had planned to take £5 million from our operational reserves for critical programme

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

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.

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.



- 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







WaterAid/H&amp;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 Randriamalala

## 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.





WaterAid/Dennis Lupenga

## 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.

## 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.

● 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.

**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](https://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](https://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](https://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](https://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.<sup>iv</sup> 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 CO<sub>2</sub> / staff member (47,934 kg CO<sub>2</sub> / 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.



## 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 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 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<sup>viii</sup>

Manuel Alvarinho

Alyson Clark

Tim Clark<sup>vi, vii, viii</sup>

Chair of the Board of Trustees  
(retired October 2020)

Harpinder Collacott

Andy Green CBE<sup>vi, vii, viii</sup>

Chair of the Board of Trustees  
(joined October 2020)

Heidi Mottram CBE OBE<sup>vii</sup>

Mala Rao OBE<sup>vi, vii, viii</sup>  
Vice Chair

Guido Schmidt-Traub

Myriam Sidibe

Peter Simpson<sup>v</sup>

Heather Skilling<sup>v</sup>

Matthew Tweedie<sup>v, vi, viii</sup>  
Treasurer

Hilary Wild<sup>v</sup>  
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



# 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 (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

		The group		The charity	
	Note	2021 £000	2020 £000	2021 £000	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
<b>Cash generated from / (expended on) operating activities</b>	<b>8,380</b>	<b>(3,640)</b>
Bank interest received	12	183
Payments to acquire fixed assets	(3,642)	(1,068)
Proceeds from sales of fixed assets	19	54
<b>Cash flows expended in investing activities</b>	<b>(3,611)</b>	<b>(831)</b>
<b>Increase / (decrease) in cash in the year</b>	<b>4,769</b>	<b>(4,471)</b>
<b>Analysis of cash as shown in the balance sheet</b>	<b>2021 £000</b>	<b>2020 £000</b>
Balance at beginning of the year	27,267	31,738
Net cash inflow	4,769	(4,471)
<b>Balance at the end of the year</b>	<b>32,036</b>	<b>27,267</b>
The charity held no borrowings, related derivatives or obligations under finance leases during the year.		
<b>The cash balances were held in the following locations:</b>	<b>2021 £000</b>	<b>2020 £000</b>
UK	29,529	23,383
Overseas	2,507	3,884
<b>Balance at 31 March</b>	<b>32,036</b>	<b>27,267</b>

## 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
<b>Income from:</b>			
<i>Donations and legacies</i>			
Donations	49,933	5,555	<b>55,488</b>
Grants of a general nature	2,778	-	<b>2,778</b>
Gifts in kind	531	-	<b>531</b>
<i>Charitable activities</i>			
Grant funding for specific activities	-	27,766	<b>27,766</b>
<i>Other trading activities</i>	4,125	390	<b>4,515</b>
<i>Investment income</i>	183	-	<b>183</b>
<b>Total income</b>	<b>57,550</b>	<b>33,711</b>	<b>91,261</b>
<b>Expenditure on:</b>			
<i>Raising funds</i>			
Expenditure on raising grants, donations and legacies	21,606	517	<b>22,123</b>
Expenditure on other trading activities	85	-	<b>85</b>
<i>Charitable activities</i>			
Supporting partners to deliver water, sanitation and hygiene	10,837	19,995	<b>30,832</b>
Sector strengthening and capacity building to deliver water, sanitation and hygiene	13,452	11,645	<b>25,097</b>
Influencing policy in water, sanitation and hygiene	9,805	1,102	<b>10,907</b>
Supporting WaterAid globally	4,906	1,097	<b>6,003</b>
<b>Total expenditure</b>	<b>60,691</b>	<b>34,356</b>	<b>95,047</b>
Net incoming/(outgoing) resources before transfers	(3,141)	(645)	<b>(3,786)</b>
<b>Net movement in funds or net deficit for the year</b>	<b>(3,141)</b>	<b>(645)</b>	<b>(3,786)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 April	20,668	15,420	<b>36,088</b>
<b>Total funds carried forward at 31 March</b>	<b>17,527</b>	<b>14,775</b>	<b>32,302</b>

## 3. Income from donations and legacies

	Unrestricted £000	Restricted £000	2021 Total £000	2020 Total £000
<b>Donations</b>				
Regular giving, donations and appeals	43,366	841	<b>44,207</b>	42,212
Legacies and in memoriam donations	8,128	1,066	<b>9,194</b>	9,182
Fundraising events	867	579	<b>1,446</b>	4,094
<b>Total</b>	<b>52,361</b>	<b>2,486</b>	<b>54,847</b>	55,488
<b>Grants of a general nature</b>				
Other WaterAid member countries	2,556	-	<b>2,556</b>	2,478
The Waterloo Foundation	400	-	<b>400</b>	300
Alchemist Foundation	300	-	<b>300</b>	-
Coronavirus Job Retention Scheme (CJRS)	223	-	<b>223</b>	-
Other	181	-	<b>181</b>	-
<b>Total</b>	<b>3,660</b>	<b>-</b>	<b>3,660</b>	2,778
<b>Gifts in kind</b>				
Water Industry Partnerships	149	-	<b>149</b>	372
Customer appeal	82	-	<b>82</b>	101
Rent	5	-	<b>5</b>	51
Other	2	-	<b>2</b>	7
<b>Total</b>	<b>238</b>	<b>-</b>	<b>238</b>	531
<b>Total income from donations and legacies</b>	<b>56,259</b>	<b>2,486</b>	<b>58,745</b>	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
<b>Total</b>	<b>1,499</b>	<b>2,279</b>	<b>3,778</b>	<b>4,515</b>

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
<b>Total lotteries income</b>	<b>1,279</b>	<b>2,024</b>	<b>3,303</b>	<b>2,954</b>

### 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
<b>Total</b>	<b>26,983</b>	<b>27,766</b>
**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
<b>UK Aid received directly from The Foreign, Commonwealth and Development Office (FCDO)</b>	<b>1,317</b>	<b>4,197</b>
*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
<b>UK Aid received indirectly from The Foreign, Commonwealth and Development Office (FCDO)</b>	<b>3,511</b>	<b>2,203</b>
<b>Total UK Aid received from The Foreign, Commonwealth and Development Office (FCDO)</b>	<b>4,828</b>	<b>6,400</b>

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
<b>Raising funds</b>						
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
<b>Charitable activities</b>						
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 No.	2020 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
<b>West Africa</b>				
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
<b>East Africa</b>				
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
<b>Southern Africa</b>				
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
<b>Asia</b>				
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
<b>UK and Other</b>				
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
<b>Total</b>	<b>31,082</b>	<b>32,772</b>	<b>63,854</b>	<b>72,839</b>

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
	<b>127</b>	<b>151</b>

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
<b>Total of top 20 recipients' grants</b>		<b>7,758</b>	<b>9,189</b>



# Notes to the financial statements

For the year ended 31 March 2021 (continued)

## 10. Fixed assets

The group and charity	Intangible assets		Tangible assets		Total £000
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	
<b>Cost</b>					
At 1 April 2020	6,043	856	3,895	5,249	<b>16,043</b>
Additions in year	880	1,574	298	890	<b>3,642</b>
Disposals in year	(1,107)	-	(49)	(1,963)	<b>(3,119)</b>
<b>At 31 March 2021</b>	<b>5,816</b>	<b>2,430</b>	<b>4,144</b>	<b>4,176</b>	<b>16,566</b>
<b>Accumulated amortisation/depreciation</b>					
At 1 April 2020	5,597	-	3,495	5,054	<b>14,146</b>
Charge for the year	350	122	269	239	<b>980</b>
Disposals in year	(1,107)	-	(67)	(1,972)	<b>(3,146)</b>
<b>At 31 March 2021</b>	<b>4,840</b>	<b>122</b>	<b>3,697</b>	<b>3,321</b>	<b>11,980</b>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<b>976</b>	<b>2,308</b>	<b>447</b>	<b>855</b>	<b>4,586</b>
At 31 March 2020	446	856	400	195	<b>1,897</b>

## 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
	<b>8,656</b>	<b>11,782</b>	<b>9,389</b>	<b>13,214</b>

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
<b>Current Assets</b>		
Debtors	133	574
Cash at bank and in hand	788	1,441
	921	2,015
<b>Creditors</b>		
Amounts due within one year	(921)	(2,015)
	-	-
<b>Represented by:</b>		
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
	<b>32,036</b>	27,267	<b>30,928</b>	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
	<b>7,613</b>	7,620	<b>7,238</b>	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
<b>Deferred income at the end of the year</b>	<b>12</b>	<b>119</b>

## 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	<b>1,237</b>	1,024	<b>1,237</b>	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
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets fund	1,898	521	2,166	-	<b>4,585</b>
Property project	1,665		(3,394)	1,729	-
Total Designated funds	3,563	521	(1,228)	1,729	<b>4,585</b>
General funds	13,964	57,249	(50,947)	(1,729)	<b>18,537</b>
<b>Total unrestricted funds</b>	<b>17,527</b>	<b>57,770</b>	<b>(52,175)</b>	<b>-</b>	<b>23,122</b>
<b>Restricted funds:</b>					
Bangladesh	1,837	4,351	(4,230)	-	<b>1,958</b>
Burkina Faso	2,637	5,214	(5,847)	-	<b>2,004</b>
East Africa Region	(1)	45	(9)	-	<b>35</b>
Ethiopia	706	1,705	(1,406)	-	<b>1,005</b>
Ghana	349	1,275	(1,126)	-	<b>498</b>
Kingdom of eSwatini	100	687	(580)	-	<b>207</b>
Liberia	205	554	(620)	-	<b>139</b>
Madagascar	769	1,202	(1,653)	-	<b>318</b>
Malawi	550	879	(1,030)	-	<b>399</b>
Mali	733	1,059	(1,352)	-	<b>440</b>
Mozambique	(261)	797	(580)	-	<b>(44)</b>
Myanmar	470	910	(852)	-	<b>528</b>
Nepal	2,376	734	(2,185)	-	<b>925</b>
Niger	(196)	608	(873)	-	<b>(461)</b>
Nigeria	12	916	(951)	-	<b>(23)</b>
Pakistan	795	1,144	(1,556)	-	<b>383</b>
Rwanda	518	824	(1,202)	-	<b>140</b>
Sierra Leone	(7)	683	(848)	-	<b>(172)</b>
Southern Africa Region	280	337	(502)	-	<b>115</b>
South Asia Region	108	34	(102)	-	<b>40</b>
Tanzania	(382)	1,586	(941)	-	<b>263</b>
Uganda	325	684	(229)	-	<b>780</b>
West Africa Region	111	105	(152)	-	<b>64</b>
Zambia	1,073	1,861	(1,490)	-	<b>1,444</b>
UK	1,668	3,554	(2,901)	-	<b>2,321</b>
<b>Total restricted funds</b>	<b>14,775</b>	<b>31,748</b>	<b>(33,217)</b>	<b>-</b>	<b>13,306</b>
<b>Total funds</b>	<b>32,302</b>	<b>89,518</b>	<b>(85,392)</b>	<b>-</b>	<b>36,428</b>

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
<b>Total funds as at 31 March 2021</b>	<b>4,585</b>	<b>31,843</b>	<b>36,428</b>

## 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
	<b>7,914</b>	<b>8,699</b>

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
<b>Financial assets</b>		
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
<b>Financial liabilities</b>		
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.

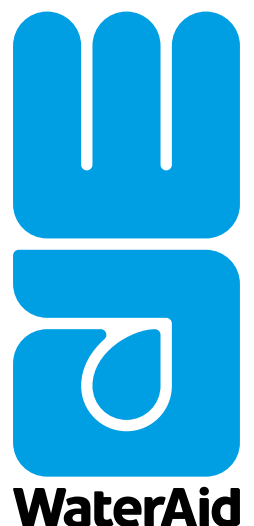


We are determined to make clean water,  
decent toilets and good hygiene normal for  
everyone, everywhere within a generation.

By tackling these three essentials in ways that  
last, people can change their lives for good.



**Clean water.  
Decent toilets.  
Good hygiene.**



WaterAid, 6th Floor, 20 Canada Square, London E14 5NN  
Registered charity numbers 288701 (England and Wales)  
and SCO39479 (Scotland) Company number: 1787329