



UK annual report  
**2019–2020**



WaterAid/Sam James

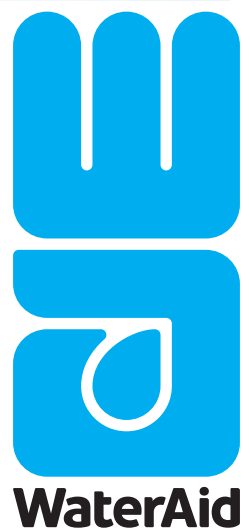


WaterAid/Guilhem Alandry

**Ten years to reach  
everyone, everywhere**



WaterAid/DRIK/Habibul Haque





# Ten years to reach everyone, everywhere



## Welcome

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Climate change and COVID-19 threaten our ability to bring clean water, decent toilets and good hygiene to everyone, everywhere. In 2019–20, we tackled them head on.

## Our early response to COVID-19

06

The virus hit late in the year, but hit with great force. We played a vital role providing immediate support and future planning.

## Achieving our vision: our strategic aims

To have the greatest impact, we share the same global strategy with six other national members of the WaterAid federation. They are in Australia, Canada, India, Japan, Sweden and the USA. Together we focus on:

### Equality

We will tackle and challenge the inequalities that prevent the poorest and most marginalised people from realising their right to safe water, sanitation and hygiene.

### Sustainable services

We will support governments and service providers to strengthen the systems and capabilities required to deliver sustainable water, sanitation and hygiene services.

### Integration

We will work with others to develop plans and activities that accelerate change by integrating water, sanitation and hygiene into sustainable development.

### Hygiene

We will positively influence hygiene behaviour to maximise the benefits of access to safe water and sanitation.



WaterAid/DRIK/Habibul Haque

## Strategic report

We report back on our progress against the priorities we set ourselves for the year.

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

[f /wateraid](#) [/wateraidUK](#) [/wateraid](#)

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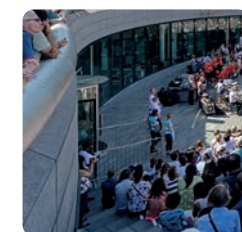


WaterAid/Nyani Quarumye/Panos

### Priority one – ensuring more people benefit from clean water, decent toilets and good hygiene:

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WaterAid/Brendan Foster

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WaterAid/Lis Parham

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Left top: Simphiwe and Thobile demonstrate a hand wash station we provided at Mpolonjeni High School, Lubombo province, eSwatini.

Left middle: Open air choir concert Sing for Water engages Londoners in our cause in September.

Left bottom: Some of our UK staff, led by Chief Executive Tim Wainwright, take part in March for Water.

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# Welcome

## Tackling the big issues head on

We have 10 years to reach everyone, everywhere with clean water, decent toilets and good hygiene by 2030. Globally, we have achieved so much over the last decade – but now face substantial risks to realising this and other Sustainable Development Goals (SDGs).

Increasingly, climate change is threatening gains to date and making future progress harder, while COVID-19's emergence caused significant disruption at the end of the year. However, both issues make what we do more relevant and urgent than ever, and we have a vital role to play in overcoming each of them. During 2019–20, we tackled them head on.

## Making a greater impact

In September 2019, the UN Secretary General António Guterres announced a Decade of Action to achieve the Sustainable Development Goals. This recognised that, overall, action to meet the goals is not advancing at the speed or scale required. This is certainly true of SDG6 – ensuring water, sanitation and hygiene for everyone, everywhere.

To maximise our own impact, we have been progressively shifting our focus. We are directly delivering fewer services where we install taps and toilets ourselves, and increasing work in two complementary areas. First, we are strengthening the systems that are needed for people to benefit from these essentials long into the future – such as effective utility management, equipment quality and maintenance and community involvement. And secondly, we are influencing governments and companies to ensure their policies and practices accelerate positive change.

## Prioritising hygiene for public health

We have been prioritising the importance of hygiene for years. It has been one of our four strategic aims since 2015, and COVID-19 has brought greater recognition of hygiene's role in ensuring the benefits of clean water and decent toilets are immediate, and long-lasting.

Together, the three basic rights of water, toilets and hygiene are vital not only in standing up to the virus in the short term, but in lifting people out of poverty in the long term. We are determined to translate this recognition of hygiene's positive impact on public health into relevant funders' budgets and focused programmes to preserve and enhance the wellbeing of millions of people – including their ability to survive climate change.

**What is SDG 6?** 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.

## Water: the first line of defence

In March, we held a high-level summit with governments and businesses, hosted by our President HRH The Prince of Wales, to develop proposals to unlock more finance to invest in vital water services. Currently, 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 to help them adapt their water services. This is simply not enough, and places billions of lives at risk.

## Thank you to all our partners

The links between water, sanitation and hygiene on the one hand, and poverty, public health and climate change on the other, are evident and compelling. We cannot overcome the latter without investing in the former. And we can only achieve this by continuing to work together.

The positive impact we had last year, which you can read about further in this report, only happened because of our incredible partners. These range from the UK water industry who founded us, through companies and institutions, to governments, small groups and hundreds of thousands of individuals. On behalf of the people whose lives we touched, we thank you hugely.

*T. J. Wainwright*

**Tim Wainwright**  
Chief Executive

*Tim Clark*

**Tim Clark**  
Chair of Trustees  
(to 09 October 2020)



● **Top left: A meeting in Jhangar Marha, Punjab, Pakistan, which Tim Wainwright, second from left, and Tim Clark, fourth from left, attended in November.**

● **Left: HRH The Prince of Wales speaks at our Water and Climate Summit in March, saying: "Water being essential to life, it's clearly vital that we recognise the link between water and climate change." We were delighted that HRH renewed his tenure as our President for a further term.**





# Our early response to COVID-19



WaterAid/Ernest Randriarimalala

- Above: Delivery of contactless, portable handwashing stations for examination centres in Manjakandriana, Madagascar.
- Right: People wash their hands in Multan City, Pakistan, where we installed six handwashing stations.
- Left: Ranjit washes her hands at Janata Higher Secondary School, Siraha, Nepal.



WaterAid

As the year under review came to a close, around one third of humanity was under some form of lockdown while governments attempted to contain the spread of COVID-19. We quickly responded, recognising the dynamic nature of transmission and the diverse needs of the countries where we work. It was clear straight away that we would have a vital role to play in helping to reduce the disease's spread.

By the end of March, many of our country offices had helped to shape national emergency response plans through government-led working groups and various civil society platforms. We also built on existing hygiene behaviour change initiatives, quickly adapting these to amplify key COVID-19 hygiene messages to the public through digital, social and mass media channels. And almost all of our country teams had installed new handwashing stations in key locations.

Here are just a few examples of these early interventions.

## From plans to practice

In Nepal, as in many of the countries where we work, while actively engaged in planning the national response together with the Government and others, we also carried out immediate practical support. We translated key resources into local languages to reach over one million people living in the districts of Bardiya and Siraha; produced posters promoting good hygiene practices in 100 public places across Kathmandu, Lalitpur and Kirtipur; and established information desks in healthcare facilities and rural municipalities in our existing areas of work.

## Reaching 20 million people

In Pakistan, our immediate mass media campaign via SMS messaging, radio and cable network reached 20 million people. This included a short animation asking people to social distance, wash their hands and keep their environment clean.

Despite staff working from home from the middle of March, we also built 60 handwashing facilities to help improve hygiene in public places. Most facilities were placed in major cities, including the largest hospital in Islamabad.

## Promoting prevention

In Madagascar, we produced TV and radio adverts that began airing on 31 March. The ads targeted older children and teenagers to encourage good hand, respiratory and food hygiene behaviour. We also supplied 100,000 soap dispensers, some direct to families and some in public places such as markets, health centres, schools and banks. And we distributed more than 30,000 posters and flyers across the country to raise the public's awareness of what they could do to help prevent the virus spreading.

**Making handwashing easy** In Zambia, we provided 49 touchless handwashing facilities together with hygiene materials, including soap and sanitisers, in public places such as healthcare centres, schools, bus stations and markets. Together with celebrities and civic leaders, we also created content to promote positive hygiene behaviours, resulting in a reach of 1.2m people through TV and over 550,000 people on social media in March.



- Above: Local children wash their hands at the contactless, foot operated handwashing station at Panga bus station, Kirtipur, Nepal.



1

# Ensuring more people benefit from clean water, decent toilets and good hygiene

## Our first priority

Our first priority for 2019–20 was to ensure that more people benefit from clean water, decent toilets and good hygiene by:

- Directly reaching them with services in or near their homes, schools and healthcare facilities.
- Strengthening their governments', utilities' and private companies' commitment and ability to provide services to them.
- Influencing global and national policies, strategies and standards that ensure services are sustainable, of good quality and for everyone, everywhere.
- Prioritising opportunities in Ethiopia, India, Nigeria and Pakistan – four of our five countries of global significance (the fifth being Bangladesh).

In this section we report on progress against this objective.



WaterAid/Tom Saater

- Above: Ukwan, 14, student and Vice President of the Environmental Health Club outside the boys' toilets at Trans Ekulu River Primary School, Enugu State, Nigeria. Having a decent toilet at school unlocks pupils' potential and helps them thrive.

WaterAid/Nyani Quarmyne/Panos

## 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. Together, the other members provided direct services to tens of thousands of people, while WaterAid India also helped hundreds of thousands secure services and facilities that were provided directly by the government.

## 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.

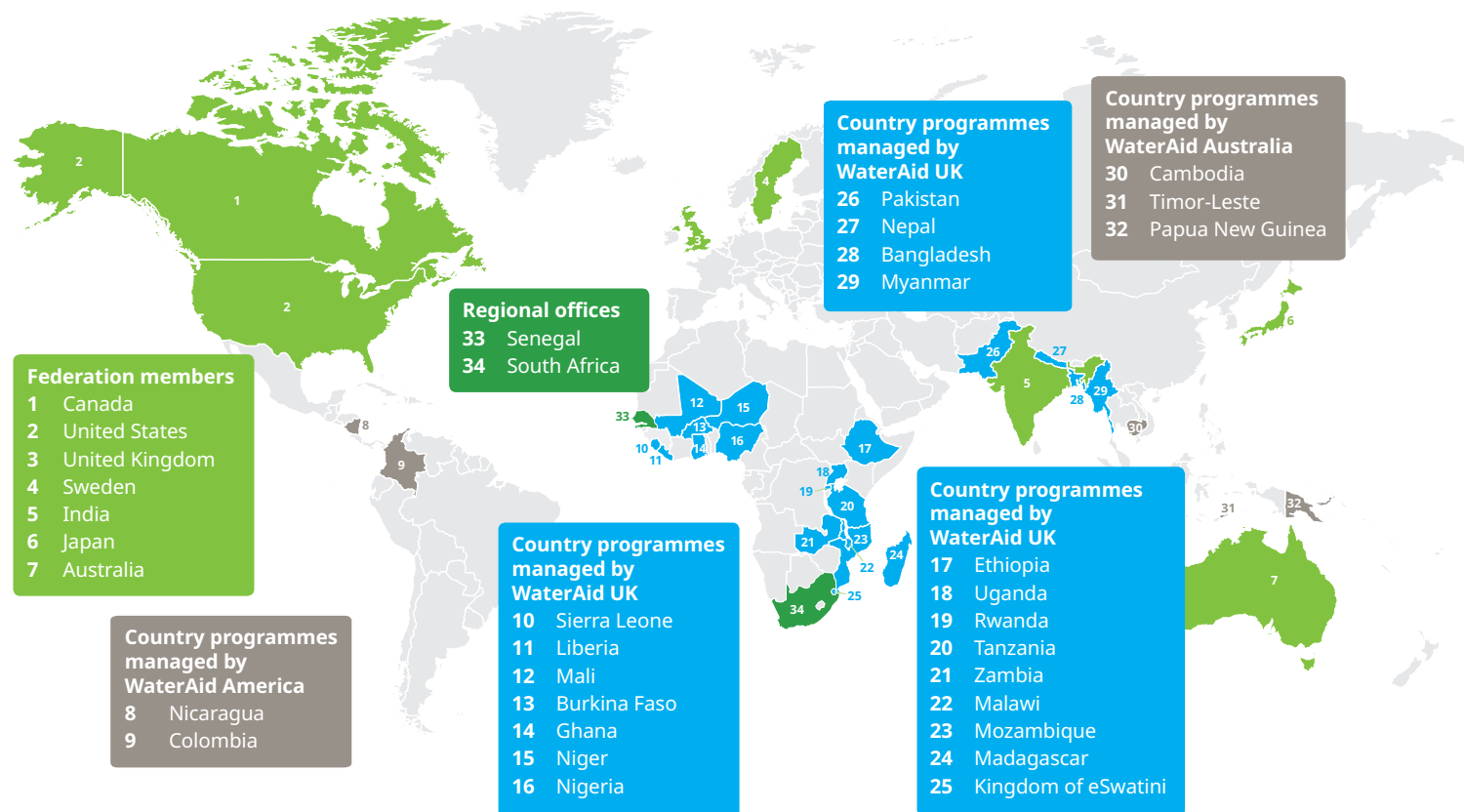
## Working in partnership

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 2019–20, we worked with **260 partner organisations on 218 projects**. Our partners included:

- **91** governmental bodies and **94** non-governmental organisations from the local to the global.
- **22** networks or alliances, and a wide range of others we also helped.
- **92** rural and urban authorities, including **22** utilities.

## Where we work





## 1

# Delivering services directly

We deliver services directly not only because doing this brings clean water, decent toilets and good hygiene to people for the first time. It also keeps us rooted in the communities we serve, and allows us to explore innovative new approaches and technologies with our partners that can then be scaled up for an even bigger impact.

For example, many of our countries are piloting new technological and management models in response to climate change and rapid urbanisation. These include groundwater recharge and water reuse, and small-scale private service management models for water and waste.

Our direct delivery work is increasingly fusing with other sectors – combining water, sanitation and hygiene with gender equality, education, healthcare in general and nutrition in particular, and industry. While we have always championed this multi-sector approach, and firmly believe it leads to more equitable and sustainable solutions, it comes with its own challenges, such as increased partner liaison and more complex co-financing requirements.

## Improving sanitation and hygiene in Ghana

In Ghana, we built toilets in three schools across the Bongo and Kassena-Nankana West districts under the WASH4PH project. This has enabled 333 boys, 307 girls and their teachers to use decent toilets for the first time. These new toilets not only improved the wellbeing of the pupils, but also increased their hours in the classroom.

We also completed a hygiene initiative, which used play-based methodologies in schools to teach good hygiene practices. After this, pupils spread their new knowledge to their communities, resulting in more toilets being constructed and tippy tap handwashing facilities being installed. This contributed to 19 communities in the districts, home to 5,397 people, being declared open defecation free.

## Lasting change in Myanmar

We began work on rural water supply schemes and treatment plants in two villages of Myaing Township in Magway Region. These use piped networks and slow sand filters, and will benefit 2,900 people once completed. To ensure a lasting difference, we designed the projects in consultation with the community, ensured the Department of Rural Development approved them, and started construction using community-led management processes.

Right: Comfort (right) and Mary wash their hands in their new toilet block at Kabre Primary school, Bongo district, Ghana. The toilets improved pupil wellbeing and increased their hours in the classroom. Win-win!

## Clean water for 50,000 people in Arusha

In April, we delivered our most ambitious project yet in Tanzania, a water supply for over 50,000 people in 5 villages. The new solar powered water treatment facility pumps and purifies contaminated groundwater using several innovations, including the biggest fluoride treatment system in the country and prepaid meters so that user fees are transparent. This DFID-funded project was in partnership with Arusha District Council, Nelson Mandela University, eWATERpay LTD and Tumaini Jipya. Together with the Government, we will continue supporting the local utility to make the most of this new technology.



WaterAid/Apag Annankra

## Our impact through direct services<sup>1</sup>

We supported **5,226 communities** to reach the following numbers of people in or near their homes:

- **315,027** with clean water – by installing **1,315** water points, rehabilitating **1,655** water points, and supporting **94** piped systems
- **693,722** with decent toilets
- **236,320** with good hygiene through better facilities, and **1,624,465** through behaviour change activities.

We supported **1,162 schools** to reach the following numbers of children and staff:

- **135,707** with clean water
- **180,573** with decent toilets
- **110,959** with good hygiene through better facilities, and **255,548** through behaviour change activities.

We supported **185 healthcare facilities** to reach the following numbers of patient visits and staff:

- **1,009,302** with clean water
- **1,012,932** with decent toilets
- **941,265** with good hygiene through better facilities, and **49,467** through behaviour change activities.



WaterAid/James Kiyimba

Above: Kakora Solar Water Scheme in Tanzania supplies more than 3,000 people. Now 50,000 more people in Arusha are benefiting from a solar powered water service.

1. 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.



# 1 Delivering services directly (cont)

## Supporting people after cyclones in Mozambique

In early 2019, cyclones Idai and Kenneth caused two of the worst natural disasters in Mozambique's history, killing hundreds of people and uprooting tens of thousands. Flooding and high winds damaged or destroyed water supply systems and sanitation facilities. During the rainy season, most of the roads were partially or totally closed, severely restricting access to emergency project sites.

Thirty-six year-old Fernanda says: "I was very shocked when it happened, I thought that it would take my life as well as the life of my son. I was left with no home. I live in this place, in critical condition, there is no clean water to drink, to cook, to shower and to wash the only clothes left."

Thirty-eight year-old Albertina says: "We live now far from where we used to access water each day. Sometimes we collect dirty water and we know it is not clean but we have no options."

To support people such as Fernanda and Albertina, we constructed and rehabilitated 30 boreholes (providing clean water to over 12,000 people); built or repaired four new sanitary blocks to ensure more than 2,000 people had a decent toilet; distributed hygiene and dignity kits to over 2,000 families; and reached more than 23,000 people with hygiene promotion activities to minimise the risk of cholera and other waterborne diseases.

Right: Rasmata Pograwa stands next to an EcoSan toilet built at her home in the village of Zabendela, Burkina Faso. Rasmata, who contributed to the cost of the toilet, does market gardening to supplement her family's income. She says: "This will reduce our expense of buying fertiliser. Before, we were sometimes forced to sell animals to buy fertiliser bags."

Below: Cyclone Idai caused devastation in both Mozambique and Malawi. Felisita Nangwale stands in front of what remains of her home in Chanda village, Zomba, Malawi, where we supported over 7,000 people in their recovery from the disaster.



## Listening to community voices and choices in Bangladesh

Sreemangol in Bangladesh is an area of tea pickers where we supported around 3,000 people to transform their lives with better sanitation and hygiene. We talked to local community organisations and shared plans to renovate and build tube-wells with small areas where women are able to bathe and change in private.

One of the proposed sites was next to Mandir Temple, a well-used Hindu temple where large numbers of people gather every day. We listened to concerns that a bathing facility so close to the temple would affect the sanctity of the holy place, and built only a tube well to provide clean water for the temple's congregation. On other sites throughout the community we built tube-wells with small private areas. A hygiene campaign in schools and community hand-washing workshops ensured the facilities are a valued community resource.

## Unlocking potential in Malawi

In Jali, southern Malawi, we are helping more children live longer and with less disease thanks to a project that focuses not only on providing clean water, decent toilets and good hygiene, but also improved nutrition. The three-year project, funded by the Swedish Post Code Lottery, is reaching 7,000 households and will enable children to unlock their potential and change their lives for good.

## Promoting hygiene in Madagascar

Good hygiene plays a vital role in helping people stay healthy, and we promoted positive behaviour change to more than 30,000 people through schools, health centres and communities in two districts of Madagascar. As a result, 231 villages in Alaotra Mangoro were confirmed open-defecation free, while there and in Analamanga 96% of targeted households are using improved toilets.

## Supporting vulnerable communities

In Burkina Faso we constructed 12 EcoSan (ecological sanitation) toilets in Zabendela village to support the livelihoods of local women. Their income was made through market gardening, which was becoming increasingly difficult due to low water resources and poor soil quality – direct impacts of climate change. The women were using fertiliser to help grow the crops, but this was expensive and unsustainable.

EcoSan toilets do not need water to operate and the waste can be completely composted to organic manure for farming. Together with the families, who invested materials for the new toilets, we created a sustainable solution to sanitation and fertiliser – changing lives in this climate-stricken landscape.





# 1 Strengthening systems, empowering communities

We put our energy into building the capacity of local and national authorities, utilities and, where appropriate, private industry. Doing this means we can secure people's sustainable access to clean water, decent toilets and good hygiene in huge numbers. But that is only half the story. Helping people understand their rights to these essentials, and the duty on their elected representatives to fulfil these rights, is just as vital.

To strengthen the systems needed we work alongside national and local authorities and service providers. Together, we improve planning, coordination, performance monitoring, technical implementation, citizens' engagement, financing models and personnel capacity, appropriate to local contexts. Where necessary we challenge weak performance.

This work is not as immediately dramatic or easy to visualise as drilling a borehole or installing a toilet. But step by step, it builds and builds until the drilling and the installation starts, for many more people than we could reach directly ourselves.



- Above: Monitoring water points like this borehole in Ka-Ben, Lubombo Province, eSwatini, is vital to ensure they continue to benefit people.
- Right: Ntsika, 16, on his way home with a bucket of water in Ka-Ben. "I walk down to the river with my sisters. The borehole broke a year ago. Our health has changed since using the water from the river. My sister has something like ringworms."

WaterAid/Nyani Quarmyne/Panos



WaterAid/Nyani Quarmyne/Panos

**Securing services in eSwatini** A declining economy resulted in eSwatini's Government cutting the budget for sanitation and hygiene work to nothing. Against this backdrop we supported the Department of Water Affairs with technical guidance to develop a reporting and information management system to monitor how well community water points are functioning. This is critical to sustain water services long into the future, and having set up the system, we are now advocating for it to be used nationally.



WaterAid/Mani Karmacharya

- Above: (Left to right) Manisha, Satyadevi, Laxmi, Kopila, Manisha, Sapana, Samjhana, Saraswoti, Prabina, Sirjana, Sujata and Anita pose for a group photo during their menstruation workshop in Chaurideurali, Nepal.

## Normalising menstruation in Nepal

We helped raise awareness and reduce the stigma of menstruation in Nepal through a participatory photography project in Jagriti Secondary School, Chaurideurali, as part of our sustainable water, sanitation and hygiene programme. First launching in 2018, we gave 12 girls a camera to document stories about their menstruation. The follow-up workshop in June, which was attended by girls from a previous session, opened up further conversations around menstrual hygiene management and allowed for reflections on the social taboos surrounding menstruation.

We named this initiative 'community to community learning' as the participants from one project visit another community to share their learning and experiences. After the workshop, the teacher reported that the environment in the school had shifted, noting that the girls appeared more confident in talking openly about their periods, which means they are now unlikely to miss attendance when they are menstruating.

## Our impact through strengthening systems

In addition to directly delivering services ourselves, we build the capacity of local institutions to deliver better quality, sustainable services.

There is little precedent in measuring the reach of this type of work, which we piloted with five countries in 2018-19. In 2019-20 we intended to collect this data from all of our country teams, but COVID-19 interrupted the process in many of them. Below we report on people reached by these institutions in seven countries: Nepal, Mozambique, Ethiopia, Tanzania, Eswatini, Madagascar and Ghana.

Number of people we reached indirectly with new or improved services in seven countries <sup>i, ii</sup>	In or near people's homes	Schools	Healthcare facilities	Public facilities
Clean water	159,465	4,180	n/a	n/a
Decent toilets	73,477	2,847	5,622	26,065
Good hygiene through better facilities	n/a	16,788	209,009	11,500
Good hygiene through behaviour change activities	29,124	n/a	20,169	n/a

We will continue to work closely with these institutions to strengthen their capacity to capture these numbers. Our aim is to roll out this approach to all countries next year.

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.



# 1

## Strengthening systems, empowering communities (cont)



WaterAid/Manti Karmacharya

● **Left: Ram Narayan Chaudhary works for the Nepal Water Supply Corporation in Lahan. He says: “Leakage detection technology is one of the best things I have learned from WaterAid.”**

### A groundbreaking coalition

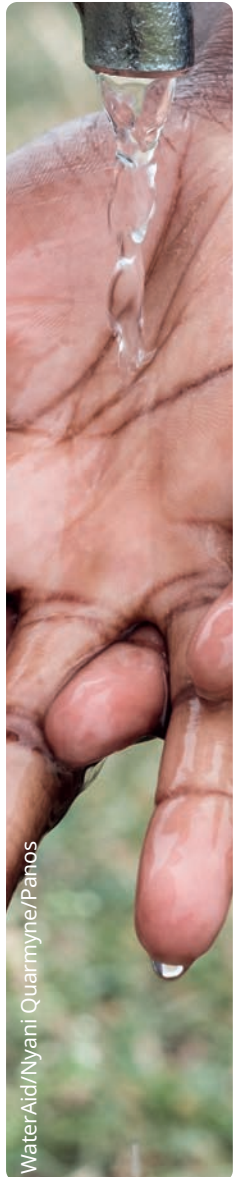
Last year was an exciting time for the Beacon Project, a unique collaboration in Nepal between ourselves, Anglian Water and their Alliance Partners, the Nepalese Government, the Lahan Municipality and the Nepal Water Supply Corporation.

Together we are making water and sanitation services consistent, sustainable and resilient in Lahan, a fast-growing town of around 80,000 people on the Indian border.

The Beacon Project is operating at an unprecedented scale and marks an exciting new phase of our work to strengthen systems. We have now completed mapping of the region’s pipe networks for the first time using drone surveys and borehole cameras and trained local technicians how to tackle leaks and improve water quality.

Vital sanitation and hygiene programmes to protect people’s health in marginalised communities and schools are now underway, and we have devised a new strategy to reach people in rural areas surrounding the town with their own long-term services.

Setting up a partnership of this complexity takes time and careful management, building relationships and understanding of each partner’s realities. But as the project is beginning to show, these efforts are a good investment. In the coming year we will conduct a learning assessment of our progress. From there, we will explore how we can expand the Beacon Project’s successes across Nepal and other countries.



WaterAid/Nyani Quarmyne/Panos

## The right tool for the job in healthcare facilities

In May, the World Health Organization (WHO) passed a ground-breaking resolution to improve water, sanitation and hygiene in healthcare facilities. By September, we had supported the Government of Zambia and other partners to organise a global commitment-making event in Lusaka.

We then worked with the Government to establish national standards, and develop a tool to assess the state of water, sanitation and hygiene in healthcare facilities. The tool is a guide for monitoring conditions and identifying areas for improvement, and has already been used in 6 out of 10 provinces.

## Enabling the environment for people with disabilities

In Madagascar we began a project to help 600 people living with disabilities in three regions - Bongolava, Analamanga and Alaotra Mangoro. The aim is to create an enabling environment so that people can benefit from clean water, decent toilets and good hygiene.

Despite several challenges that delayed the project’s start, and to ensure the quality and sustainability of the project’s outcomes, we ran training on equity and inclusion with our partner, PFPH, and the Ministry of Population, and launched a knowledge management study to reinforce PFPH’s capacity.

**Safer public toilets in Bangladesh** We secured sustainable funding to ensure public toilets are serving the community for many years to come. One in two people don’t have a decent toilet, so long-term funding for clean, safe public toilets is essential. These included city corporation managed toilets in Khulna and Sylet, NGO maintained toilets in Dhaka and Chittagong, and corporate subsidised toilets in Dhaka.

**Loans promote sanitation and hygiene in Rwanda** Over 7,000 households used micro loans to buy sanitation and hygiene products including toilet slabs, tippy-taps and soap after we advised the local government and the savings and credit cooperative to offer the loans for the first time. We then worked together to enable people on low incomes to take out the very low interest loans.

**Reaching marginalised groups** We supported two districts in Ethiopia, Gololecha and North Mecha, to use their resources more effectively. Together we reviewed their services, mapped available resources, calculated accurate costings and conducted stakeholder meetings. This enabled them to identify areas that had been overlooked and develop plans that reached marginalised groups.



WaterAid/Ernest Raim



WaterAid/Jannatul Mawa

● **Top left: “You know, a toilet means a lot for someone like me. I love reading and I loved school, but I had to drop out because of the lack of a toilet.” Irene in front of her toilet in Ambohimalaza Village, Alaotra Mangoro region, Madagascar – one of the areas we are helping people living with disabilities.**

● **Bottom left: Hiba and her mother use the public toilet at Azampur bus stop in Dhaka, Bangladesh. Decent public toilets are essential when half the population don’t have one of their own.**



# Influencing for good

## Our impact through 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 building other organisations' capacity.

**Eradicating undernutrition** We joined over 1,000 participants in November for the Scaling Up Nutrition (SUN) global meeting, hosted in Nepal. We ran a session together with our partner, SUN Movement, and collaborated with Action Against Hunger to conduct research in Madagascar, Cambodia and Ethiopia to reveal opportunities for integrating water, sanitation, hygiene and nutrition. Our research is essential in an area that has had limited studies – providing the practical steps governments and development partners can take to help eradicate undernutrition in these communities.

## A pivotal moment for sanitation and hygiene

We celebrated at the 72nd World Health Assembly in May, when the World Health Organization unanimously passed a resolution to improve water, sanitation and hygiene in healthcare facilities. We campaigned hard for the resolution and are now working just as hard to ensure states take swift action to implement their commitments. Member States must develop national roadmaps, set and monitor targets, increase investment in infrastructure and human resources and strengthen systems.

Right: Flags mark open defecation sites on a map as part of a 2016 discussion about water and sanitation in Khareltok, Kavre, Nepal. The country is now open defecation free – a fantastic achievement.



We saw significant breakthroughs during the year at global and national level thanks to our, and our partners', influencing work. The World Health Organization's resolution to improve water, sanitation and hygiene in healthcare facilities, and Nepal's declaration of becoming open defecation free, were huge steps forward and will positively benefit millions of lives.

Outcomes such as these are the result of years of diligent research, careful relationship-building, and bold opportunity-taking. Navigating fragile political contexts and competing demands for budget and time is never easy, but the potential impact of lifting large numbers of people out of poverty through clean water, decent toilets and good hygiene make the attempt worthwhile.

Behind the scenes we are constantly working to set national standards, improve standards, agree new budget lines, turn broad policies into specific action plans, integrate the objectives and practices of different ministries, and more. Most of it doesn't grab the headlines, but it all makes a difference to people's lives.

## Nepal now open defecation free

In September, all 77 districts of Nepal – with a population of over 28 million people – were declared open defecation free. Our work as committee members of the Open Defecation Free Working Group has focused on empowering marginalised communities to realise their human rights to water and sanitation, and holding governments to account for these critical services.

This transformative change proves that such an achievement is possible on a large scale and moves us closer to bringing clean water, decent toilets and good hygiene to everyone, everywhere.



Above: Women wash their hands as they arrive at Diaramana Health Centre, Segou region, Mali. The WHO decision to improve water, sanitation and hygiene in healthcare facilities, that we worked so hard to secure, will make a lasting difference to people's lives.



## Influencing for good (cont)



WaterAid/Basile Ouedraogo

- Left: Wendgoundi Sawadogo, manual emptier, emptying a toilet in Ouagadougou, Burkina Faso. He says: “People do not respect our work. But I don’t want to change job. What I want is for us to be helped with working equipment.”

## Shining a spotlight on the hidden world of sanitation workers

To mark the World Toilet Day 2019 theme of ‘Leaving no one behind’, we collaborated with the World Bank, International Labour Organization and the World Health Organization. We brought together research, stories and case studies to create the most extensive global report on sanitation workers to date.

Our research showed that very few countries in the developing world have the safety measures and guidelines in place to protect sanitation workers. These workers are often informal and are not protected by laws or labour rights. They are left to work in hazardous conditions with no protective equipment, risking both their health and lives to carry out this essential work.

Our aim was to highlight this hidden issue and give the sanitation workers a voice. We launched an interactive exhibition of stories – ‘Sanitation work: Look deeper’ – to give insight into the lives of some of the most marginalised and forgotten groups in society.

Our work gained worldwide media coverage and engagement across social media platforms – shining a spotlight on the plight of these workers and highlighting the need for change. We will continue to work closely with our partners, to close knowledge gaps and hold governments to account for the lack of policy and guidelines in place for these key workers.

WaterAid/Nyani Quarmyne/Panos



WaterAid/Chileshe Chanda

- Left: Feliciano Basilio, Principal of Chicoma Primary School in Mossuril District, Mozambique, is clear about the benefits of his school’s toilet block: “It has brought a lot of joy. It has brought a lot of motivation, increased enrolment and high performance.” We helped secure more sanitation funding from the Ministry of Finance, meaning more pupils and staff will gain similar benefits.
- Below left: Mary Khobiri, nurse and midwife, washes her hands at Mangamba Health Centre, Machinga, Malawi. We influenced three major policies during the year that will improve hygiene across the country.



WaterAid/Dennis Lubanga

**Setting standards in Malawi** Setting appropriate national and global standards is a huge step to securing improved water, sanitation and hygiene for large numbers of people. In Malawi, we worked tirelessly to successfully influence three new standards: the national Sanitation and Hygiene Policy (which before our intervention was called the Sanitation Policy, and included little on essential hygiene behaviour change); the national Infection Prevention and Control Guidelines; and for the Ministry of Health to support passing the World Health Assembly resolution on water, sanitation and hygiene in healthcare facilities during the World Health Organisation and UNICEF global meeting in Zambia.

## Increasing funding in Mozambique

All government ministries in Mozambique – including those for Public Works, Education and Health – can now request funding from the Ministry of Finance specifically for sanitation work. The creation of this dedicated budget line came after sustained influencing by ourselves and partners, and means vital work should go ahead more quickly.

Meanwhile, in the build-up to the country’s October general election, we wanted to ensure clean water, decent toilets and good hygiene featured strongly in party manifestos and budget allocations. So together with the Institute of Multiparty Democracy we ran a national televised debate with Government officials, opposition party and civil society representatives. After FRELIMO’s re-election, the party incorporated its manifesto commitment into a governmental five-year plan.

**Proving the case in Liberia** In Liberia, we are using a water, sanitation and hygiene intervention in ten healthcare facilities as a model for the Ministry of Health and others to adopt and take to scale. We trained 50 healthcare facility workers on infection prevention and control, reached 1,250 people on hygiene behaviour change initiatives, and constructed toilets that will serve 1,000 people.

**Super Landlord Awards in Uganda** We encouraged landlords in Kampala to provide decent toilets for their tenants by launching the Super Landlord Awards. With the Kampala Capital City Authority, we chose landlords from each community zone who met sanitation and hygiene standards. Many landlords who missed out on an award have since stepped up, better managing their facilities and constructing and refurbishing toilet blocks.



# Country focus – Pakistan

Right: Kausar Parveen in her rickshaw in Basti Allahu, Lahore, where we reached over 15,000 people with clean drinking water.



WaterAid/Sibtain Haider

## Transforming life in three cities

We launched a project with the support of PepsiCo US to bring transformational change to the urban communities of Lahore, Karachi and Islamabad. This three-year initiative will focus on delivering sustainable and clean drinking water to 40,000 people in targeted communities, healthcare facilities and schools.

We completed the first year of implementation in the district of Lahore, reaching 15,211 people with clean drinking water. In future we will establish community-level institutions and train service providers to ensure they properly operate and maintain the water supply facilities that the project establishes.

## Menstrual hygiene matters

We helped 215 girls manage their periods with the privacy and dignity they deserve, through the scale up of the menstrual hygiene management model in 25 schools across Islamabad. This involved training teachers from the schools on menstrual hygiene management. We also developed classroom menstrual hygiene management boxes to help girls manage their periods. Over one third of girls are reported to miss school every month during their period due to lack of water, menstrual products and inadequate toilets. With our help, fewer girls will have to miss school because of their period.

## Helping millions become open defecation free

In November, Muzaffargarh became the first district in Pakistan to be declared open defecation free. After the country's 2018 Clean Green Pakistan initiative, the local government accelerated action to bring safe sanitation to the district's population of 4.3 million people.

Together with partners AGAHE and the Public Health Engineering Department, we helped build 1,400 toilets in Muzaffargarh over a seven-year period.

Through our partnerships, we covered 644 out of a total of 728 villages in the district. We also provided water supply schemes, toilets and hygiene education in 266 schools, including constructing female friendly toilets in 60 schools. Further, we influenced communities to take the lead in building more toilets, and through this work another 80,000 were constructed.

The end of open defecation marks a positive change for people in Muzaffargarh and is the first step in Pakistan's journey to become an open defecation free country.

Our Chief Executive Tim Wainwright and Chair of Trustees Tim Clark celebrated this accomplishment on 27 November in Muzaffargarh, together with Zartaj Gul, Minister of State for Climate Change, Ali Shehzad, DCO Muzaffargarh, Najeeb Aslam, Deputy Secretary Local Government Punjab, and other dignitaries.



WaterAid/Sibtain Haider

Left: Girls stand in front of a toilet we installed at the Islamabad Model School for Girls. Our menstrual hygiene work also includes training teachers.

Below: Washing hands in Muzaffargarh, Pakistan's first district to be declared open defecation free. We helped build 1,400 toilets during the last seven years, as well as water supply schemes.



WaterAid/Sibtain Haider

**Our support leads to new governmental body** In Punjab, we helped facilitate the beginnings of the Punjab Abe Pak Authority – a new body that will help plan and deliver clean drinking water to 110 million people. We provided technical assistance to develop a business plan and a feasibility study to channel £36 million to improve the supply of clean drinking water. Our support led to establishing the new authority and for it to start improving life for people in Punjab and Sindh.

**Preventing water scarcity** We have been piloting a new water conservation initiative to prevent widespread water scarcity in Islamabad. The Groundwater Recharge Project has been developing a rainwater harvesting model that will help stop the over extraction of groundwater. When groundwater levels fall, it not only affects availability of drinking water, it also damages the environment and undermines ecosystems. Once complete, we hope to replicate this rainwater harvesting model across Islamabad – helping to protect groundwater resources and provide a clean, sustainable source of water for the capital city.



# Country focus – Nigeria

## Clean water for 6,000 people in Bauchi

Clean water is now a normal part of everyday life for almost 6,000 people in Bauchi state and more than 10,000 households have better sanitation. We reached around 15,000 people in Dewu and Kafin Iya primary healthcare centres, supporting local government authorities to build four toilet blocks (two female and two male), two incinerators and two placenta pits. Each healthcare centre now has a member of staff trained in waste management and can provide waste management services to neighbouring healthcare facilities.

To make an even bigger impact we worked with the Bauchi state Government. We helped review the state's water, sanitation and hygiene policy and established an action plan. We initiated the adoption of a standard toilet design for schools and healthcare facilities to help ensure good practice, and supported the creation of a hygiene behaviour change campaign (Clean Family) that has since been adopted by the national government.

Funded by HSBC, this was the final stage of a three-year project to strengthen water and hygiene delivery. In the first phase of the project in Bauchi, Benue and Plateau we reached over 220,000 people with clean water and nearly 400,000 people with sanitation facilities.

Left: Ngunenge, a farmer and mother of three, pours clean water from a handpump fitted over a borehole in Benue state. Over three years, we reached 220,000 people with clean water and nearly 400,000 people with sanitation facilities in Benue, Bauchi and Plateau thanks to our partnership with HSBC.

- Above left: Children collect clean water in Benue state from a community handpump fitted over a borehole.
- Above right: Maria washes her hands at Centre School Owo, Enugu state. She says: "I like coming to school to learn. When the toilets were not in this school I used to go to the bush. Now I don't miss my classes when I am on my period."

### From Coca-Cola to water

In May, we partnered with the Coca-Cola Foundation to secure £600,000 to provide sustainable clean water, sanitation and hygiene services to over 10,000 people in the south eastern state of Enugu.

The project will include a new water scheme in Nsukka; 5 boreholes with hand pumps in Enugu South; water schemes and the refurbishment of 11 boreholes with hand pumps in Uzo-Uwani and Ezeagu.

So far, we've trained 65 women in village savings and loans associations to use funds for sanitation improvements; trained 11 women to sell Water Easy Toilets; and identified 50 women and young people to learn borehole repair skills.

### Influencing the national action plan

We signed a Memorandum of Understanding with the Government in December that enables us to have a far greater influence on the various organisations, corporations and individuals working in the sector. As a strategic technical partner, we began working with the Government to develop a national action plan on water, sanitation and hygiene.

## Turning election promises into action

Launched in July, our four-year 'Keep Your Promises' campaign has had a huge impact. After calling on officials to honour pledges made during the 2019 general election, states have substantially increased their budgets for water, sanitation and hygiene. In Plateau for example, the budget increased by almost £24 million.

And that's not all. Bauchi state commissioned 700 new boreholes, refurbished 800 boreholes and provided 64 non-contact handwashing stations in healthcare centres. The State Governor also pledged to end open defecation.

Plateau state set up a State Water Council to ensure water, sanitation and health is effectively addressed and monitored. The number of staff trained in water, sanitation and hygiene increased in all 17 local government areas. Together with civil society organisations, we trained people to harness traditional media, social media and public meetings to engage state leaders and hold them to account. We also ran 'know your rights' training for marginalised groups.

**Boosting demand for Water Easy Toilets** Demand for Water Easy Toilets increased in Bauchi state after we trained toilet business owners and door-to-door toilet sellers to better market their services and products. Training focused on promoting the benefits of good sanitation and hygiene. Water Easy Toilets are an affordable and durable option for low-income households.



# Our amazing community

## Our second priority

Our second priority for 2019–20 was to finance our work by:

- Raising between £92–97 million, with a minimum of £33 million being restricted income.
- Spending between £92–97 million, with 74%–78% spent on charitable objectives and 22%–26% spent on raising funds for this and future years.

In this section we report on progress against this objective.

- **Top:** Penelope Smith at the Speaker Network event at St Edmund Campion school in Maidenhead, just one of 473 during the year. Thanks Speakers!
- **Middle:** In October, we proudly curated **Water Life**, an exhibition of 12 visionary photographs about life without water by acclaimed Ethiopian artist Aida Muluneh. The exhibition took place at London's Somerset House, with support from the H&M Foundation, attracting 17,500 visitors.
- **Bottom:** WaterAid volunteers ran a water refill kiosk at Glastonbury Festival, which raised over £400,000 for our vital work.



## Louder than ever!

Every Glastonbury, we bring a vision of clean water, decent toilets and good hygiene for everyone, everywhere. In 2019 we had our biggest presence ever, raising £409,000 and reaching an estimated 3 billion people through digital and broadcast media coverage.

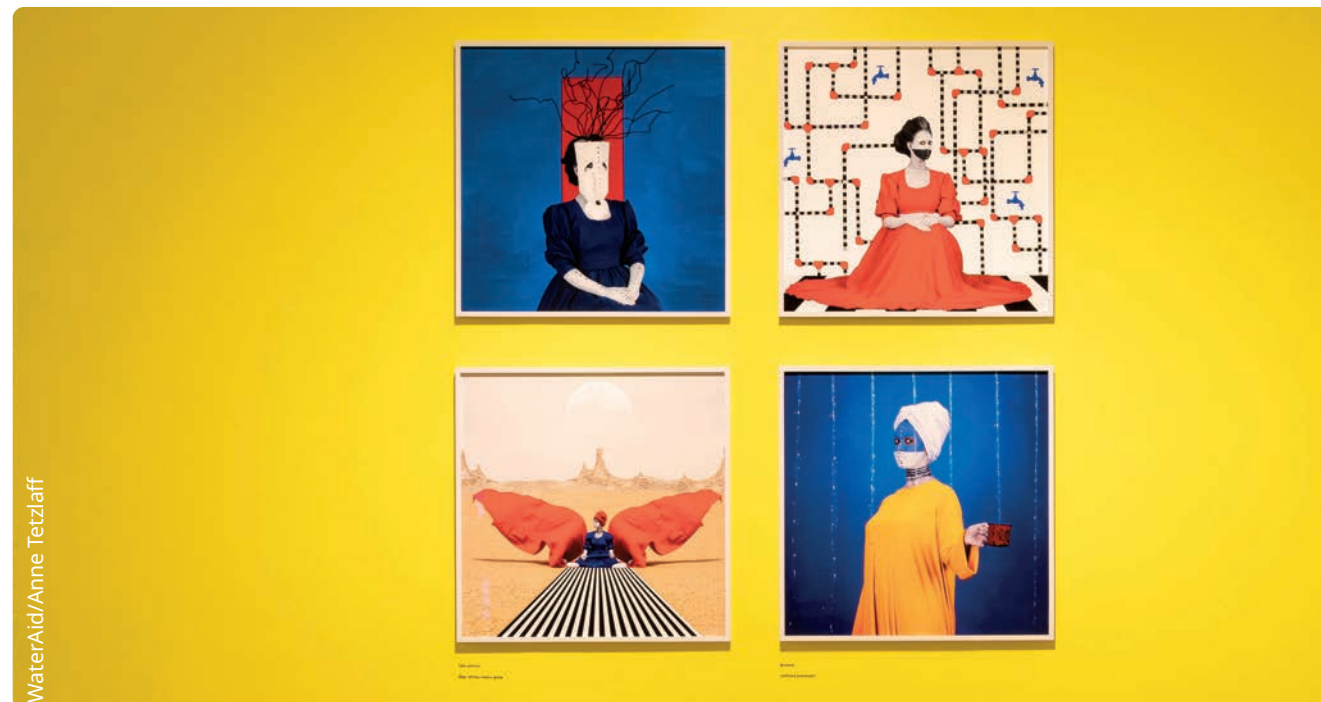
More than 620 volunteers joined us from all over the UK to fill the festival with powerful photography, Augmented Reality and installations (including our toilet gallery, The Louvre), bold t-shirts, placards and information stands.

Together we ran 37 free water kiosks, 20 bottle refill stations, and handed out free water from portable backpacks. We also provided our much-loved female urinals, private cubicles for people to manage their periods, and cleaned every one of the festival's 2,600 longdrop toilets.

To keep the festival free of single-use plastics, we sold our wildly popular sustainable water bottles. Anyone refilling at our kiosks could bag themselves limited edition badges designed for us by artists like Neneh Cherry, Ringo Starr, David Shrigley and The Cure.

And a bevy of celebrities turned out to support our cause, from The Killers to KT Tunstall, Maya Jama to Jeff Goldblum.

A huge thank you to Michael and Emily Eavis, the wider team at Glastonbury and, of course, every one of our amazing volunteers!



**Gifts in wills** A special thank you to all our supporters who have included a gift to us in their will. People like Sally Roberts, a beloved stepmum and aunt who believed that everyone, everywhere should have clean water.

Sally left a gift in her will in memory of her niece Clare Hyder, who became a water engineer after seeing the muddy water a community had to drink in Nigeria. Sally's legacy will now change lives for good with clean water.

## Move over January detox!

Our annual Just Water challenge takes it to the limit – drink only H2O for 30 days and raise funds to give others the clean water they deserve. During the year, 1,397 supporters put their teas, coffees and booze on hiatus to raise £42,694. This is just one of many supporter fundraising events that raised more than £4 million in total.

## Change starts by talking about it

Together we make a bigger difference – and we simply couldn't do it without our Speaker Network.

Last year, 122 Speakers delivered 260 talks and 213 workshops on our behalf, reaching more than 28,000 people across the UK.

The Speaker Network continues to grow each year, with 35 new Speakers and 10 Speaker Mentors trained in 2019. We are incredibly lucky to have so many people volunteering their time, energy and voices – thank you Speakers!

If you are interested in becoming a Speaker too, contact us at [speakers@wateraid.org](mailto:speakers@wateraid.org)





## Our amazing community (cont)

● **Right: People in Dacope, Khulna, in Bangladesh, suffer from saline water. Shila Bawali and Suchitra Biswas set up a committee run by women to supply the community with purified water generated by a reverse osmosis plant, at a cheap rate. Together with HSBC, we are supporting their efforts.**



WaterAid/HSBC/ Drik/Habibul Haque

● **29.6 million for tennis** Thanks to our partnership with Wimbledon Foundation, our campaign at The Championships in 2019 reached an incredible 29.6 million people in person and across media with a message of clean water for everyone, everywhere. Visitors to our stand in The Queue experienced photography from Ethiopia, took animated snaps in our special GIF photobooth and marvelled at a fountain made from tennis balls donated by Slazenger.

● **Belu hits £1 million target** Belu, our award-winning social enterprise partner, have donated every penny of their profits to us since 2011. In 2019, they hit their target of donating £1 million in a single year for a second year running, bringing their total raised to over £5 million. Our special thanks to Karen Lynch, Belu's outgoing CEO, for her incredible support over the years.



WaterAid/Brendan Foster

● **Right: Our Madagascar in the Frame Exhibition attracted over 5,000 people to Fujifilm House of Photography in London.**



WaterAid/Ernest Randriarimalala

## A worldwide partnership

2019 marked the end of the eight-year HSBC Water Programme, a truly global collaboration to change lives for good.

The project combined the expertise of HSBC, Earthwatch, WaterAid and WWF in a holistic approach to tackle the water crisis – from protecting natural sources and vital ecosystems, to helping communities claim their rights to clean water, decent toilets and good hygiene.

Through this collective effort, we brought clean water to 1.72 million people, decent toilets to 2.7 million and improved hygiene for 3.5 million across six focus countries.

The final phase of the project ran from 2017–2019. During this, we reached more than 250 health centres in India with clean water and hygiene facilities. And in Bangladesh, we developed community-led reverse osmosis plants for over 35,000 people to tackle local water scarcity.

In Nigeria, we trained more than 500 community members and duty bearers in human rights to clean water and decent toilets through education outreach and advocacy. In the Upper West Region of Ghana, where increasingly severe wet seasons threaten fresh water supplies, we created a solar-powered water system for 9,439 people.

New taps and toilets in nine schools across Nepal's Kavre district are improving attendance, health and education. And in Pakistan, 3,000 students learned good water, sanitation and hygiene behaviours, and more than 7,000 girls were empowered to manage their periods safely.

Thank you to HSBC and all our partners in this incredible programme – together we have made a bigger, lasting difference. Going forward we will continue to work with HSBC on water sustainability and the wellbeing of workers in the apparel sector across India and Bangladesh.

## Pictures of community

In January, we teamed up with our longstanding partner Fujifilm to host an exciting new exhibition, Madagascar in the Frame. Taking place at the newly launched Fujifilm House of Photography in Covent Garden, London, over 5,000 people attended during the month, and all sales of its accompanying photobook went to our clean water projects.

The photographs were taken by award-winning Fujifilm photographer Saraya Cortaville and Ernest Randriarimalala, our Voices from the Field Officer in Madagascar. Together, they travelled to the communities of Tsarafangitra and Manjakandriana and documented the lives of people living without clean water, toilets and hygiene. To give the collaboration a unique insight, they also taught children how to use Instax cameras to tell their own stories and show the world through their eyes.

Special thanks to Graham Leeson and Andy Ross at Fujifilm for making the project possible.



## Our amazing community (cont)

### What a year!

As our founding partners, the UK water industry remains at the heart of our cause. So we want to extend an extra special thanks for their continued support during what has been a particularly busy time for them.

2019–20 was the last year of the industry's most recent asset management period, a five-year cycle of negotiations and investments to replace and upgrade infrastructure across the UK's water and sanitation system. With companies preparing for a new cycle in April 2020, volunteer time was at a premium.

But despite this challenging time, the industry still committed itself to clean water, decent toilets and good hygiene for everyone, everywhere. Companies continued their work with local utilities in our country programmes, and others introduced new schemes. Severn Trent signed a new five-year partnership to support communities in Bangladesh at risk from climate change, and Welsh Water visited Uganda to discover how their technical support could make a difference.

In the UK, companies included our leaflets in water bills, raising over £400,000, and ran popular lotteries that are now entering their 35th year. More than 200 water sector and Environment Agency employees volunteered with our hard-working crews at Glastonbury Festival as part of our biggest presence ever. And four companies helped host a powerful exhibition by artist Victoria Villasana documenting people whose lives have been transformed by clean water.

In total, UK water companies raised more than £2.9 million last year for life-changing clean water, decent toilets and good hygiene. A huge thank you to all our water industry partners who inspire us every day.

Below: Emily Askins from Thames Water and Mussa Chimtsimbo from the Central Region Water Board, in Kasungu, Malawi, share their thoughts with colleagues. Thames Water staff raised an incredible £1.37m.



WaterAid/Malumbo Simwaka



WaterAid/Brendan Foster

Right: Aregashe Addis in the Debre Tabor Water Utility store, Ethiopia, one of many to benefit from Yorkshire Water's knowledge and investment. Aregashe says: "Everything has changed more than I can say. The utility has become more efficient as a result of the way we handle things around here."



WaterAid/Behailu Shiferaw

### Health, education and clean water

In September, Scottish Water's Head of Communication, Andrew Walker, visited southern Malawi to see how clean water will improve health and education for 141,000 women, adolescent girls and children.

Andrew wrote about his experiences visiting health centres and early childhood development centres in the districts of Machinga and Zomba for Scottish media. These centres operate with no running water on site, putting mothers, babies and staff at risk and affecting the education of young children.

Thanks to funding from the Scottish Government and matched donations from Scottish Water employees, this is about to change. We have since started new work across Machinga and Zomba to reach 4 health centres, 9 early childhood development centres, and 40 communities with clean water, decent toilets and good hygiene.

With Scottish support, we are transforming health and futures for thousands of people across southern Malawi.

**Two fantastic partnerships** Water Operator Partnerships twin utilities in the UK with utilities in other countries to exchange vital knowledge. Here are two fantastic examples.

Thames Water celebrated the final year of our Thames Loves Malawi partnership this year. Employees raised £1.37 million to reach more than 6,500 people with clean water and 24,000 with toilets in Kasungu and Mponela, while experts shared skills with the Central Region Water Board.

And in Ethiopia, Yorkshire Water's 20 Towns project partnered with our team and 20 local utilities. By last year, they had invested £1 million in new infrastructure, reaching 1.6 million people with sustainable clean water. We are now planning the project's second phase, expanding to over 40 towns.

**Scottish ball raises £88,000** Our team in Scotland work with Scottish Water and the Scottish Government to fund clean water, decent toilets and good hygiene across Malawi and Rwanda. In March, the WaterAid Scotland Ball updated guests on the fantastic changes their donations have been making and raised a further £88,000. A huge thank you to our partners in Scotland for their outstanding support.



## Our amazing community (cont)

Right: Hark! Last December saw our first ever Christmas Concert, a star-studded yuletide event for clean water. Helen Lederer, Rob Deering, Sheila Ferguson and Joan Hodges were joined by guests at London's beautiful St Mary Aldermary Church and raised £4,905 for our Winter Appeal.



WaterAid/Lis Parham

**New support helps three countries** We were thrilled to gain new support last year from a range of distinguished trusts and businesses. Allan and Nesta Ferguson Charitable Trust, Haverstock Charitable Trust and Stiftung Drittes Millennium each gave generous grants to provide clean water, decent toilets and good hygiene in Madagascar, Mali and Mozambique.

We would also like to thank His Serene Highness Albert II, Sovereign Prince of Monaco, who addressed delegates at our Water and Climate Summit. Highlighting the relationship between climate change and clean water is crucial in helping affected communities change their lives for good.



Above right: Bidders get stuck in at the 1920s Hollywood Glamour Gala.

Below: Players of People's Postcode Lottery supported community projects like Radio Ishingiro's hygiene plays in Rwanda.

### That's the ticket!

Gadzooks! In November 2019, we welcomed a very special set of guys and dolls to our 1920s Hollywood Glamour Gala and raised an incredible £60,179.

Taking place at London's beautiful Rosewood Hotel, the event was both a charitable auction and an immersive experience. 80 guests relived the spirit of the age in full costume while competing for fantastic prizes donated by 23 of our corporate partners and several of our Trustees.

Additional entertainment came from the fabulous Some Voices choir, before finishing on the dancefloor with jazz to shake a leg to!

For more than 60 of the attendees, this was their first time supporting our work, so we would like to extend our special thanks to them. Their generosity will help make clean water, decent toilets and good hygiene a normal part of daily life for the community of Manjakandriana in Madagascar.



WaterAid/Elena Heatherwick

## The power of people

Last year, players of People's Postcode Lottery continued to change lives for good by raising an astonishing £2.4 million.

More than three million players take part in the lottery each month across England, Wales and Scotland. Player support has been central to our work across sub-Saharan Africa since 2013, and together they have raised £12.6 million for us so far.

We use this wherever it is needed most, driving our work from Mali to Mozambique, Rwanda to Sierra Leone. These projects reach millions of people with life-changing clean water, decent toilets and good hygiene. Through players' support, we work side-by-side with communities to provide essential services that keep families healthy and help people unlock their potential.

But we make an even bigger difference globally, too. Players' support sparks chain reactions that lead to lasting change in how whole countries work, not just villages and communities. Because of them, we've been able to demand action and accountability from governments and businesses, link communities to decision-makers, and collaborate with other organisations.

Thank you to every player of People's Postcode Lottery. Your support makes clean water, decent toilets and good hygiene a normal part of everyday life for communities across sub-Saharan Africa and beyond. Together we will reach everyone, everywhere.



WaterAid/Brendan Foster

**Making great strides with the Waterloo Foundation** Huge thanks to the Waterloo Foundation, who helped us make great strides with our mission in 2019–20. Their longstanding unrestricted funding makes change happen – from reaching communities directly with water, toilets and hygiene, through strengthening government services, to assisting sector partners around the world. Without the Foundation, we simply could not reach as many people as we do each year.

**Change through Alchemy** We are delighted and grateful for the Alchemy Foundation's incredible support this year. Among generous commitments, they matched every £1 raised by the British Medical Journal Christmas appeal, raising £42,000 and reaching 24 million people through online media. They also doubled donations from philanthropists funding our work in Madagascar for the first time, introducing vital new supporters to our vision.



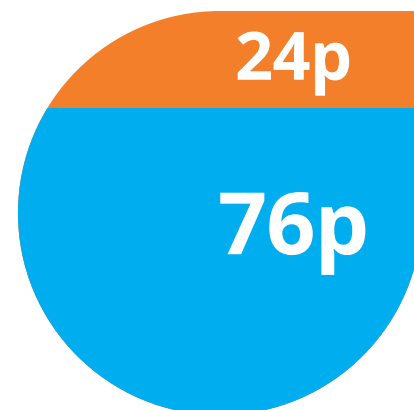
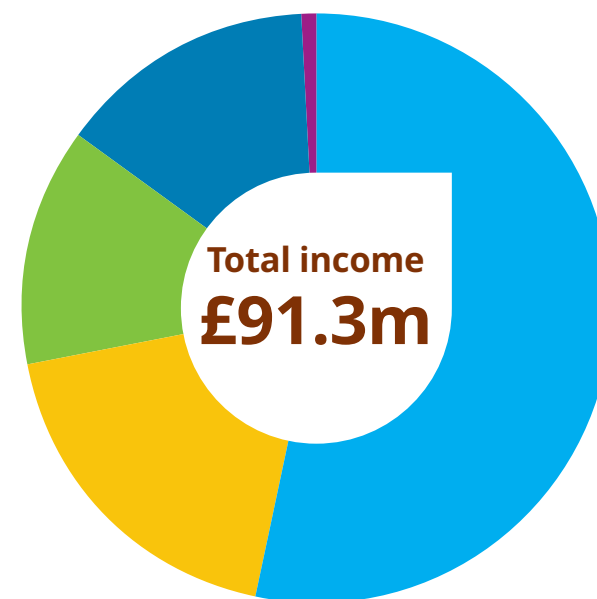
# Income and expenditure summary

## Income

Total income remained steady from the prior year, when income grew 10%. We had planned for growth again, especially from UK government and other European funding, but it proved difficult to reach the level of our ambition for 2019–20, much of this due to uncertainty over Brexit. However, this was a very successful year for income in other areas with continued year on year growth in unrestricted funding from the UK public. This included 2% growth of income from individuals, with the numbers of individuals giving regularly, rising from 355,979 to 359,595 and growth in legacy income by £1.2m, 15%.

We believe COVID-19 will lead to income significantly falling in 2020–21, with corporate, water industry and events income particularly hard hit. However the partnership we have with individuals throughout the UK is providing the resilient financial platform to deliver our mission, which is ever more relevant to tackle this pandemic.

- Individual supporters **£48.7m**
- Corporate and trust supporters **£17.1m**
- Other WaterAid member countries **£11.9m**
- Governments and other institutions **£12.9m**
- Other income **£0.7m**



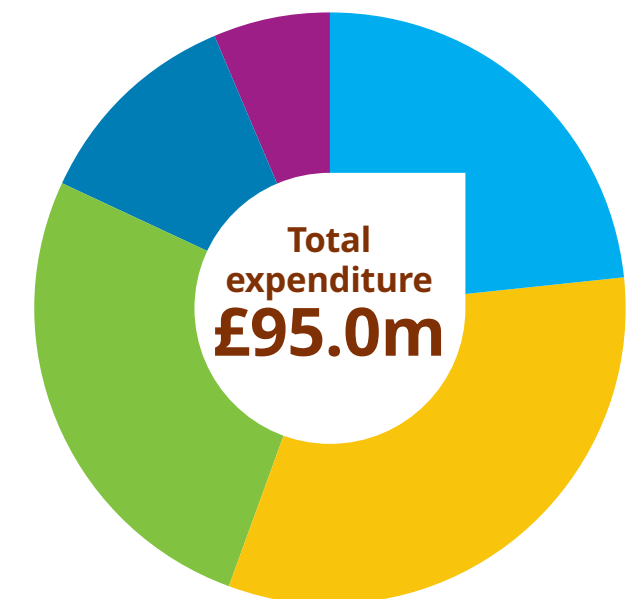
In every **£1** we spent, **76p** went on delivering services and making change happen and **24p** went on fundraising and governance.

## Expenditure

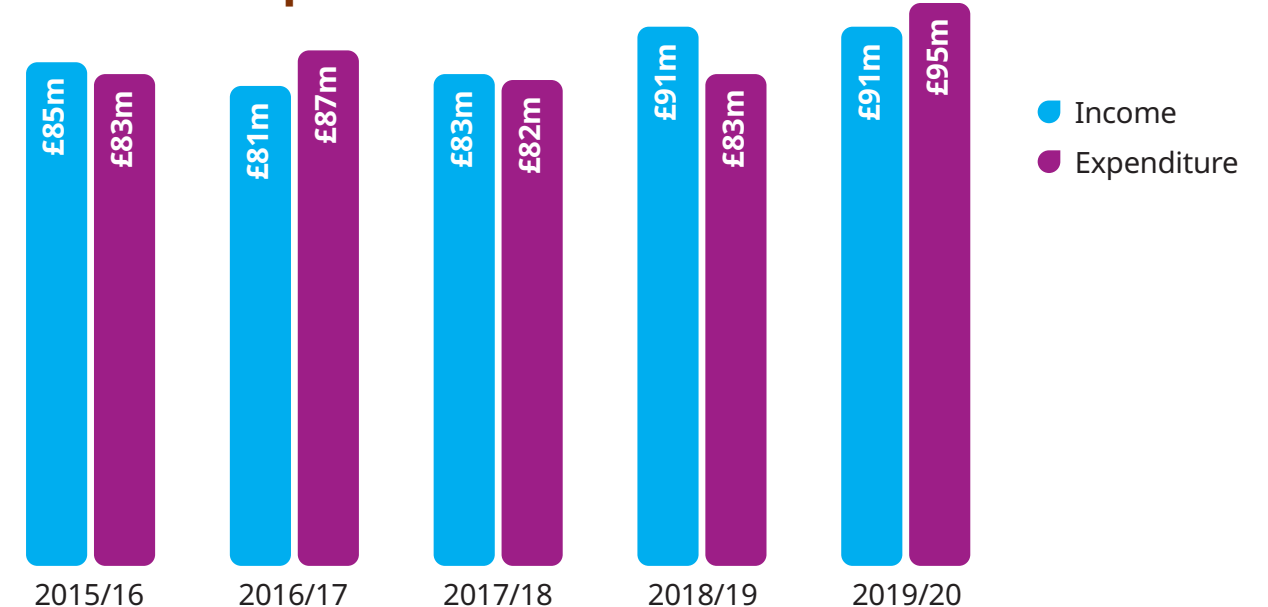
Total expenditure grew by over £12m, 15%, from the previous financial year. This growth was predominantly in our programme work as we began to deliver the programmes we had secured long-term funding for from institutional funders in the prior year, as signposted in that year's annual report.

Other key expenditure that accounts for the difference is related to moving our London office, the costs for which will bridge the two financial years 2019–20 and 2020–21. The costs of bringing the office into operation and the lease will, over the term of the lease, save us money compared to remaining in Vauxhall.

- Fundraising **23.4%**
- Supporting partners to deliver water, sanitation and hygiene **32.4%**
- Sector strengthening and capacity building **26.4%**
- Influencing policy in water, sanitation and hygiene **11.5%**
- Supporting WaterAid globally **6.3%**



## Income and expenditure 2015–2020







# Thank you



**So much of our work is only possible because of the passion and commitment of individuals and organisations who share our vision of clean water, decent toilets and good hygiene for everyone, everywhere.**

**We acknowledge some of them below – but whether listed here or not, our heartfelt thanks go to each and every one of you.**



- Affinity Water
- Allegra Foundation
- Amey
- Anglian Water Alliance partners
- Anglian Water Direct
- Anglian Water Services Ltd
- Aveda
- AXA XL
- Balfor Beatty Utility Solutions
- Barhale Construction Plc
- Belu Water Ltd
- BHP Billiton
- Black & Veatch Ltd
- Bournemouth Water
- Bristol Water Plc
- Cambridge Water
- Clancy Docwra
- Decanter
- Department for International Development
- Diageo
- Dŵr Cymru Welsh Water
- Environment Agency
- Essex and Suffolk Water

- European Commission
- Eversheds Sutherland LLP
- Faversham House
- Fujifilm
- Giorgio Armani Acqua for Life
- Grundfos
- H&M Foundation
- Nicholas Heung
- HSBC Holdings Plc
- Institute of Water
- Jersey Overseas Aid
- John Lewis Foundation
- Kier Group
- Kimberly Clark Corporation
- Liberty Specialty Markets
- Peter & Pamela McPhillips
- Medicor Foundation
- Morrison Utility Services
- Mott MacDonald Bentley
- Natural Resources Wales
- Northern Ireland Water
- Northumbrian Water Ltd
- Ocorian Corporate Trustees Limited
- Ofwat
- Players of People's Postcode Lottery
- Portsmouth Water
- Poul due Jensen Foundation
- Prince Albert II of Monaco Foundation
- Reckitt Benckiser
- Sally Roberts
- Pat & Bernard Rogers
- Scottish Government International Development Fund

- Scottish Water
- SES Water
- Severn Trent Water
- ShareGift
- Skanska
- Soaper Duper
- Sofidel
- South East Water
- South Staffs Water
- South West Water
- Southern Water
- Stantec
- Swarovski Foundation
- Sweco
- Swedish International Development Agency
- Thames Water
- The Alchemy Foundation
- The Foster Wood Foundation
- The Georg and Emily von Opel Foundation
- The Haverstock Charitable Trust
- The Shanley Charitable Trust
- The Water Report
- The Waterloo Foundation
- The Wimbledon Foundation
- The Zochonis Charitable Trust
- Tokio Marine Kiln
- R Twining and Company Limited
- Unicef
- United Utilities
- Water UK
- Wessex Water
- Jeanne Wilson
- Yorkshire Water





# Being our best

## Our third priority

Our third priority for 2019–20 was to deliver our work by:

- Ensuring we have the essential skills we need in place.
- Freeing individuals and teams to be their best, through empowering leadership and effective cross-organisational working.

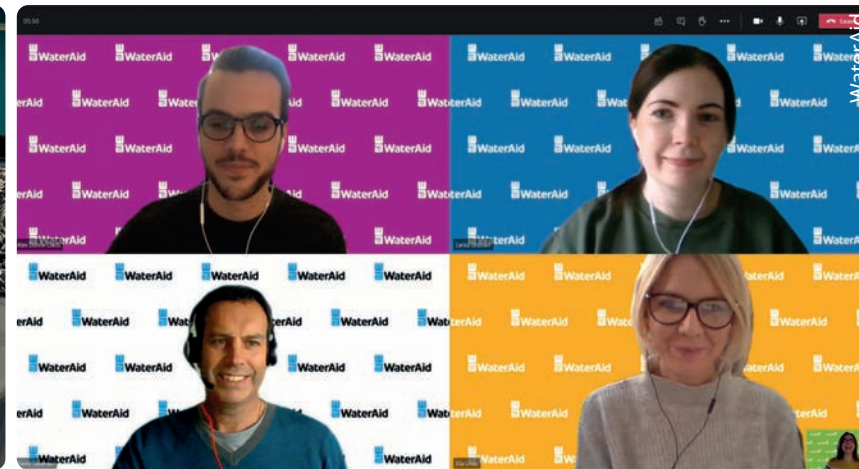
In this section we report on progress against this objective.

## Global leaders refresh our ambition

With ten years to reach everyone, everywhere with clean water, decent toilets and good hygiene by 2030, in October 2019 we brought together key leaders from across our federation, including all Country Directors and Chief Executives. Their goal at this rare event was to reflect on progress and challenges, refresh our ambition, and agree where to focus and best invest our resources to deliver our current strategy, which runs to 2022.

We stimulated thinking with guest speakers from The World Bank, The Economist, and Phnom Penh Water Utilities, reviewed major external trends, learnt by sharing our own experiences, defined areas to explore in coming years, and strengthened how we work as one global team.

We agreed actions on critical issues for the immediate and medium term, including the role of business in delivering clean water, decent toilets and good hygiene for everyone, everywhere, and the economic case for these three essentials. Our response to COVID-19 accelerated delivery of a number of agreements from the meeting such as devolving more power to our country teams, and fostering innovation.



### Clockwise from top left:

- Our global leaders met in person in October to agree where best to invest our resources to deliver our current strategy.
- By the end of March all staff were using our enhanced suite of digital tools. Thanks to the preparedness of our wonderful IT teams, the transition went smoothly.
- Drissa Traore (right), Programme Officer in our Mali team, collects borehole data in Bla. Political instability in several countries including Mali led us to implement additional security measures to protect staff, including reducing project visits.

## Specialist skills bring benefits

We are committed to benefiting from the best skills in the sector, and constantly review areas to strengthen. We identified a need for senior specialist skills in several countries, and filled new roles in Uganda, Rwanda and Tanzania, and existing vacant roles in Mozambique and Nigeria by the end of the year.

The new staff have already brought greater expertise to bear on key technical issues, enhanced our ability to influence other organisations, and reduced pressure on each country's management team.

**Mitigating security risks in West Africa** Staff in countries including Burkina Faso, Mali, Niger and Nigeria implemented a set of key actions during the year to improve their security. These included reviewing local security plans, developing scenario plans and undertaking specialised training. Political instability and the growing influence of armed opposition groups put these staff at greater risk of attack and kidnapping, and limited access to project areas.

**Digital tools empower staff** We ramped up our digital workplace programme to empower people with tools that foster cross-border working and enhance their ability to connect, collaborate, create and better share knowledge and best practice. Together these tools are helping us improve our agility, innovation and effectiveness.

We adopted Microsoft Teams and upgraded our global intranet site to SharePoint. We changed our IT infrastructure in several countries to SharePoint and OneDrive, not only to support collaboration and remote working, but also to better comply with data protection policies.

We supported these changes with a dedicated Office365 SharePoint training site and the 365 Superheroes group – 46 staff helping colleagues make the most of their new tools.



## Being our best (cont)

### Prioritising staff during COVID-19

As the pandemic took hold toward the end of the year, we quickly established our priorities for responding to it – with number one being the wellbeing and safety of all our staff.

At the end of January we launched a COVID-19 SharePoint site to monitor and share the early reports, with an eye on travel implications and staff safety in particular. At the start of March we put a global travel ban in place, set up crisis management teams in every country, and ran drop-in IT sessions to help staff set up working from home. We closed the UK office on 19 March. A week later the Directors' Team started regular webinars with Q&A sessions, to encourage two-way communication so that they could transparently explain leadership decisions and staff could express their concerns and ideas.

Throughout this initial period of rapid adjustment to far-reaching change, our staff demonstrated their can-do attitude, flexibility, creativity and desire to support each other – as well as the communities we exist for. We shared the belief that the work we do promoting the importance of good handwashing practices and hygiene behaviour was needed more than ever, and began to put in place the processes we needed to act on it.

**Accelerating to 2030** 87 members of staff took part in our global leadership development programme, Accelerate to 2030. The programme focuses leaders on confronting reality, thinking big and acting fast – the three traits identified as having the most impact on delivering our strategy. 99% rated the programme excellent, very good or good. Evaluations have shown more agile working happening within teams, increased self-confidence and positive changes in personal behaviour.

Below: UK staff celebrate two Best Workplaces awards. In our employee survey, 96% said they were proud to tell others they work here.



### Proud to work here

During the year we achieved fifth place in both the 2020 UK Best Workplaces large size category, and the 2020 UK Best Workplaces for Women, large organisations category. We were particularly proud to have been recognised in this, the world's largest study of workplace excellence and people management practices, as a centre of excellence in wellbeing.

This external recognition reflected UK staff feelings, as expressed in our employee survey. 234 staff (75%) responded, with 96% being proud to tell others they work for WaterAid, 92% thinking we do good quality work, and 91% saying this is a great place to work. In terms of wellbeing, 94% think we care about each other here, and 91% think they are encouraged to balance their work and personal lives.

We are delighted with these results, as being strong in these areas is vital in creating a highly engaged workplace and ultimately helping us to achieve our goals successfully.

Left: Just some of the 87 members of staff who took part in our Accelerate to 2030 course. 99% rated the programme excellent, very good or good.



Left: Our staff (from left) Herberta, Christian, Cristina and Leigh with partners Mariama and Francis at a community healthcare centre in Futa, Pujehun, Sierra Leone. This was just one of the venues we promoted safeguarding awareness.

**Keeping up momentum on safeguarding** Keeping Children Safe independently assessed our safeguarding measures against the Department for International Development's enhanced safeguarding due diligence standards, and found us to be satisfactory across all six standards.

To keep up momentum on this vital issue, our 'Safer WaterAid Week' raised awareness further, with global webinars, in-country training sessions and the launch of our Safeguarding@WaterAid global training module for all staff. And our Global Head of Safeguarding used visits to Nepal and Sierra Leone to explore how best to ensure safeguarding awareness among our many diverse partners, and with the communities we serve.

**Celebrating courage** Our annual week to celebrate and reinforce one of our values this year focused on courage.

Through a programme of global webinars we explored what courage means to us, delved into how we can create a courageous culture, and shared some of the courageous work being carried out across our federation. As an indication of staff involvement, our Courage Values Awards, in which staff are asked to nominate colleagues who demonstrate the value in action, received a whopping 65 nominees from 19 countries.



# Our priorities for 2020–21

1



WaterAid/Abir-Abdullah

## 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.

2



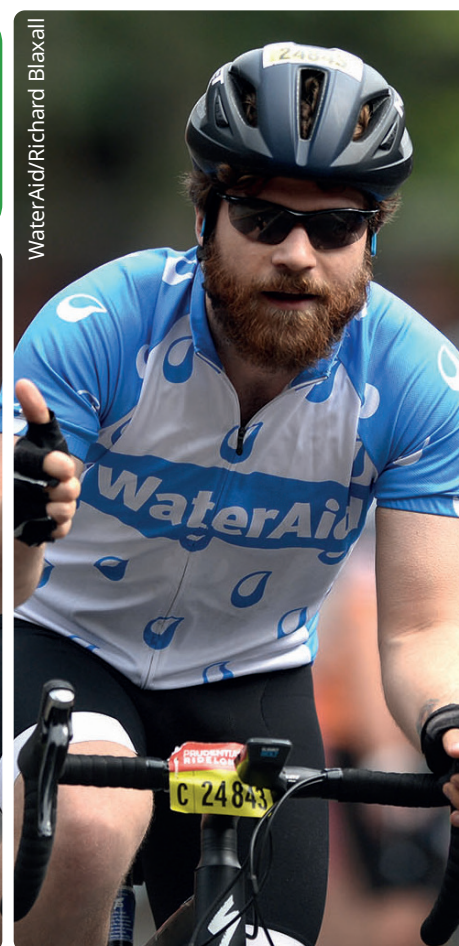
WaterAid/Ernest Randrianamalala

## 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.

3



WaterAid/Richard Blaxall

## 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.

4



WaterAid/Sam James

## 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.

### Clockwise from top left:

- Village women walk on cracked ground to collect pond water at Vitaranga, Khulna, Bangladesh.
- Our supporters and partners go to incredible lengths to support our work, including cycling the Ride London-Surrey 100. Thank you!
- UK staff, who we will support to be their best, alongside our teams in all UK-managed countries in the year ahead
- Helene Ravaosolo shares her joy at getting clean water with neighbours in Amberomena, Madagascar.



# Looking after our people

## Safeguarding

We are committed to being accountable and transparent regarding our safeguarding policies and approaches. We have zero tolerance for harassment, bullying or exploitation of any kind.

We expect all staff, volunteers, partners, consultants and those representing WaterAid to conduct themselves in a way that preserves the dignity and respect of every individual. All representatives of WaterAid are required to commit to our Global Code of Conduct, which sets out our high standards of expected conduct, and details what will happen if they 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 safeguard all individuals concerned. Where a member of staff 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 Head of Safeguarding received reports of 16 safeguarding cases from across our federation – of which, two cases met the criteria for reporting to the Charity Commission and have been concluded. The cases related to welfare concerns for vulnerable supporters, bullying and harassment among staff, general conduct of volunteers, and other breaches of our policies. We took disciplinary action including dismissal, against staff and volunteers found to be in breach of our Global Code of Conduct. We reported welfare concerns to the appropriate support resources and commissioned learning reviews. No cases reported to us during 2019–20 have involved children, partners or people in the communities where we work.

During the course of the year we introduced specialised training for our global network of Safeguarding Focal Points, who are located in every country that we work. We delivered safeguarding seminars for our Trustees and introduced new mandatory training for all

our staff across the world. We integrated safeguarding into our internal audits of country programmes and partners and developed a Global Safeguarding Standard to ensure effective and consistent safeguarding standards across the federation. We began working with over 400 local partners, government ministries, volunteer events and corporate partners to ensure high standards of safeguarding across all areas of our work.

In October, we were externally assessed by Keeping Children Safe as part of the Department for International Development's centralised assessment of NGOs. WaterAid successfully met all six of the enhanced safeguarding standards (safeguarding, HR and recruitment, whistleblowing, code of conduct, risk assessment, and governance and accountability).

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.

For more information on safeguarding at WaterAid, please see the relevant policies and procedures on our website.

## Remuneration

In setting pay we take our responsibility seriously 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 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. Due to the forecast impact of COVID-19 on our finances we were unable to approve pay award increases for 2020 for staff in almost all countries that we work in. An allowance was paid to staff in Zambia due to the very high inflation levels in the country. Pay awards were made in 2019.

The People Committee of the Board provide assurance that WaterAid's 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 2020, our mean (average) pay gap in the UK was 11.4% and our median (middle) pay gap was 10.9%. Our mean and median pay gaps have both reduced this year and remain significantly below the national average.

In the UK, our workforce is 65% women and 35% men, with slightly higher numbers of women than men in the most senior 25% of roles.

The pay gap arises from the distribution of our male employees across our roles, with a greater proportion of men employed in senior roles and fewer in junior roles, while women are employed evenly across all grades.

This pay gap is similar to other organisations in our sector, though we are actively looking for opportunities to close this gap. We achieved fifth place in the UK's Best Workplaces for Women 2020 (large organisations category), one of only 20 organisations reaching the criteria set by Great Place to Work. We have a rigorous job evaluation tool to ensure we provide equal pay for work of equal value. In the last year, we've improved options for flexible working and supported staff and managers to think about flexibility in different ways. We continue to review this to ensure we take an integrated approach, that all roles are attractive to women, and that we avoid any potential unconscious bias in recruitment or career development.

## Diversity and inclusion

We believe in the value of a diverse global team and promote diversity in all its forms. 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 WaterAid



# Looking after our people (cont)

being an organisation where everyone is welcome and included, and where diversity is celebrated. For example, we celebrate our values in our annual My WaterAid week and values awards. We include questions related to equity and inclusion, our values, working environment and reporting procedures in our biennial global employee engagement survey. We translate all our policies and procedures and internal communications into our four core languages: English, French, Portuguese and Spanish. Salaries of all staff are benchmarked to local markets in every country that we work and staff receive local benefits. We hire local staff in the countries that we work wherever possible.

As an organisation and as individuals we have been reflecting on how we can practice anti-racism and allyship. We commit as an organisation to continually listen, reflect, learn and take action to ensure we live our values and create an environment where all staff can thrive and be at their best.

As part of our long-term commitments we are creating a new role of Global Head of Diversity and Inclusion to develop our diversity and inclusion strategy. This will ensure that we continue to create an inclusive culture and working environment that promotes diversity and equality of opportunity for all. We will extend our diversity reporting to include ethnicity pay reporting and develop how we collect and report on this data over the coming year. We will deliver our anti-racism, power and diversity agenda under four aims: individual understanding, allyship and action; our people practices; power dynamics within WaterAid; our communications and how we portray ourselves and the communities that we work with.

## Brexit

All our staff play a critical role in delivering our ambitious global strategy. Our aim is to continue to recruit, develop and retain the right people with the right values, skills and behaviours to achieve our vision.

We have supported staff affected by Brexit in their applications to the EU settlement scheme for settled status and pre-settled status, to enable them to continue living and working in the UK after 31 December 2020.

We continue to monitor the situation for our staff and the impact on our future recruitment in the event of a deal or no deal.

## 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.

## Office move

After 15 years at Durham Street in Vauxhall, London, and following a detailed and thorough review of options, we decided to relocate our London office to 20 Canada Square, Canary Wharf.

The move will bring us long-term cost savings, allowing us to dedicate more resource to our vision, and helping us to create a globally connected and inspiring environment for our staff, volunteers and partners. We designed our new space to meet five key design principles of employee wellbeing, sustainability, flexibility, digital technology and global connection.

We began operating from our new office in Canary Wharf on 1 September 2020.

# 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.

- 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

### ● Brexit, global recession and/or scarcity of funds in the market.

Brexit created uncertainty in both UK and European markets, while global markets were also sensitive to its implications. As a result, we broadened our income from across the federation and made developing new and innovative unrestricted income sources in the UK a focus investment area. In the first three quarters we increased our USD, EU and other currency holdings to mitigate the risk of further falls in GBP before our busiest time in the final quarter.

### ● Reputation of the charity sector.

Changes in the UK public's perception of charities have led to a decline in trust and engagement, and ultimately funding. We continued to prioritise culture, values and governance – putting supporters first and prioritising engagement over transactions. We built on the existing high levels of trust in us by evolving our engagement strategy and in the way we present the water, sanitation and hygiene challenge, and how we work with people to address this. We championed change within the sector through active involvement in the international development coalition, Bond.

### ● Constrained political environments.

Many of our country programmes operated in constrained political environments. Some countries, such as Pakistan, removed some



# Managing risk (cont)

INGOs' licence to operate, while others had heightened tensions as a result of elections. Thankfully, the Pakistan situation eased and we secured the necessary licence, while elsewhere our advocacy remained agile to avoid perceptions of party partisanship.

## ● **Staff security, including potential terrorist attack.**

We remain vigilant about staff security and built capacity, updated our global policies and strengthened crisis management preparedness during the year.

## ● **Leadership.**

Risks included ensuring key roles were filled in a timely way, and not maximising the benefit of our investment in leadership and management development. Feedback for our leadership programme was very positive and we started to track its longer term impact on making the organisational shifts we seek – thinking big, acting fast and confronting reality. We reviewed the effectiveness of our reward packages and increasingly moved people internally and developed succession plans.

## ● **Programme quality.**

We monitored and responded to capacity gaps in thematic expertise, ensured programme quality is as high as it should be, and minimised the gap that can arise between policy and programme. We mitigated these concerns by investing in technical experts and training, appointing a Head of Water, Sanitation and Hygiene, and taking special measures in underperforming countries.

## ● **Safeguarding.**

We rolled out our safeguarding policies with the knowledge that we may find more issues which need to be addressed. Almost all staff signed the Global Code of Conduct (the exceptions being staff on maternity leave or in other special circumstances). We strengthened policies and practices that support a strong safeguarding culture and encouraged reporting. We scored highly in the DFID audit, with the main weakness

being around partner safeguarding capacity. This is now our focus, along with instigating pre-employment checks.

## ● **UK property.**

With our lease in Durham Street, Vauxhall, ending in October 2020, we concluded our property review by agreeing a new lease in Canada Square, Canary Wharf. Although the response from staff was positive, there are a range of risks associated with the move, including the potential loss of some staff should travel times increase substantially. To minimise this we ramped up communications around travel and helped staff to explore flexible working options.

## ● **Overheating.**

This risk describes the pace of growth outstripping capacity. It is partially recognised in the risk associated with programme quality, but is broader. To minimise it we prioritised recruitment of six Country Directors, invested in senior specialists with strong political engagement skills in identified countries, and appointed four roving roles to set up complex new programmes and bridge the gap before permanent staff are recruited when key staff move on.

## 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 to twelve 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 too, including promoting the benefits of water, sanitation and hygiene for better public health.

#### ● **Global recession.**

COVID-19 has increased this pre-existing risk. It particularly impacts on us, for example, if there is a significant fall in the value of the pound, and we take measures to try and mitigate that. We are still unsure what impact Brexit and the merger of DFID and the FCO will have on the sector.

#### ● **Political instability / terrorism.**

We still see political instability in countries where we work and terrorism is an ever present threat to which we must be alert. We have rigorous policies and procedures, and a range of training, to support our staff to remain vigilant on their safety and security.

#### ● **Cyber security.**

Cyber risks are constantly evolving and changing. We take the security of our data seriously and have good measures in place, but this remains a significant challenge. We have seen a huge increase, for example, in phishing, malware and ransomware attempts and this will be one of our top challenges going forwards.

#### ● **Regulatory environment and scrutiny of charities.**

There is an increased focus from government, regulators, the media and the public, on how charities act and deliver their objectives, with particular scrutiny on foreign aid. We are committed to meeting all regulatory requirements and we have invested in areas of data protection and fundraising compliance in response to these increased risks.

#### ● **Fundraising.**

This is a challenging time for raising both restricted and unrestricted income. The fundraising environment changes at pace, with COVID-19 affecting the economic situation for more and more donors (individuals, institutions and companies). We continue to strengthen our analysis and insight capabilities to track performance and identify triggers so we can make necessary proactive changes with agility.

## Internal risks

### ● **Safeguarding.**

We have invested in our safeguarding function as this continues to be an area of high risk. We recognise that as we improve our approaches, our training and our reporting systems, we will hear of more incidents. We have increased resources in this area to enable us to meet our aim of 'do no harm'.

## 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 telephone fundraising at [wateraid.org/uk/telephone-fundraising](https://www.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



## Managing risk (cont)

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 agreement to ensure the security and fair processing of personal data in accordance with the GDPR. When considering a new partner who would process personal data we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the 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 2019–20, we made 4,094,887 contacts using email, mail, telephone and SMS.

We received 440 complaints, 0.01% 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. 82% of our complaints were regarding our fundraising, and of these the key causes were direct mail (74%), television advertising (7%) and online activity (4%). Two complaints were investigated by the Fundraising Regulator and in both cases they cleared WaterAid of any breaches and confirmed us as being fully compliant with the Code of Fundraising Practice ([fundraisingregulator.org.uk/complaints/investigations](https://fundraisingregulator.org.uk/complaints/investigations)).

## General Data Protection Regulation (GDPR)

The GDPR sets out the responsibilities all organisations have in relation to the personal data they process and are designed to enhance the rights of individuals in controlling their own personal data.

We have implemented the principles of the GDPR and have embedded good practice across the organisation in the two years since the legislation came in. We are always looking to maintain our high standards, and continually strive to improve processes.

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.

## 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 2019–20, the target range was £13–19 million. The operational reserve at the end of March 2020 was within this range, at £14 million.

The excellent work of our fundraising teams and the breadth of the tremendous support we receive ensures we have a great diversity of income streams, and restricted funding forms part of that income.

In light of COVID-19, Trustees reviewed our operational reserves level and considered it to be appropriate to mitigate future financial risks. We will continue to review it regularly.

Total funds at 31 March 2020 were £32.3 million of which £14.8 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.

- 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.

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 (cont)

### 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.

Due to continuing very low interest rates and lower cash balances than previous years, investment income was just £183,000 in 2019–20; we expect low rates of return on cash balances to continue in 2020–21.

### 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 has 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 much demand triggered by the COVID-19 crisis for the work WaterAid is doing, and this is expected to sustain and grow income in future.

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.

- We expect many of the fundraising activities hit hardest by COVID-19 to recover from mid 2021 onwards. We have relatively low dependency on this type of fundraising and have contingency plans in case the recovery does not occur.
- 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 are, and plan to be, within our target level of operational reserves. These are sufficient to weather financial shocks and to fund new opportunities.
- 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. Examples of how we have done this in early 2020–21 are:
  - no pay award increases throughout WaterAid UK managed operations for 2020–21
  - no international travel and reduced local travel
  - 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 Board of Trustees are confident the right processes are in place to

monitor the financial position of WaterAid 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>iii</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 2020, 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 is now meeting all the criteria for not requiring their accounts to be consolidated into WaterAid UK's accounts.

### Trading company

WaterAid Trading Ltd made a net profit of £1.4 million on a gross turnover of £1.6 million. This trading company is wholly owned by WaterAid, sells goods and operates the sub-licensing agreements that WaterAid enters into.



# How we operate (cont)

## 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 2020, 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 248,755 kWh and the amount of carbon dioxide we emitted was 63,300 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 188.39 kg CO<sub>2</sub> / staff member (63,300 kg CO<sub>2</sub> / 336 staff). This is our first SECR report so we are not able to compare to previous years.

Due to our planned office move (see page 46) we did not undertake any additional energy efficient measures at Durham Street. However, at our new office in Canada Square such measures include LED lighting, sensor lighting

throughout, A grade or above energy efficient appliances, control of our air con system so we can closely manage output, and energy efficient IT.

## WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. WaterAid has a conflicts of interest policy and procedure, and a register of interests is held by the Company Secretary. Trustees and senior management are expected to sign a declaration when they join and update this annually. WaterAid is committed to the highest standards of governance and seeks to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, WaterAid meets all core areas of key compliance of the Charity Governance Code and was ranked amongst the top rated of those reviewed by the audit firm RSM on charities' application of the Governance Code. Recent changes include making access to internal policies such as the Global Code of Conduct easier and promoting diversity in the recent selection process to appoint new Trustees.

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 2019, new Trustees Alyson Clark, Harpinder Collacott, Guido Schmidt-Traub and Hilary Wild were elected to the Board after an open selection process.

Anna Segall and Peter Newman stood down from the Board at the same meeting. Each has

made a significant contribution to the Board of Trustees and their service is noted with great thanks and much 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 58, 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. We use research and insight to ensure our decisions are as well-informed as possible, and we actively review ongoing and potential new risks and



# How we operate (cont)

their mitigation plans. An example of how the Board of Trustees were particularly engaged in this was the decision to hold the WASH and Climate Conference. This was a larger scale event than any we had planned or delivered before. It was a higher risk, higher reward event, bringing together senior individuals from across governments, companies and philanthropy to commit to a step change in how to tackle this issue. The Board of Trustees were more closely involved in the planning and delivery of the event, with heightened risk management sessions needed, especially as COVID-19 emerged. The event was highly successful, in no small part to this heightened engagement of the Board.

● **The interests of the company's employees:** See pages 38-41 and 44-45 for detail on how we look after and reward our staff. A primary part of our response to COVID-19 was to focus on staff welfare at a time of heightened anxiety around health and financial security. 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.

● **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).

● **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 (p54).

● **The desirability of the company maintaining a reputation for high standards of business conduct:**

We are the world's leading non-governmental organisation in the water, sanitation and hygiene sector, and we purposefully create and deliver all of our work in partnership with others. Our reputation for high standards of business conduct is therefore vital to ensure we can maintain our position and approach, and it is driven by our core values of respect, collaboration, accountability, innovation, courage and integrity. The Board of Trustees has paid particular attention to the embedding of our improved Safeguarding policies and processes, with the Head of Safeguarding reporting directly to the Board and the Trustee tasked with being lead for safeguarding. This has contributed to the good feedback received from the Department for International Development's assessment of our safeguarding approach.

● **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.

So far as each of the Trustees at the time this report is approved are aware:

- there is no relevant audit information of which the auditors are unaware and,

- they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 2 December 2020. Signed on its behalf on 18 December 2020 by:



**Andy Green**  
Chair of the Board of Trustees  
(from 09 October 2020)



# 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>vii</sup>

Manuel Alvarinho

Alyson Clark  
(joined October 2019)

Tim Clark<sup>v, vi, vii</sup>  
Chair of the Board of Trustees  
(retired October 2020)

Harpinder Collacott  
(joined October 2019)

Andy Green<sup>v, vi, vii</sup>  
Chair of the Board of Trustees  
(joined October 2020)

Heidi Mottram OBE<sup>vi</sup>

Peter Newman<sup>iv, vi, vii</sup>  
Treasurer (retired October 2019)

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

Guido Schmidt-Traub (joined October 2019)

Anna Segall<sup>iv</sup> (retired October 2019)

Myriam Sidibe

Peter Simpson<sup>iv</sup>

Heather Skilling<sup>iv</sup>

Matthew Tweedie<sup>iv, v</sup>  
Treasurer

Hilary Wild, Chair of Audit Committee<sup>iv</sup>  
(joined October 2019)

## Chief Executive and Company Secretary

Tim Wainwright

## Directors team

Sol Oyuela,  
Director of Policy and Campaigns

Olga Ghazaryan,  
Director of International Programmes

Paula Laird,  
Director of Finance and Information Technology

Marcus Missen,  
Director of Communications and Fundraising

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  
(moved 1 September 2020)

# Independent auditors' report to the members of WaterAid

## Opinion

We have audited the financial statements of WaterAid ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## 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 2020 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.

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

## Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: Ten years to reach everyone, Annual report welcome; Our early response to COVID-19 and the Strategic report. The Trustees are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider



# Independent auditors' report to the members of WaterAid

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

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.

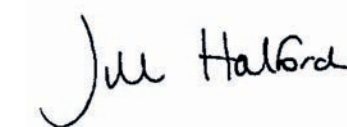
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located 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.

Signed on 21 December 2020 by:



## Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP,  
Statutory Auditor  
London  
UK

21 December 2020

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 2020

	Note	Unrestricted £000	Restricted £000	2020 Total £000	2019 Total £000
<b>Income from:</b>					
<i>Donations and legacies</i>					
Donations	3	49,933	5,555	<b>55,488</b>	53,375
Grants of a general nature	3	2,778	-	<b>2,778</b>	2,855
Gifts in kind	3	531	-	<b>531</b>	419
<i>Charitable activities</i>					
Grant funding for specific activities	5	-	27,766	<b>27,766</b>	28,030
<i>Other trading activities</i>	4	4,125	390	<b>4,515</b>	6,647
<i>Investment income</i>		183	-	<b>183</b>	67
<b>Total income</b>		<b>57,550</b>	<b>33,711</b>	<b>91,261</b>	<b>91,393</b>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Expenditure on raising grants, donations and legacies	6	21,606	517	<b>22,123</b>	21,187
Expenditure on other trading activities	6	85	-	<b>85</b>	101
<i>Charitable activities</i>					
Supporting partners to deliver water, sanitation and hygiene	6	10,837	19,995	<b>30,832</b>	23,557
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	13,452	11,645	<b>25,097</b>	22,342
Influencing policy in water, sanitation and hygiene	6	9,805	1,102	<b>10,907</b>	9,932
Supporting WaterAid globally	6	4,906	1,097	<b>6,003</b>	5,443
<b>Total expenditure</b>		<b>60,691</b>	<b>34,356</b>	<b>95,047</b>	<b>82,562</b>
Net (expenditure)/income		(3,141)	(645)	<b>(3,786)</b>	8,831

### RECONCILIATION OF FUNDS

<b>Net movement in funds or net income for the year</b>	24	(3,141)	(645)	<b>(3,786)</b>	8,831
Funds brought forward at 1 April	19	20,668	15,420	<b>36,088</b>	27,257
<b>Total funds carried forward at 31 March</b>	19	<b>17,527</b>	<b>14,775</b>	<b>32,302</b>	<b>36,088</b>

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 £89.7m (2019: gross income: £89.5m). WaterAid's net deficit for the year was £3.8m (2019: net surplus: £8.8m).

## Consolidated and charity balance sheets

At 31 March 2020  
Company number: 1787329

	Note	The group		The charity	
		2020 £000	2019 £000	2020 £000	2019 £000
<b>Fixed assets</b>					
Intangible assets	10	<b>446</b>	1,113	<b>446</b>	1,113
Tangible assets	10	<b>1,451</b>	863	<b>1,451</b>	863
<b>Total fixed assets</b>		<b>1,897</b>	1,976	<b>1,897</b>	1,976
<b>Current assets</b>					
Debtors	11	<b>11,782</b>	8,966	<b>13,214</b>	9,758
Cash at bank and in hand	15	<b>27,267</b>	31,738	<b>25,826</b>	30,801
<b>Total current assets</b>		<b>39,049</b>	40,704	<b>39,040</b>	40,559
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	<b>(7,620)</b>	(5,762)	<b>(7,611)</b>	(5,617)
Provision for liabilities and charges	17	<b>(1,024)</b>	(830)	<b>(1,024)</b>	(830)
		<b>(8,644)</b>	(6,592)	<b>(8,635)</b>	(6,447)
<b>Net current assets</b>		<b>30,405</b>	34,112	<b>30,405</b>	34,112
<b>Net assets</b>		<b>32,302</b>	36,088	<b>32,302</b>	36,088
<b>The funds of the charity</b>					
<b>Unrestricted income funds</b>					
Designated funds	19	<b>3,563</b>	4,935	<b>3,563</b>	4,935
General income funds	19	<b>13,964</b>	15,733	<b>13,964</b>	15,733
<b>Total unrestricted income funds</b>		<b>17,527</b>	20,668	<b>17,527</b>	20,668
<b>Restricted income funds</b>	19	<b>14,775</b>	15,420	<b>14,775</b>	15,420
<b>Total charity funds</b>		<b>32,302</b>	36,088	<b>32,302</b>	36,088

The financial statements on pages 62 to 83 were approved by the Board of Trustees on 2 December 2020 and signed on its behalf on 18 December 2020 by:



Andy Green, Chair  
(from 09 October 2020)



Matthew Tweedie, Treasurer



## Consolidated cash flow statement

### For the year ended 31 March 2020

	2020 £000	2019 £000
Net (expenditure)/income for the year	(3,786)	8,831
Interest receivable	(183)	(67)
Amortisation and depreciation of fixed assets	1,147	1,936
Gain on disposal of fixed assets	(54)	(54)
Movement in debtors	(2,816)	(502)
Movement in creditors	1,858	130
Movement in provisions	194	(312)
<b>Cash used in/generated from operating activities</b>	<b>(3,640)</b>	<b>9,962</b>
Bank interest received	183	67
Payments to acquire fixed assets	(1,068)	(1,036)
Proceeds from sales of fixed assets	54	54
<b>Cash flows expended in investing activities</b>	<b>(831)</b>	<b>(915)</b>
<b>(Decrease)/increase in cash in the year</b>	<b>(4,471)</b>	<b>9,047</b>
<b>Analysis of cash as shown in the balance sheet</b>	<b>2020 £000</b>	<b>2019 £000</b>
Balance at beginning of the year	31,738	22,691
Net cash (outflow)/inflow	(4,471)	9,047
<b>Balance at the end of the year</b>	<b>27,267</b>	<b>31,738</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>2020 £000</b>	<b>2019 £000</b>
UK	23,383	18,282
Overseas	3,884	13,456
<b>Balance at 31 March</b>	<b>27,267</b>	<b>31,738</b>

## Notes to the financial statements

### For the year ended 31 March 2020

#### 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: 1787329) and is a registered charity in England, Wales and Scotland. WaterAid's registered office and operational address was until 31 August 2020: WaterAid 47-49 Durham Street, London SE11 5JD. New premises have been leased at 20 Canada Square, London E14 5NN which will be the operational address for most of the 2020–21 financial year onwards for 10 years.

##### 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, including WaterAid Trading Limited, which is registered in England. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited have been prepared on a line by line basis. Consolidation does not include WaterAid international or other WaterAid members.

Two new companies were incorporated on 10 March and were dormant for the whole of the 2019–20 financial year. These were WaterAid (WASH and Health) Limited whose object is to raise funds for the promotion of access to clean water, decent toilets and good hygiene for the benefit of the public to prevent disease, tackle undernutrition, and deliver quality health services that keep people well and unlock their potential; and WaterAid (WASH and Climate Change) Limited whose object is to raise funds for the promotion of the building of resilient water, sanitation and hygiene services and strong systems for the benefit of the public to adapt to the effects of climate change. Further details can be found in note 13.

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, WaterAid Trading Limited.

##### 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.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within

● **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 supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income for charitable activities.

● **Donations and legacies** Individual donations are recognised in the period in which they are received with the exception of legacy income which is recognised when the charity's entitlement is adjudged to be probable and where the amount can be reliably measured.



# Notes to the financial statements

## For the year ended 31 March 2020 (continued)

### 1. Accounting policies (continued)

- **Restricted income** Income received that has specific restrictions placed upon its use is credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.
- **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.
- **In memoria** Donations received in line with persons' wishes are recognised on a cash receipt basis.
- **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 cannot be 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, being supporting partners to deliver clean water, sanitation and hygiene, sector strengthening and capacity building to deliver water, sanitation and hygiene, influencing policy in 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 may be for longer than one year but funding contracts are typically for a year's duration.

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

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. 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. 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.

### 1. Accounting policies (continued)

#### i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the charity SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 26).

#### j) Investments

The investment in the 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. The gain or loss for the period is reflected in the SOFA.

#### 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 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 from individuals, much of which is regular donations. There has been additional investment in this income stream in 2020-21 with an expectation the year will end with a higher number of supporters than planned. Coupled with expected continued high levels of engagement and retention the accounting estimates for low risk of significant changes to the income are robust. Significant additional funds have been raised for work sensitive to COVID-19. This work will continue into 2021-22 and it is a reasonable estimate in the forecasting that there will be continued opportunities arising from the COVID-19 crisis to raise increased restricted funding from governments, corporates etc. for water, sanitation and hygiene. There will be a gradual return of events fundraising in 2021 as restrictions lessen on gatherings of people. The estimates included in the plans for 2021-22 are prudent, expecting any growth to be in the latter half of that financial year. Material estimates in costs include the expectation of limited international travel in future. This is not only an expectation because of COVID-19 restrictions but a planned change to reduce environmental damage by this type of travel. The estimates on cashflow projections are based upon a long historical trend, and there is no expectation that the pattern of cashflow will change as the pattern of income and expenditure receipts and payments is not expected to change. The Trustees therefore believe there are no material uncertainties that would cast doubt on the going concern of the charity. Consequently the accounts have been prepared on a going concern basis.



# Notes to the financial statements

## For the year ended 31 March 2020 (continued)

### 2. Prior year consolidated statement of financial activities

	Unrestricted £000	Restricted £000	2019 Total £000
<b>Income from:</b>			
<i>Donations and legacies</i>			
Donations	47,414	5,961	<b>53,375</b>
Grants of a general nature	2,855	-	<b>2,855</b>
Gifts in kind	419	-	<b>419</b>
<i>Charitable activities</i>			
Grant funding for specific activities	-	28,030	<b>28,030</b>
<i>Other trading activities</i>	6,194	453	<b>6,647</b>
<i>Investment income</i>	62	5	<b>67</b>
<b>Total income</b>	<b>56,944</b>	<b>34,449</b>	<b>91,393</b>
<b>Expenditure on:</b>			
<i>Raising funds</i>			
Expenditure on raising grants, donations and legacies	20,622	565	<b>21,187</b>
Expenditure on other trading activities	101	-	<b>101</b>
<i>Charitable activities</i>			
Supporting partners to deliver water, sanitation and hygiene	8,455	15,102	<b>23,557</b>
Sector strengthening and capacity building to deliver water, sanitation and hygiene	12,100	10,242	<b>22,342</b>
Influencing policy in water, sanitation and hygiene	8,558	1,374	<b>9,932</b>
Supporting WaterAid globally	4,386	1,057	<b>5,443</b>
<b>Total expenditure</b>	<b>54,222</b>	<b>28,340</b>	<b>82,562</b>
Net income	2,722	6,109	<b>8,831</b>
Transfers	-	-	-
<b>Net movement in funds</b>	<b>2,722</b>	<b>6,109</b>	<b>8,831</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 April	17,946	9,311	<b>27,257</b>
<b>Total funds carried forward at 31 March</b>	<b>20,668</b>	<b>15,420</b>	<b>36,088</b>

### 3. Income from donations and legacies

	Unrestricted £000	Restricted £000	2020 Total £000	2019 Total £000
<b>Donations</b>				
Regular giving, donations and appeals	38,778	3,434	<b>42,212</b>	40,739
Legacies and in memoria donations	9,013	169	<b>9,182</b>	7,987
Fundraising events	2,142	1,952	<b>4,094</b>	4,649
<b>Total</b>	<b>49,933</b>	<b>5,555</b>	<b>55,488</b>	53,375
<b>Grants of a general nature</b>				
Other WaterAid member countries	2,478	-	<b>2,478</b>	2,455
The Waterloo Foundation	300	-	<b>300</b>	300
Other	-	-	-	100
	<b>2,778</b>	<b>-</b>	<b>2,778</b>	2,855
<b>Gifts in kind</b>				
Mentoring programme	-	-	-	168
Customer appeal	101	-	<b>101</b>	98
Water Industry Partnerships	372	-	<b>372</b>	47
Audit fee	-	-	-	25
Rent	51	-	<b>51</b>	57
Other	7	-	<b>7</b>	24
	<b>531</b>	<b>-</b>	<b>531</b>	419
<b>Total</b>	<b>53,242</b>	<b>5,555</b>	<b>58,797</b>	56,649

At 31 March 2020, 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. WaterAid's future income from these legacies is estimated at £8,029,000 (2019: £7,977,000). Accrued legacy income included within the financial statements amounts to £1,501,000 (2019: £650,000).



## Notes to the financial statements

### For the year ended 31 March 2020 (continued)

#### 4. Other trading activities

	Unrestricted £000	Restricted £000	2020 Total £000	2019 Total £000
Lotteries	2,955	-	2,955	4,755
Trading company	1,170	390	1,560	1,892
<b>Total</b>	<b>4,125</b>	<b>390</b>	<b>4,515</b>	<b>6,647</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	2020 Total £000	2019 Total £000
PPL ticket proceeds	7,803	-	7,803	12,965
PPL prize fund	(3,106)	-	(3,106)	(5,179)
PPL management fee	(2,185)	-	(2,185)	(3,621)
PPL prize indemnity insurance	(15)	-	(15)	(16)
PPL net income	2,496	-	2,496	4,149
Other WaterAid lotteries	458	-	458	606
Total lotteries income	2,954	-	2,954	4,755

Gifts in Kind were provided by our water industry partners in support of fundraising events and delivery of charitable activities

#### 5. Income from charitable activities

Grant funding for specific activities	2020 Total £000	2019 Total £000
Other WaterAid member countries	9,416	10,344
UK Aid from the Department for International Development*	4,197	2,777
Swedish International Development Cooperation Agency (Bangladesh)	3,131	3,814
HSBC Holdings plc	2,854	3,902
Plan International**	2,203	1,011
Reckitt Benckiser	1,435	732
UNICEF	1,219	755
Giorgio Armani Acqua for Life	344	394
Coca Cola	263	146
The Haverstock Charitable Trust	250	-
Auxilium	191	-
Jersey Overseas Aid	171	126
European Commission	87	1,095
BHP Billiton Sustainable Communities	-	575
Medicor Foundation	-	500
Other grants	2,005	1,859
<b>Total</b>	<b>27,766</b>	<b>28,030</b>

##### \*UK Aid from the Department for International Development

Match Funding – Deliver Life	20	916
Match Funding – To Be A Girl	-	63
Match Funding – Untapped	1,666	828
Project Arusha Tanzania	2,507	896
Other	4	74
<b>UK Aid received directly from the Department for International Development</b>	<b>4,197</b>	<b>2,777</b>

##### \*\*UK Aid received indirectly from the Department for International Development - consortium led by Plan International

	2,203	1,011
<b>Total UK Aid received from the Department for International Development</b>	<b>6,400</b>	<b>3,788</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 2020 (continued)

## 6. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2020 Total £000	2019 Total £000
<i>Raising funds</i>							
Expenditure on raising grants, donations and legacies		6,626	13,455	329	1,713	22,123	21,187
Expenditure on other trading activities		60	25	-	-	85	101
		6,686	13,480	329	1,713	22,208	21,288
<i>Charitable activities</i>	8						
Supporting partners to deliver water, sanitation and hygiene		6,217	20,408	376	3,832	30,833	23,557
Sector strengthening and capacity building to deliver water, sanitation and hygiene		7,284	14,532	161	3,119	25,096	22,342
Influencing policy in water, sanitation and hygiene		4,327	5,670	104	806	10,907	9,932
Supporting WaterAid globally		-	5,902	-	101	6,003	5,443
		17,828	46,512	641	7,858	72,839	61,274
Governance		602	182	-	(784)	-	-
Support costs		3,517	4,952	318	(8,787)	-	-
Exceptional items		-	-	-	-	-	-
Governance and support costs		4,119	5,134	318	(9,571)	-	-
		28,633	65,126	1,288	-	95,047	82,562

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 allocated as follows:

	2020 Total £000	2019 Total £000
Finance, People and Information Services	6,108	5,409
Chief Executive Office, Internal audit and Governance	783	707
Premises and facilities	1,936	1,960
Office move	438	-
Gift in kind	281	222
Support costs	9,546	8,298
Realised and unrealised exchange (gains)/losses on assets	25	(75)
Total of governance and support costs and exchange (gains)/ losses	9,571	8,223

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:

	2020 £000	2019 £000
Wages and salaries	24,762	22,725
Social security costs	1,534	1,381
Other pension costs	2,337	2,089
	28,633	26,195

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

	2020 No.	2019 No.
Fundraising staff (cost of generating funds)	135	142
Staff delivering charitable activities	639	591
Support staff	69	65
Governance	9	8
	852	806

During the year, there was an increase in staff costs of 3.4% (2019: decrease of 1.1%) per full time equivalent employee.

The average monthly headcount was 855 staff (2019: 821). The total number of WaterAid employees at 31 March 2020 was 894 (2019: 839). The increase in the total number of WaterAid employees was due to investment in programmes, policy and advocacy, particularly African regions, complemented by additional fundraising and support in the UK.

The charity paid termination payments totalling £52k (2019: £209k). The 2019 amount primarily reflected the cost of restructure in seven countries in order to deliver new projects and shift the programmatic approach towards sector strengthening.

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)	2020 No.	2020 Total pension contribution £000	2019 No.	2019 Total pension contribution £000
£60,000 - £69,999	9	46	16	75
£70,000 - £79,999	22	117	14	73
£80,000 - £89,999	5	39	5	30
£90,000 - £99,999	5	45	4	40
£100,000 - £109,999	1	11	2	21
£110,000 - £119,999	1	11	-	-
£120,000 - £129,999	1	14	1	14
£130,000 - £140,000	1	8	1	11
	45	291	43	264

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £132,996 (2019: £134,123) and pension contributions of £13,963 (2019: £14,081).

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 2020 were £154k (2019: £152k).

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 £738k (2019: £734k). 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 2020 (continued)

## 8. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	2020 Total £000	2019 Total £000
<b>West Africa</b>				
Burkina Faso	643	5,218	<b>5,861</b>	2,459
Ghana	900	954	<b>1,854</b>	2,126
Liberia	760	205	<b>965</b>	909
Mali	949	710	<b>1,659</b>	2,077
Niger	327	533	<b>860</b>	666
Nigeria	905	1,051	<b>1,956</b>	1,410
Sierra Leone	170	637	<b>807</b>	772
Regional management and support costs	965	191	<b>1,156</b>	1,107
	5,619	9,499	<b>15,118</b>	11,526
<b>East Africa</b>				
Ethiopia	732	1,907	<b>2,639</b>	2,349
Rwanda	316	1,288	<b>1,604</b>	1,284
Tanzania	902	3,351	<b>4,253</b>	2,495
Uganda	424	673	<b>1,097</b>	1,154
Regional management and support costs	1,025	2	<b>1,027</b>	702
	3,399	7,221	<b>10,620</b>	7,984
<b>Southern Africa</b>				
Kingdom of eSwatini (previously Swaziland)	470	449	<b>919</b>	394
Madagascar	470	1,742	<b>2,212</b>	1,613
Malawi	1,296	1,223	<b>2,519</b>	2,354
Mozambique	1,350	2,003	<b>3,353</b>	3,237
Zambia	731	1,383	<b>2,114</b>	1,341
Regional management and support costs	1,001	90	<b>1,091</b>	951
	5,318	6,890	<b>12,208</b>	9,890
<b>Asia</b>				
Bangladesh	1,980	3,905	<b>5,885</b>	7,690
Myanmar	638	577	<b>1,215</b>	571
Nepal	1,038	1,333	<b>2,371</b>	1,732
Pakistan	648	2,031	<b>2,679</b>	1,938
Regional management and support costs	388	80	<b>468</b>	552
	4,692	7,926	<b>12,618</b>	12,483
<b>UK</b>				
Supporting WaterAid globally	4,883	1,020	<b>5,903</b>	5,356
Other UK direct international programme support costs (including technical and programme effectiveness)	3,571	990	<b>4,561</b>	4,305
UK-based policy, campaigns and education costs	3,578	375	<b>3,953</b>	2,978
Allocated UK support costs to charitable activities	7,834	3	<b>7,837</b>	6,885
Exchange (gains)/losses	106	(85)	<b>21</b>	(133)
<b>Total</b>	<b>39,000</b>	<b>33,839</b>	<b>72,839</b>	<b>61,274</b>

The total cost of supporting partners to deliver water, sanitation and hygiene (including sector strengthening) was £55.9m (2019: £45.9m) and the cost of influencing policy in water, sanitation and hygiene was £10.9m (2019: £9.9m) - see note 6 for further details.

## 9. Payments to partner organisations

WaterAid has made grants to 151 partners with a total value of £15.8m for the year ended 31 March 2020. For the year ended 31 March 2019, payments were made to 144 partners with a total value of £12.6m. Payments below are those made to implementing partners.

Transfers have been made to the following number of partners by size:

	2020 No.	2019 No.
£0- £49,999	<b>88</b>	78
£50,000 - £99,999	<b>18</b>	29
£100,000 - £149,999	<b>10</b>	11
£150,000 - £199,999	<b>11</b>	8
£200,000 - £249,999	<b>4</b>	4
£250,000 and over	<b>20</b>	14
	<b>151</b>	144

The top 20 financial grant recipients during the year ended 31 March 2020 are listed below. These grants are included in the charitable expenditure outlined in notes 6 and 8.

Name of partner	Country	2020 £000	2019 £000
1. SKS Foundation	Bangladesh	<b>830</b>	797
2. Dushtha Shasthya Kendra – DSK	Bangladesh	<b>682</b>	754
3. OCADES Dédougou	Burkina Faso	<b>557</b>	73
4. Association Wéogo La Viim	Burkina Faso	<b>545</b>	-
5. Public Health & Engineering Dept	Pakistan	<b>533</b>	152
6. National Rural Support Program	Pakistan	<b>508</b>	300
7. Compagnons Fontainiers du Rwanda COFORWA	Rwanda	<b>500</b>	324
8. ONG ADAE	Burkina Faso	<b>487</b>	123
9. Sajida Foundation	Bangladesh	<b>451</b>	321
10. Rupantar	Bangladesh	<b>436</b>	551
11. Mineral and Appropriate Technology Applicable in Malawi	Malawi	<b>428</b>	140
12. Association DAKUPA (DAKUPA)	Burkina Faso	<b>419</b>	173
13. Association MUNYU	Burkina Faso	<b>401</b>	82
14. Eau Vive Ouagadougou	Burkina Faso	<b>393</b>	191
15. Association les Mains Unies du Sahel (AMUS)	Burkina Faso	<b>389</b>	93
16. Caritas Livingstone	Zambia	<b>380</b>	69
17. Mansa Caritas	Zambia	<b>376</b>	73
18. Eco-Social Development Organization – ESDO	Bangladesh	<b>323</b>	435
19. AMREF Health Africa	Malawi	<b>290</b>	255
20. Nabolok	Bangladesh	<b>261</b>	276
Other partners in top 20 in 2019		-	1756
<b>Total of top 20 recipients' grants</b>		<b>9,189</b>	6,938



## 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	
Cost					
At 1 April 2019	6,255	-	3,827	5,557	15,639
Additions in year	113	856	68	31	1,068
Disposals in year	(325)	-	-	(339)	(664)
At 31 March 2020	6,043	856	3,895	5,249	16,043
Accumulated amortisation/depreciation					
At 1 April 2019	5,142	-	3,363	5,158	13,663
Charge for the year	780	-	132	235	1,147
Disposals in year	(325)	-	-	(339)	(664)
At 31 March 2020	5,597	-	3,495	5,054	14,146
Net book value					
At 31 March 2020	446	856	400	195	1,897
At 31 March 2019	1,113	-	464	399	1,976

## 11. Debtors

Amounts due within one year:	The group		The charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Amounts owed by WaterAid WaterAid International and WaterAid Trading Limited	<b>627</b>	415	<b>2,633</b>	1,394
Grant debtors	<b>1,871</b>	3,255	<b>1,871</b>	3,255
Other debtors	<b>1,644</b>	2,176	<b>1,270</b>	1,989
Gift Aid tax recoverable	<b>4,072</b>	506	<b>4,072</b>	506
Prepayments	<b>1,038</b>	617	<b>1,038</b>	617
Other accrued income	<b>2,530</b>	1,997	<b>2,330</b>	1,997
	<b>11,782</b>	8,966	<b>13,214</b>	9,758

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 £68,676. At 31 March 2020 shares with a market value of £4,945 were held waiting to be sold (2019: no shares were held).

## 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. It also sells Christmas cards and other goods. A summary of that company's financial position is set out in note 14.

On 10 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. Both companies were dormant in the 2019–20 financial year and first accounts are due to be made up for the year ended 31 March 2021.

### WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772

Registered Office 6th floor, 20 Canada Square, London E14 5NN (moved 1 September 2020).

### WATERAID (WASH AND HEALTH) LIMITED Company number 12508779

Registered Office 6th floor, 20 Canada Square, London E14 5NN (moved 1 September 2020).

# Notes to the financial statements

## For the year ended 31 March 2020 (continued)

## 14. WaterAid Trading Limited

WaterAid Trading Limited is incorporated in England and Wales (company number: 02362892). WaterAid Trading Limited's registered office and operational address is: WaterAid, 6th floor, 20 Canada Square, London E14 5NN (moved 1 September 2020).

a) Profit and loss account	2020 £000	2019 £000
Turnover	<b>1,549</b>	1,865
Cost of sales	<b>(70)</b>	(82)
Gross profit	<b>1,479</b>	1,783
Administrative expenses	<b>(85)</b>	(101)
Operating profit	<b>1,394</b>	1,682
Interest receivable	<b>11</b>	27
Profit on ordinary activities	<b>1,405</b>	1,709
Gift Aid to WaterAid under Deed of Covenant	<b>(1,405)</b>	(1,709)
Retained earnings	-	-
b) Balance Sheet	2020 £000	2019 £000
Current Assets		
Debtors	<b>574</b>	187
Cash at bank and in hand	<b>1,441</b>	938
	<b>2,015</b>	1,125
Creditors		
Amounts due within one year	<b>(2,015)</b>	(1,125)
	-	-
Represented by:		
Share capital	-	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2019: 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.

## 15. Cash at bank and in hand

	The group		The charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Cash and bank balances in UK	<b>23,383</b>	18,282	<b>21,942</b>	17,345
Cash and bank balances overseas	<b>3,884</b>	13,456	<b>3,884</b>	13,456
	<b>27,267</b>	31,738	<b>25,826</b>	30,801

The decrease in cash balances in 2020 was mainly due to an operational deficit in the year and expenditure to acquire fixed assets relating to new premises at 20 Canada Square.



# Notes to the financial statements

## For the year ended 31 March 2020 (continued)

### 16. Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	4,693	3,816	4,693	3,816
Taxation and social security	308	426	308	299
Other creditors	738	621	738	613
Accruals	1,762	758	1,753	748
Deferred income	119	141	119	141
	<b>7,620</b>	<b>5,762</b>	<b>7,611</b>	<b>5,617</b>

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	2020	2019
	£000	£000
Deferred income at the beginning of the year	141	739
Amounts released from previous years	(141)	(739)
Incoming resources deferred in the year	119	141
<b>Deferred income at the end of the year</b>	<b>119</b>	<b>141</b>

### 17. Provision for liabilities and charges

	The group		The charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Provisions at beginning of the year	830	1,142	830	1,142
Amount charged to statement of financial activities	1,026	998	1,026	998
Amount released to statement of financial activities	(832)	(1,310)	(832)	(1,310)
Provisions at the end of the year	<b>1,024</b>	<b>830</b>	<b>1,024</b>	<b>830</b>

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 in lieu of WaterAid paying monthly amounts into a formal pension scheme and/or loyalty payments which are paid on full completion of their service. Other provisions at country level include retentions on building works.

### 18. Contingent liability

There are some employment cases in country programmes where the former employees are not expected to be successful in their actions. Any financial impact is not expected to be material and the contingent liability is nil (2019: £nil).

### 19. Movements in funds

	At 1 April 2019 £000	Incoming resources £000	Outcoming resources £000	Transfers £000	At 31 March 2020 £000
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets fund	1,976	404	(482)	-	1,898
Property project	2,959	-	(1,294)	-	1,665
Total Designated funds	4,935	404	(1,776)	-	3,563
General funds	15,733	57,146	(58,915)	-	13,964
<b>Total unrestricted funds</b>	<b>20,668</b>	<b>57,550</b>	<b>(60,691)</b>	<b>-</b>	<b>17,527</b>

#### Restricted funds:

Bangladesh	1,529	4,345	(4,037)	-	1,837
Burkina Faso	3,190	4,677	(5,230)	-	2,637
East Africa Region	(1)	-	-	-	(1)
Ethiopia	1,370	1,104	(1,768)	-	706
Ghana	(294)	1,411	(768)	-	349
Kingdom of eSwatini	71	478	(449)	-	100
Liberia	46	358	(199)	-	205
Madagascar	(2)	2,594	(1,823)	-	769
Malawi	683	1,144	(1,277)	-	550
Mali	62	1,425	(754)	-	733
Mozambique	693	1,470	(2,424)	-	(261)
Myanmar	258	837	(625)	-	470
Nepal	1,177	2,579	(1,380)	-	2,376
Niger	-	349	(545)	-	(196)
Nigeria	419	481	(888)	-	12
Pakistan	933	2,102	(2,240)	-	795
Rwanda	1,172	711	(1,365)	-	518
Sierra Leone	44	488	(539)	-	(7)
Southern Africa Region	174	204	(98)	-	280
South Asia Region	96	57	(45)	-	108
Tanzania	48	2,938	(3,368)	-	(382)
Uganda	651	354	(680)	-	325
West Africa Region	227	75	(191)	-	111
Zambia	1,383	1,077	(1,387)	-	1,073
UK	1,491	2,453	(2,276)	-	1,668
<b>Total restricted funds</b>	<b>15,420</b>	<b>33,711</b>	<b>(34,356)</b>	<b>-</b>	<b>14,775</b>
<b>Total funds</b>	<b>36,088</b>	<b>91,261</b>	<b>(95,047)</b>	<b>-</b>	<b>32,302</b>

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £3.1m (2019: £3.0m). 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 \$37m HSBC Water Programme has completed its final year working in Pakistan, Nepal, India, Bangladesh, Ghana and Nigeria. £2.4m was received in the year ended 31 March 2020 (2019: £3.8m restated from £4.9m which was the USD amount).

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 2020 (continued)

### 19. Movements in funds (continued)

#### Designated funds

The Fixed Asset Fund of £1.9m (2019: £2.0m) represents the net book value of the charity's intangible and tangible fixed assets. The fund balance will reduce as depreciation is charged and increase with the acquisition of new fixed assets.

£1.3m has been spent on the property project during the year on a mix of revenue and capital items, which has reduced the designated balance to £1.7m (2019: £3.0m). Our new property lease began in September 2020 and this fund was used for expenditure related to the office move.

#### 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 2019–20 was a range of £14m–£18m. The balance at 31 March 2020 was £14.0m (2019: £15.7m).

#### Restricted funds

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

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

### 20. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	Total funds £000
Restricted income funds	-	14,775	<b>14,775</b>
Designated funds	1,898	1,665	<b>3,563</b>
General income funds	-	13,964	<b>13,964</b>
<b>Total funds as at 31 March 2020</b>	<b>1,898</b>	<b>30,404</b>	<b>32,302</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 (2019: £nil).

### 22. Company limited by guarantee

The liability of 44 members (2019: 43) 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	
	2020 £000	2019 £000
Within one year	<b>749</b>	1,369
1 – 2 years	<b>561</b>	728
2 – 5 years	<b>2,406</b>	16
More than 5 years	<b>4,983</b>	-
	<b>8,699</b>	2,113

A new 15 year operating lease of £12.0m was signed on 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):

	2020 £000	2019 £000
Amortisation and depreciation	<b>1,147</b>	1,936
Trustees' indemnity insurance	<b>6</b>	6
Trustees' reimbursed expenses	<b>57</b>	18
Auditors' remuneration – BDO and its affiliates		
Audit – WaterAid UK	<b>45</b>	33
Audit – WaterAid Trading Limited	<b>7</b>	8
Audit – gift in kind	-	25
Audit – country programmes	<b>19</b>	18
Other services	-	-
Auditors' remuneration – Other audit firms	<b>123</b>	143
Exchange (gain)/loss	<b>25</b>	(75)
UK operating lease rentals – buildings	<b>684</b>	1,263

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. Eight Trustees were reimbursed for expenses incurred during the year (2019: Five Trustees).

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

The group paid £194,000 in audit fees in the year ended 31 March 2020 (2019: £186,000). This figure includes £52,000 for the consolidated statutory audit provided by BDO LLP (2019: £41,000 for consolidated statutory audit provided by PricewaterhouseCoopers LLP, who also provided audit services as a gift in kind with a value £25,000). 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 2020 (continued)

### 25. Related party transactions

WaterAid UK, 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:	
	2020 £000	2019 £000	2020 £000	2019 £000
WaterAid America	5,304	3,891	1,192	601
WaterAid Australia	561	490	379	403
WaterAid Canada	1,268	2,660	487	642
WaterAid Japan	-	-	465	-
WaterAid Sweden	4,760	5,758	-	-
WaterAid India	-	-	2,916	2,908
	11,893	12,799	5,439	4,554

There were no transactions between WaterAid UK and WaterAid international during the financial year. WaterAid UK paid £nil (2019: £463,700) directly to WaterAid Japan on behalf of WaterAid international's investment fund. WaterAid UK 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 £nil (2019: £503k).

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 dependents.

Rachel Westcott, the Director of People and Organisational Development, is a Director of Water & Sanitation for the Urban Poor (WSUP). During the year, WaterAid made no payments to WSUP (2019: £10,000) and WaterAid received £1,000 from WSUP (2019: £nil) and at the year end there was no grant debtor balance (2019: £nil).

Harpinder Collacott, a Trustee of WaterAid, is an executive director and shareholder of Development Initiatives International. During the year WaterAid made payments of £55,000 to Development Initiatives (2019: nil).

Myriam Sidibe, a Trustee of WaterAid, is a director of Hygiene Unilever. WaterAid made no payments to Hygiene in 2020 (2019: nil) and received £27,600 during the year (2019: nil). Myriam Sidibe is also a senior fellow of MRCBG Harvard University, during the year WaterAid received US\$1,175.79 (2019: nil) and made no payments to MRCBG.

Timothy Clark was a Trustee of Wateraid, during the year WaterAid made payments of £528 to Chatham House Enterprises Limited (2019: nil).

During the year, the group received donations without conditions from individual related parties totalling £1,902 (2019: £2,887).

The charity has disclosed all transactions between the charity and the subsidiary, WaterAid Trading Limited, detailed in note 14.

### 26. Financial instruments

	2020 £000	2019 £000
<b>Financial assets</b>		
Cash and bank	27,267	31,728
Grant receivables	1,871	3,255
Other receivables	5,717	2,682
Other accrued income	2,530	1,997
	<b>37,385</b>	<b>39,662</b>
<b>Financial liabilities</b>		
Trade creditors	4,693	3,816
Other creditors	1,046	1,047
Accruals	1,761	758
	<b>7,500</b>	<b>5,621</b>

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

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



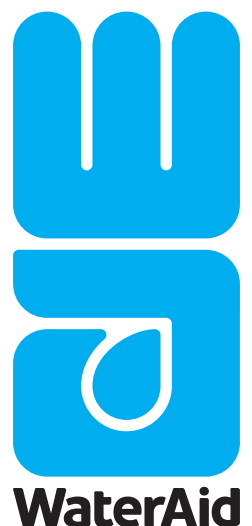
We are determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation. By tackling these three essentials in ways that last, people can change their lives for good.

Front cover images from left:

- School children outside the new block of decent toilets at the Primary School in Ambatoantrano, Bongolava, Madagascar.
- Priota pumps clean water at the pond sand filter plant in Golchera, Dacope, Bangladesh.
- Kadiatou practises good hygiene, washing her hands as she leaves Niala Health Centre with her mother in Cercle de Bla, Segou region, Mali.



**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