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# A successful year; an ambitious future

UK annual report  
2021-22



**WaterAid**

# Our priorities for 2021-22



# 1

## Benefiting more people with clean water, decent toilets and good hygiene. We will:

- Build people's resilience against the twin threats of COVID-19 and climate change.
- Influence global and national policies, strategies and standards that ensure services are sustainable, of good quality, and for everyone, everywhere.
- Strengthen governments', utilities' and private companies' commitment and ability to provide services to people who need them.
- Directly reach people with services in or near their homes, schools and healthcare facilities.

# 2

## Resourcing our work. We will:

- Engage a broad range of support across the water industry, other companies, institutions and individuals.
- Raise between £87-90 million, with a minimum of £30 million being restricted income.
- Spend between £89-91 million, with 74-76% spent on charitable objectives and 24-26% spent on raising funds for this and future years.
- Ensure an operational reserve target of £13-17 million.

# 3

## Supporting staff to be their best. We will:

- Prioritise the wellbeing and mental health of our staff.
- Build the relevant skills, strong leadership and effective working practices we need to achieve our goals.
- Further develop ourselves as an antiracist and inclusive organisation.

● Above: Students drink water from a deep borehole in Siraha, Nepal.

● Right: Jacques Kambou is an artisan-mason who builds latrines and empties pits in the commune of Moussodougou, Burkina Faso.



# Welcome

Together, we achieved so much last year. Now we have an ambitious new approach that will see us reaching more people than ever before. Will you join us?

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

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

# A catalyst for faster change

Your support has achieved wonderful things. More children living to see their fifth birthday. More girls able to go to school and take control of their lives. More women able to work to support themselves and their families. More communities better able to cope with the effects of climate change. All due to more people having clean water, decent toilets and good hygiene.



WaterAid/Joey Lawrence

## Achieving so much together

These incredible changes in people's lives over the last year have come about thanks to the inspiration and dedication of our many partners and supporters. A big thank you, on behalf of all those people whose lives we have touched, to the hundreds of thousands of individuals, the staff and customers in the water industry who founded us, and the companies, institutions and governments, who trusted us to deliver on our shared vision of a better world.

● Above: Tiru Getahun looks after the water pump we installed with the community in Dere kwa, Ethiopia. She collects money to pay for its maintenance and provide her with an income.

● Right: Andy Green CBE, Chair of Trustees.

● Far right: Tim Wainwright, Chief Executive.

● Below: Tantely stands inside an accessible shower cubicle at her school in Belavabary commune, Madagascar. "I want to be a doctor when I grow up," she says.



WaterAid



WaterAid/Oliver Dixon



WaterAid/Ernest Randriarimalala



Together we achieved so much, despite increasing instability in the world. The continuing devastation caused by COVID-19. The global impact of the conflict in Ukraine, especially in relation to food distribution in the countries where we work. Conflict in Ethiopia and parts of west Africa. The growing risks brought about by climate change.

Each of these are threats that could halt and even reverse the progress we have made. However, thanks to our wonderful teams and partners around the world, through it all we have sustained our programmes and helped many more people secure their right to water, sanitation and hygiene. Thank you all.

## A more ambitious approach

Looking beyond our achievements though, we see that our sector as a whole is struggling. The United Nations Sustainable Development Goal 6, which embodies our vision of everyone, everywhere having sustainable and safe water, sanitation and hygiene, is off track. We will not achieve it by 2030 as member states intended when they agreed to it in 2015. In fact, at current rates of progress it will be many decades before we come even close.

This is because, despite their transformative impact on people's lives, clean water, decent toilets and good hygiene are simply not prioritised highly enough and do not attract enough funding. This is why we have decided to take a far bolder, more ambitious approach to achieving our vision than ever before. We articulate this approach in our new global strategy, which we developed and launched during the year, and which will run until 2032.

Increasingly, we are putting our efforts into being a catalyst for bigger change. In the past, we measured our success just by the millions of people we reached with our service delivery work. In the future, while continuing to reach millions directly, we will measure our collective success – with our partners and allies – by the hundreds of millions of people reached through systemic change. By 2032, our ambition is to see 400 million more people with clean water, decent toilets and good hygiene, and £12 billion more a year mobilised to ensure further progress in low- and middle-income countries.


## Bringing our vision to life

To achieve this, we will direct all of our energy in pursuit of four strategic aims. We will:

- Achieve universal, sustainable and safe services in focused geographic areas to influence wider change. Together with our partners we will identify and overcome the barriers in different settings and work with those in power to do the same on a larger scale.
- Prioritise water, sanitation and hygiene across the health sector to improve public health. These three essentials are a frontline defence to prevent and control diseases, infections and pandemics, such as COVID-19.
- Strengthen the resilience of water, sanitation and hygiene to climate change. Communities living in poverty are likely to be hit the hardest by climate change despite having done the least to cause it. We will help them mitigate the threats and bounce back quickly from any that occur.
- Increase the quantity and quality of financing. This is essential as many countries struggle to meet the cost of running existing water and sanitation systems, and face large financing gaps for new infrastructure.

As you will see in this report, we are already doing a huge amount in each of these areas. And throughout our work we will continue to create and take opportunities to advance gender equality, forge new partnerships, build the evidence base, and put into practise our commitment to be a leading antiracist and inclusive organisation.

This is a journey we simply must take to bring our vision to life. It promises so much for the millions still without clean water, decent toilets and good hygiene, and we hope you will join us on it.



**Tim Wainwright**  
Chief Executive



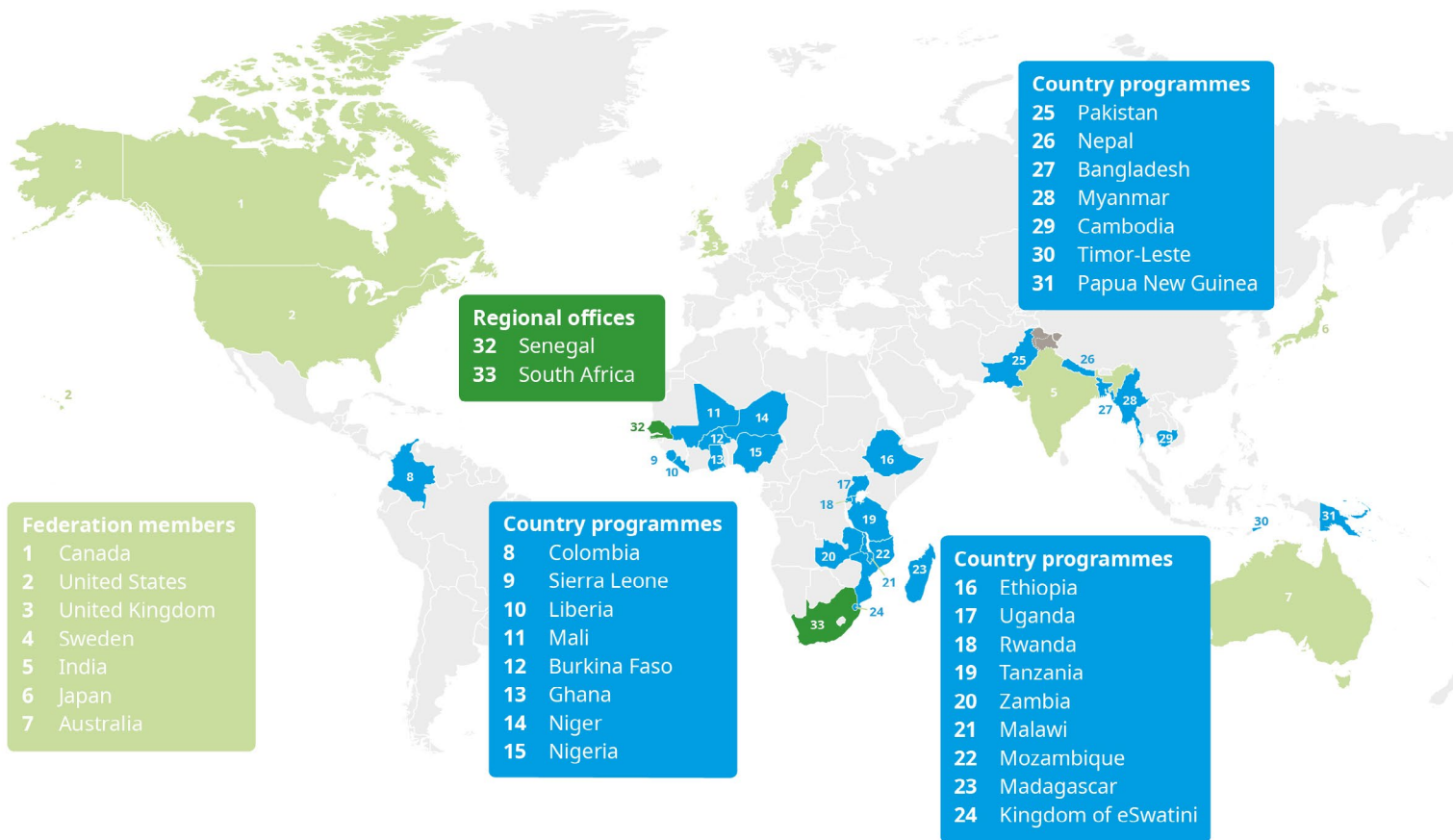
**Andy Green CBE**  
Chair of Trustees

# 1

## Benefiting more people with clean water, decent toilets and good hygiene

## Our impact at a glance

Clean water, decent toilets and good hygiene free people up to unlock their potential and break out of poverty. We never forget that behind the numbers shown here are individuals who use these three essentials as a springboard to a better life for themselves, their families and their wider communities.



## A bigger impact through our federation

The impact of our programmes in Africa and Asia is greatly enhanced by our collaboration with fellow federation members. Together we are growing our ability to influence at a global scale, and to design and deliver more ambitious cross-federation programmes. WaterAid UK invests some of its financial resources into members such as WaterAid India and WaterAid America in ways that promote this collaborative effort.

## SDG 6 explained

All United Nations Member States adopted the Sustainable Development Goals (SDGs) in 2015, to achieve by 2030. The goals provide a shared blueprint to achieve peace and prosperity, now and into the future. Our commitment to ensure clean water, decent toilets and good hygiene for everyone, everywhere is embodied in Goal 6 – which we were instrumental in securing. It is vital, both in itself and as a key contributor to other goals such as ending poverty.



## Working in partnership

We bring people together, actively encouraging collaboration so that many voices can be heard and ideas can spread. This approach reflects how we were founded by the private companies of the UK water sector coming together with a shared vision in 1981, and deepening our relationship with the private sector within countries and globally is a key component of our new strategy.

Outside of the private sector, by working closely with partners internationally and on the ground, we achieve more lasting change than we would working by ourselves. In 2021-22, we worked with **247 partner organisations** on **233 projects**. Our partners included:

- **103** governmental bodies and 94 non-governmental organisations from the local to the global.
- **15** primary networks or alliances, alongside a wide range of others.
- **49** rural and urban authorities, including 8 utilities.

## Influencing

We invest in thorough research and targeted relationship-building, to create and seize opportunities to make a difference to people's lives through governments at all levels. Change can take longer by this route, but once secured it can benefit millions and, if properly implemented, last lifetimes.

In 2021-22 we helped secure changes to 14 national policies, strategies or standards to benefit people living without clean water, decent toilets or good hygiene.

## Strengthening systems

We strengthen the local and national systems that underpin how water, sanitation and hygiene services get to people in the first place, and are then maintained. These systems include planning, coordinating, financing, implementation and monitoring, and the

approach means that our investment reaches many more people than it would if we used it to deliver services directly ourselves.

Below we report on people reached through these activities in 13 of the countries we work in:

Number of people we reached indirectly with new or improved services in 13 countries <sup>ii</sup>	In or near people's homes	Schools	Health facilities	Public facilities
Clean water	231,100	6,682	85,642	1,426,909
Decent toilets	67,107	5,662	170,635	1,175,050
Good hygiene through better facilities	n/a	27,006	292,958	1,202,530
Good hygiene through behaviour change activities	576,663	n/a	41,666	n/a

## Delivering services directly<sup>iii</sup>

We deliver services directly to bring clean water, decent toilets and good hygiene to people for the first time, to keep us rooted in the communities we serve, and to test innovative new ways of working and technologies which we and our partners can scale up to reach even more people.

In 2021-22 we reached:

Number of people we reached directly with: <sup>iii</sup>	6,108 communities (in or near people's homes)	1,325 schools	403 health facilities	- public facilities
Clean water	324,380	82,567	1,113,664	10,475
Decent toilets	220,714	81,226	1,243,516	6,659
Good hygiene through better facilities	208,647	244,616	6,119,218	1,723,156
Good hygiene through behaviour change activities	1,430,453	158,833	676,699	n/a

<sup>i</sup> We count users of the services in different ways, according to where we reach them: • In or near people's homes – population served by water, sanitation and hygiene facilities. • Schools – school population plus staff. • Healthcare facilities – total number of patient visits over one year plus staff. We count people as having been reached with good hygiene through behaviour change activities when they have been exposed to those activities at least three times in a year.

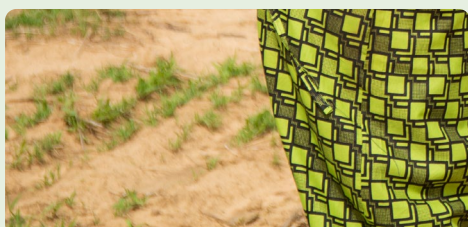
<sup>ii</sup> Data is provided by the institutions we supported. Reporting this data means we can not only show the indirect reach of our work, but also focus attention on the data's importance in planning and monitoring water, sanitation and hygiene services,

especially to local institutions. We have tested this methodology over the past few years and intend for this model to be adapted and expanded as part of our measurement framework for our new strategy.

<sup>iii</sup> We count users of the services we provide directly in different ways, according to where we reach them: • In or near people's homes – population served by water, sanitation and hygiene facilities. • Schools – school population plus staff. • Healthcare facilities – total number of patient visits over one year plus staff. We count people as having been reached with good hygiene through behaviour change activities when they have been exposed to those activities at least three times in a year.



WaterAid/Basile Ouedraogo



● Above: Justine Sawadogo holds a rainfall record notebook and reads a rain gauge in Boulsa, Burkina Faso, just one of the countries where we're now influencing climate adaptation plans following COP26.\*

\*Our work in Bonam, Burkina Faso, was supported by the European Union and players of People's Postcode Lottery.

## Taking more opportunities

Following the huge support we gave to governments in the first year of the pandemic, in 2021-22 we took up more opportunities to shape national policies and programmes than ever before. Doors that previously were closed, now opened. Governments appreciated our technical expertise, commitment to quality and collaborative approach, and we leveraged that to pursue our relentless focus on benefitting the most marginalised communities with safe and sustainable water, sanitation and hygiene.

We influenced not only at the national and global levels, but regionally across countries too. Organisations such as the Economic Community of West African States, the Southern African Development Community, and the South Asian Association for Regional Cooperation, provide vital fora for us to get our messages heard, understood and actioned. These are complex bodies, and progress can be slower than we want, but improvements secured through them can bring significant change.

During the year we built on our COVID-19 contributions to kickstart conversations on the importance of clean water, decent toilets and good hygiene in two areas where they are often overlooked. These are in building people's resilience against the worst effects of climate change and improving public health across a wide range of outcomes beyond the pandemic. Steps such as becoming chair of a development group in one country, and gaining a permanent seat on a sub-committee in another, may seem small in themselves. But together they grow our role as a catalyst for change, and raise the voice of the communities we serve to those with the power to implement it.



## A good COP26 for water

November marked our biggest and most successful engagement at COP, the global climate summit. In the lead-up, we worked with our allies Pan-Africa Climate Justice Alliance to ensure water was on the agenda and embedded in climate adaptation plans. During COP26, we held events, meetings and exhibitions, including several events as part of the first-ever COP Water Pavilion with partners such as UN agencies, Eversheds Sutherland, Diageo, Arup and the Sustainable Markets Initiative (SMI). We will continue to develop the Resilient Water Accelerator as part of our involvement in the SMI.

As a result of our hard work and influencing, alongside other key allies in the water sector, water was more prominent than ever. We saw water, sanitation and hygiene integrated within country plans to adapt to climate change for Ethiopia, Nigeria, Uganda, Tanzania and Zambia – with further influencing of these plans now underway in Ghana, Burkina Faso, Mozambique and eSwatini – paving the way for us to make even bigger waves at COP27.

## Politician's promises come true in Zambia

In the run-up to August's general election, our team in Zambia ran a 'Counting every drop' campaign to raise the profile of clean water, decent toilets and good hygiene. The campaign included organising TV debates, analysing party manifestos, and integrating hygiene behaviour change into electoral processes and press briefings. Between them, these activities convinced politicians from different parties to include water, sanitation and hygiene as a priority in their plans once in office.

Even better, the new government has lived up to its word. Among many steps forward it increased the relevant national budget by 9% for the year, retained the Ministry of Water Development and Sanitation as a standalone ministry while rationalising others due to budget constraints, and President Hakainde Hichilema has made many positive speeches about the importance of the issue since gaining office.

## Accelerating climate resilience

The Resilient Water Accelerator supports national efforts to secure vital climate finance from private sources, to blend with public ones. Since we launched it in 2021, we set up an external steering committee to provide direction, unlock barriers and make connections. The Accelerator has also received seed funding from the Swedish International Development Cooperation Agency and Bank of America, and begun scoping work in Bangladesh, Ethiopia, Malawi, Mozambique and Nigeria. An exciting step towards building climate resilience with clean and reliable water for 50 million people.



● Above: Improvements secured through influencing work can bring significant change. Here is our first-ever delegation at Women Deliver, the largest global event on gender equality.



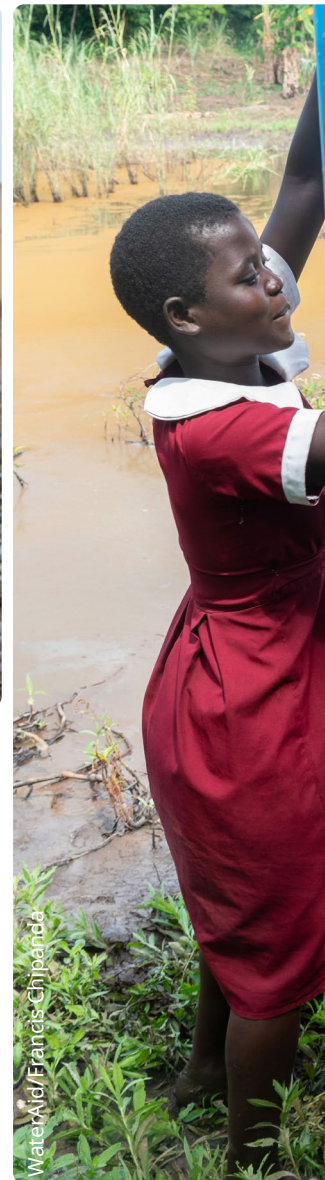
## Investing in the future

In collaboration with Vivid Economics, we launched the Mission critical report to shine a light on the economic case for investing in water, sanitation and hygiene, and show how such investments will contribute to a healthy and environmentally sustainable recovery from the pandemic.

The report had positive reactions from some important targets, such as France's G20 taskforce lead, the CEO of the Bank of America, and senior EU officials. We saw coverage in the worldwide media, with TV interviews across multiple channels, including BBC World News, and reporting on radio shows across several countries. Our corporate partners and alliances were a huge support in promoting our findings and for influencing the broader development sector.

As momentum from the report increased, we also identified key politicians in Germany who were close to the coalition negotiations. We shared the report with them to influence their new coalition agreement. This move, alongside influencing from others in the sector, led to a commitment from the incoming Government to increase access to clean drinking water, and scale up water, sanitation and hygiene around the world – a phenomenal advocacy win!

The report was an integral part of work behind the scenes in the lead-up to COP26 and marked a shift towards our new global strategy to focus on finance.







● Above left: In Pakistan we reported on poor conditions for sanitation workers such as Tasleem Mai, who lives in Muzaffargarh.

● Above: The success of our Champions for Change campaign in Malawi should mean that in future fewer girls will need to collect water from unhygienic sources, as Grace and Ivy need to in Machinga.

● Left: Anita Das cleans her hygienic toilet in Khulna, Bangladesh, where we are working to improve climate resilience.

## Three successes in Malawi

Our team in Malawi scored three important successes during the year. The first two came through its Champions for Change campaign, which targeted MPs and other influencers and key decision-makers. The campaign called for increased prioritisation of, and investment in, clean water, decent toilets and good hygiene.

The government responded positively, establishing a stand-alone Ministry for Water and Sanitation and appointing the Minister and her deputy in January. It also increased the budget for water supply and sanitation projects in 2022-23 by nearly four times the amount for 2021-22.

The third success came via the Minister of Gender. After drawing her, and MPs', attention to the importance of menstrual hygiene on Menstrual Hygiene Day in May 2021, the government announced the removal of import and excise duty on sanitary pads in February 2022.

### A step in the right direction

Our advocacy efforts for the UK Government to integrate water, sanitation and hygiene with their support to countries' health services came to fruition in December, with the launch of two long-awaited strategy papers on health. After working with the Government and UK networks to develop these papers, we were pleased to see they prioritised water, sanitation and hygiene – vital given the wider context of alarming cuts to UK Aid.

### Increasing sanitation worker safety in Pakistan

In Muzaffargarh, Pakistan, we discovered that working conditions led to sanitation workers putting their lives at risk. After compiling a report and taking it to the local government, we were asked with our partner the Civil Society Human and Institutional Development Programme to provide training and sewer safety equipment. We are continuing to monitor procedures and that safety equipment is correctly in use, and are also working with other districts to roll this out further.

### Climate resilience in Bangladesh

Together with our partners and allies, we successfully influenced key decision makers to include climate-resilient water, sanitation and hygiene interventions in Bangladesh's new climate adaptation plan. Through our compelling communications, relationship building and lobbying behind the scenes, we successfully persuaded the decision makers to take action and commit to change – bringing us one step closer to achieving our mission.

● Right: Together with our many partners we're improving healthcare centres across Zambia. Here, nurse in charge Jennifer Chipandwe washes her hands at the entrance to the Simango Rural Health Centre, Kazungula District.



## Greater commitment leads to better quality

During the year we saw a steady increase in governments' and donors' understanding of, and commitment to, system strengthening as an effective approach to achieve clean water, decent toilets and good hygiene for everyone, everywhere. The quality of policies, guidelines and funded plans improved, and there was a greater appetite for maintaining services in the long term, as well as for implementing bigger and more complex systems to serve many more people at a time. This is hugely welcome, as we firmly believe that making systematic improvements in areas such as planning, financing, collaboration, technical quality and monitoring means that individual policies, projects and programmes have a far greater chance of being sustainable and successful.

At the same time, building on their responses to COVID-19, more and more individuals and civil society organisations found ways to connect informally, and often digitally, to secure collective and lasting solutions to their water, sanitation and hygiene needs. This is against a background of citizens in many countries also demanding more accountability from their leaders across all aspects of their lives.

Each of these trends has put a greater focus on the need to strengthen the entire system. Having worked in this way with a wide range of partners over many years, we have built up a sophisticated and holistic expertise which we are increasingly sharing and applying in all of the countries we work in. Our aim is that every part of each system works as optimally as possible, and we will not stop until they do.

## Climate research underpins plan in Uganda

Over 550,000 people live in the Butaleja, Tororo and Namutumba districts of Upper Mpologoma, Uganda. Research we conducted last year into the impacts of climate change in the area found that around one third of people had already suffered from the destruction of houses, toilets and crops, with flooding the main cause. Worryingly, projections point to future changes bringing increased rainfall.

We are using this valuable research to bring together all of the relevant authorities, providers and communities to build their resilience plans and capabilities. These may include a wide range of technical measures such as: creating surface drainage channels; increasing piped water coverage; constructing boreholes, wells and tanks; introducing small-scale irrigation schemes; and building wall-lined pit latrines and septic tanks.





Below: In Namutumba district, Uganda, local mason David Okello inspects a rainwater harvesting tank being constructed. Such tanks are just one way to improve people's ability to withstand the impacts of climate change.\*

\*Our climate work in Uganda was supported by players of People's Postcode Lottery.



## Disseminating new designs improves health in Zambia

Clean, hygienic healthcare centres should be normal for everyone, but too often they are not. Building on a strengthened relationship with the Ministry of Health, we agreed the need for new designs and standards for water, sanitation and hygiene services in healthcare centres across the country.

We facilitated a collaborative process involving stakeholders such as district health offices, local authorities, and of course communities themselves. Together we co-created new designs after assessing existing services in 66 centres, then demonstrated the designs in 14 centres.

Working this way promoted a strong sense of ownership and ensured transparency and accountability across the different groups. These are all vital for the long-term sustainability of the new facilities, which now provide the quality of water, sanitation and hygiene services that everyone deserves.

## #ClaimYourWaterRights

What links legal reform in Nigeria, and increased sanitation coverage for tribal communities in India? End Water Poverty, a civil society coalition hosted by WaterAid, and comprising over 150 organisations in 90 countries. Through the #ClaimYourWaterRights campaign, last year End Water Poverty provided grants to 22 organisations in 12 countries. Grassroots actions encompassing community mobilisation, media influencing, protest and litigation led to tangible results worldwide.



### Sharing climate resilience in Rwanda

Four underground climate-resilient rainwater harvesting tanks equipped with water purification systems are now serving over 55,000 people in Nyagatare, Rwamagana, Bugesera and Nyamagabe. But they will have an even bigger impact, as we shared the technical details and our experience of installing and managing them sustainably with partners in the country. Already, Plan International and Compassion International have started to replicate the same technology and management models in their own programmes, to reach even more people.

Thanks to their design and materials, the tanks reduce the risks of climate-induced change such as erosion, contamination of other water bodies, and flooding. Various sites in schools, healthcare centres and elsewhere in the community, they each have a management team to ensure their ongoing operation and maintenance. In institutional facilities, this responsibility sits with the existing leadership teams, while additionally in schools the student hygiene clubs play a big role. In communities, water user committees are elected and collect fees to keep the tanks in working order. And we have not disappeared from the picture entirely; together with our partners, we will carry out monitoring visits to ensure the management teams have what they need to keep the water clean and flowing.

To ensure the whole system is as strong as possible, we worked with local authorities while planning the project to agree on the technology and locations, and trained their staff during implementation. This means everyone involved has ownership, from beginning to end and on into the future.

### Empowering women in Myanmar

Getting women involved in decision making is key to successful water and sanitation services. This helps meet people's needs and positively impacts women's position in the community. Women now make up half of the members on ten newly launched water and sanitation committees in Myanmar. These groups are driving change by monitoring construction work, and encouraging vulnerable families to speak out.

### Communities in Ghana monitor climate

With Ghana Meteorological Service we provided training and follow-up sessions to six drought-prone communities on monitoring groundwater levels and rainfall patterns. Using our Securing Water Resources Approach, 41 women and men are now better positioned to make decisions about their water resources. We are working towards this programme becoming a recognised government support model so more communities can benefit from life-changing clean water.



WaterAid/James Kiyimba



WaterAid/George Osei

## Better sanitation and menstrual health in eSwatini

Organisations improving sanitation systems across the country are now using a manual that we developed with the Ministry of Health. We designed the manual with key factors such as climate, emergency situations and affordability in mind. However, top of the list were quality and inclusiveness – especially in relation to gender, disability, children and older people.

The team also supported the Ministry to develop guidelines to improve menstrual health management. The goal is to reduce absenteeism of girls from school and promote the dignity and safety of girls and women. The department for adolescent and young women has since used the guidelines to underpin an action plan to ensure relevant sanitation and hygiene facilities meet national standards, and to improve public knowledge, especially through private sector partnerships and the media.



WaterAid/Nyani Quarmyne/Panos



- Top: Atidaa Otto (left) monitors water levels to help plan future use in Bongo District, Ghana.
- Above: Siphosenkhosi with the contents of a 'dignity pack' at her school in Lubombo Province, eSwatini, where we helped develop menstrual health management guidelines with the Ministry of Health.
- Left: Josiane (left) and Pauline collect water from an underground rainwater harvesting tank in Nyamagabe District, Rwanda.

### Training leads to action in Ethiopia

Together with the Ethiopian Water Technology Institute we ran training sessions for 129 sector specialists from 18 utilities. We customised the sessions to each group and subsequent outputs have included: a comprehensive field survey to map each utilities' infrastructure; the setting up of water quality laboratories in the utilities' offices; and new financial practices to improve audit controls.





## Success brings challenges

After providing thousands of technologically-appropriate, cost-effective and user-friendly handwashing stations as part of our COVID-19 response, last year governments, donors and partners looked to us for even more innovative and sustainable service delivery programmes. While we welcomed this, we faced a key challenge to ensure that we kept our focus on strategically important work that trialled new solutions, proved the value and sustainability of existing ones, and that in both cases could be scaled up by others for a bigger impact.

A huge trend that continued to affect our work during the year was the incredible rate of urbanisation in many of the countries where we work. This brings two significant issues. Firstly, the impact on those who stay in rural areas, as attention and investment that was slender to begin with follows the migration. And secondly, the impact of the influx of new populations on already underserved and new areas of cities and towns that do not have the funds or sufficient capacity to provide the necessary infrastructure.

In both cases, a focus on delivering one-off projects risks being unsustainable given the ongoing rate of change. That's why we use invitations to carry out service delivery work as an opportunity to talk about the systems that are needed to ensure the work will last long into the future, and how to put them in place or strengthen existing ones. Securing a common commitment to this approach from all other organisations involved is increasingly the best way to ensure no-one is left behind, both now and in years to come.



WaterAid/Ernest Randriamalala

## Stronger rural communities in Liberia

In Liberia, we worked with 26 rural communities and 14 schools to transform water resources for over 14,000 people, install decent toilets for more than 4,500 people, and reach over 13,500 people with messaging on the importance of good hygiene.

But our work didn't stop there. To ensure lasting change, we supported the schools and communities to operate and maintain the new water, sanitation and hygiene services. We trained seven community members who are responsible for the day-to-day management of the services as caretakers, treasurers and pump mechanics to ensure they never fail.

To further strengthen community investment in the new services, we worked in collaboration with our partners to implement a financial saving club (Village Savings and Loans). These give community members an opportunity to invest in the community water, sanitation and hygiene development.

## Hygiene that shines in Madagascar

Our Shining Hygiene campaign has helped more than 6,000 households in 24 communes improve their hygiene behaviour, a vital element in maximizing the personal and social benefits of clean water and decent toilets. The campaign, delivered to households by local volunteer hygiene promoters, is based around the adoption of 5 good hygiene behaviors.

Alongside this work we supported 22 schools and 3 health centres to gain certification for their clean water, decent toilets and good hygiene. Our support included constructing sanitation blocks, and supplying training for teachers, students and medical teams. The certification is approved by the ministries of education and health respectively, and contributes to the country's progress to becoming open defecation free. We also shared our experiences with the World Bank, as part of their consultation on future programmes.

## Combating COVID-19 in Sierra Leone

In Sierra Leone's districts of Kailahun, Kenema and Pujehun, we co-ordinated district teams from government departments and water and electricity regulators to provide water, sanitation and hygiene to 75,000 people. As the threat of COVID-19 continued, we provided practical support such as soap, sanitiser, buckets, facemasks and gloves. The districts are still benefitting from this collaboration, with monthly meetings to assess progress and identify at-risk locations.

● Top left: In Sierra Leone we helped provide water to 75,000 people. Here, Massah uses the new water pump in Tombohuaun, Kailahun District.

● Above: Headteacher Mr Tsiory at the newly built sanitation block in his school in Analamanga region, Madagascar.



## Meeting rural community needs in Mali

Together with UNICEF, we worked to unlock the potential of people living in rural communities in Mali's Diolia and Bandiagara regions. The project covered 50 villages and focused on three areas.

Firstly, we brought clean water, decent toilets and good hygiene to 30 schools. Students can now focus on their studies without having to worry about going without these essential rights. We trained teachers to promote good hygiene behaviours, like regular handwashing with soap. The water facilities include features such as access ramps and handrails to make them suitable for people with disabilities or additional needs. And in each school we built a dedicated menstrual hygiene management cubicle, training teachers with the skills they need to guide students to have a healthy and safe period.

Secondly, we worked with local authorities, state services and communities, to set up a series of workshops, prompting collaboration in the area of sanitation. These efforts have meant that 34 out of 47 communities now have sanitation services and are open-defecation free. Whilst this is clearly progress to celebrate, we are focused on delivering to the 13 remaining locations.

Lastly, we supported healthcare staff to keep their patients safe as the COVID-19 pandemic continued. We provided COVID-19 prevention kits, and worked with the local health service to develop training modules for staff, enabling them to prevent the spread of the virus.

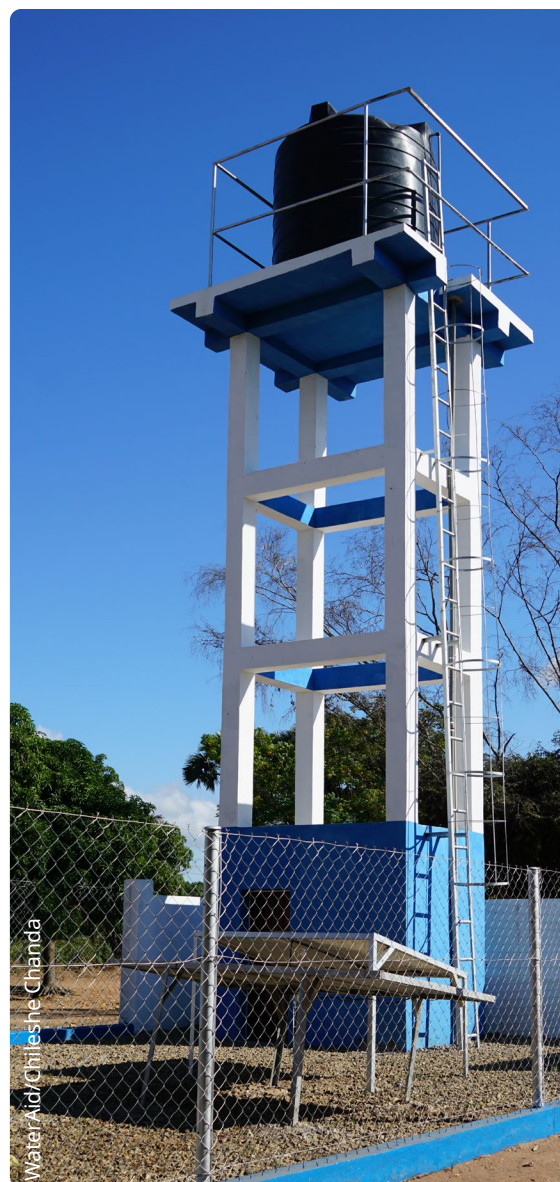
## Improving schools in Niger

We worked with our partners to improve water, sanitation and hygiene across schools in Niger. 10 elementary schools now have clean drinking water for more than 1,800 students. We also rehabilitated 43 toilet blocks in 12 schools for over 4,300 students and installed 13 handwashing facilities in 13 different schools for a further 4,300 students. These changes will transform the lives of these students for good.

● Right: Rihanata inside the new menstrual hygiene management block at her school in Cascades region, Burkina Faso.

● Below: An elevated water storage and distribution tank in Mecanhelas District, Mozambique, where we delivered clean water and good hygiene to 49,000 people.

● Below right: In Mali we worked with UNICEF to improve life in 50 villages. Here, members of the Benkadi women's group stand together inside their market garden in Bla district.



WaterAid/Chileshe Chanda





## Helping 49,000 people in Mozambique

In Cuamba and Mecanhelas districts, more than 49,000 people now have clean water and good hygiene thanks to a range of work we implemented early in the year. Together with our partners we drilled, equipped and delivered 10 new boreholes, and rehabilitated another 55. We also rehabilitated one community water supply system and two healthcare centre systems – for the Centro de Saúde de Lúrio in Cuamba and the Centro de Saúde da Vila Sede de Insaca in Mecanhelas.

All of this work is helping people unlock their potential and break free from poverty. Girls can go to school, women can earn a living, patients can recover more easily, nurses and doctors are better able to do their jobs, and whole communities start to thrive.

## Female-friendly toilets for Pakistan

We built six female-friendly toilet blocks in the civil secretariats of Sindh and Punjab, with 16,400 users expected to use them in the coming year. Facilities include handrails, ramps and covered bins for sanitary products. We will work with the government to replicate these toilets for all public buildings to make a bigger difference across other parts of the country too.

## Hygiene kits for Burkina Faso

In Burkina Faso, we are entering the final year of our five-year hygiene and sanitation project. We distributed hygiene kits to more than 1,200 internally displaced women and girls in the communes of Kaya, Tougouri and Tikaré in the Centre North region. In addition, we will deliver lasting solutions, including constructing latrines and boreholes in these areas which are plagued by political insecurity.







## Resourcing our work

## Generosity bowls us over

While the UK began its recovery from the COVID-19 pandemic this year, we knew its economic impact would linger. We have been bowled over by the generosity our supporters showed, despite these continuing difficult times.

The following pages highlight some of our fundraising successes. But we also want to extend a special thank you to everyone who continued supporting us in smaller, yet no less significant ways. WaterAiders who responded to our appeals with a cash donation, or made our ongoing work possible by giving or increasing a regular gift, have continued to make real change happen for communities around the world.

Thank you to every one of our supporters. Together we are making a bigger difference with clean water, decent toilets and good hygiene.

## The gift of a lifetime

This year, we collaborated with Mary, a mother of two in Simango, Zambia, and her community for What Jack Gave. The short film represents the many ways we can leave something behind and be remembered, and the difference adding water to your will can make.

Last year, we received 551 legacy gifts from people who remembered us in their wills. Thanks in part to their generosity, Mary's community and so many others now have clean water, decent toilets and good hygiene for the first time. We all want to leave our loved ones with something precious, so we are incredibly grateful to every supporter who also chooses to change life for people they will never meet.

Watch the film at [wateraid.org/uk/jack](https://wateraid.org/uk/jack)



- Far left: Karun carries a gagri full of water, with his school down the hill in Dolakha, Nepal.
- Left: Mary, from Simango, Zambia, starred in our film What Jack Gave. Her community now has reliable clean water, decent toilets and good hygiene thanks in part to supporters who left gifts in their wills.

## The toughest detox

Community fundraising is key to our income – and our popular January challenge, Just Water, continued to grow and smash expectations in 2022. The event, which challenges participants to raise £250 by drinking only water during the first month of the year, totalled £45,954 – more than £5,000 over target – with our highest fundraiser raising £1,880. Why not sign up yourself next year? [wateraid.org/justwater](https://wateraid.org/justwater)

## James hits highest gear

James Whittaker was our highest value fundraiser last year with a truly epic personal challenge. Starting and finishing in St Andrews, Scotland, James cycled the entire 5,700km coast of the UK during July, covering around 185km a day, and raised just under £60,000 for clean water, decent toilets and good hygiene. Have your own idea for a challenge? Visit [wateraid.org/uk/get-involved](https://wateraid.org/uk/get-involved) to get started.

## Making a difference with Zakat

In 2021 we launched our first Zakat policy, providing Muslim donors with the opportunity to donate to three Zakat applicable projects in Bangladesh, Pakistan and Mali. We worked closely with a Muslim fundraising consultant and Islamic scholar to develop the policy and ensure that Zakat is collected and used appropriately. To find out more, visit [wateraid.org/uk/donate/zakat](https://wateraid.org/uk/donate/zakat)

## WaterAid Speakers go international

Thank you to our volunteer Speaker Network for their commitment and support through another year. As always, Speakers have been educating audiences about clean water, decent toilets and good hygiene, and inspiring people to take action and support us.

Adapting to ongoing pandemic restrictions, the Speaker Network created new ways to give talks and workshops face-to-face (with safety measures) and virtually. This has let them reach 17,907 people with 425 talks and workshops this year, across the UK and internationally, despite remaining obstacles.

We are excited to expand this area of our work even further, and want to extend an enormous thank you to every Speaker for their continued hard work and dedication.

Book a free Speaker for your group at [wateraid.org/speakers](https://wateraid.org/speakers)



## Stopping the spread

In July 2021, the HEINEKEN Africa Foundation renewed their partnership with us to help even more communities protect themselves from infectious diseases like COVID-19. The renewal follows funding between 2020 and 2021 that brought clean water and good hygiene to 30 million people in Nigeria, South Africa, Rwanda, and Mozambique.

Through a further £1.36 million, the Foundation has continued improving access to clean water and good hygiene in households, public spaces, and healthcare facilities across the four countries, and extended its support to our work in Ethiopia.

Together with local partners, we are focusing on bringing sustainable solutions to busy public places where disease can easily spread – like markets, transport hubs, schools and healthcare facilities – and scaling up mass hygiene promotion campaigns.

## Seven years of change

2022 marks the end of our seven-year partnership with Liberty Speciality Markets, and we want to say a huge thank you for their longstanding support. Since 2015, staff have raised more than £850,000 through marathons, treks, star-studded events and much more, and helped us reach more than 42,000 people in Madagascar and 48,000 in Rwanda with vital clean water.

## Trekking the virtual globe

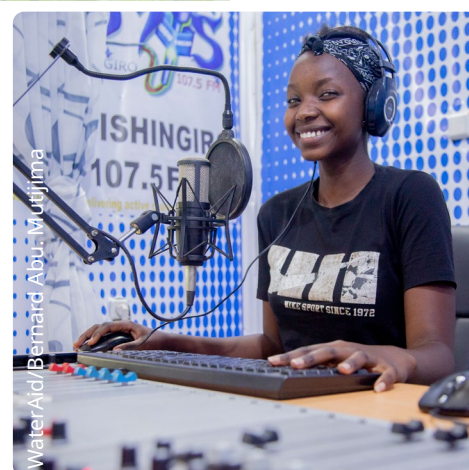
WaterAid invited staff at GAMA Healthcare's offices in China, Australia and the UK to walk, run or cycle the distance to our office in Addis Ababa, cheering them on with weekly Ethiopia-themed motivational content from the WaterAid Ethiopia team. The fundraiser earned a nomination at the Business Charity Awards, and participants raised an incredible £50,000 for clean water, decent toilets and good hygiene.

● Right: Matavha Primary School in South Africa is one of nine schools we reached with clean water, toilet blocks and hygiene lessons as part of a three-year partnership with Kimberly-Clark.

● Below: Ranju Thapa used to collect dirty water from the local river in Dolakha, Nepal. Last year, our project part-funded by the Pictet Group Foundation built a new tap delivering clean water to her front door.



● Right: Once the president of her school's hygiene club, Louise Kantengwa now promotes good hygiene as a journalist for Ishingiro Community Radio in Rwanda. We supported both of these community initiatives with funding from Liberty Specialty Markets.





WaterAid/Eben Liebenberg

## No mountain high enough

As a part of the Foundations for the Future project in Nepal, the Pictet Group Foundation provided £57,000 to help us create reliable clean water sources in Dolakha, Nepal. In this remote, mountainous region, installing water systems can be expensive and difficult, but with the Foundation's help, we have created a blueprint for future infrastructure and improved water security for people living in hard-to-reach areas.

## Changing the conversation

Our partners Eversheds Sutherland continued to provide invaluable support this year through funding, knowledge and influence. In addition to £120,000 of unrestricted funding over the next two years, the law firm hosts our WaterAid Presents webinar series and produced a series of live discussions at COP26, reaching world experts with questions around climate resilience, gender equality, corporate partnerships, and financial solutions for water stewardship.

## Investing in communities

Kimberly-Clark, creator of household hygiene products such as Kleenex, Andrex and Huggies, are supporting us to make a bigger difference with clean water, decent toilets and good hygiene in four countries between 2021 and 2024. The global manufacturer is funding improvements to services in schools and healthcare facilities across Uganda, Nigeria and South Africa, and public sanitation in Bangladesh through four generous grants totalling more than £4.25 million.

The grants mark a new phase of Kimberly-Clark's investment in communities where they work. Through our partnership, we have begun strengthening local systems and making sustainable changes to daily life possible for tens of thousands of people through essential services.

In Limpopo, South Africa, teachers and pupils are already experiencing the difference. As part of the company's previous funding, which ended in November, we partnered with Tsogang Water and Sanitation to improve facilities in schools and make a difference to local education. Together we worked with nine schools to improve their clean water, toilets and hygiene services, and transformed school days for 3,812 pupils and teachers.

Over the next three years, we aim to reach 8,574 pupils and teachers in ten more schools, and 17,672 people in surrounding communities with these essential human rights. And to support this change into the future, we'll be training 160 people to maintain and manage the facilities, too.



## Truly lasting change

Players of People's Postcode Lottery have supported us since 2013, and during 2021-22 raised a phenomenal £2,519,000. This level of support is transformational, and has had a huge impact for communities across the world.

As part of our ongoing COVID-19 pandemic response, players' support helped us share vital hygiene information and essentials, and influence governments around the world to prioritise hygiene. This has kept people healthy through mass public health campaigns and vital changes in attitudes.

In climate change affected areas, players' support has helped us reach people with climate resilient facilities. These will provide reliable sources of clean water and toilets that can withstand extreme weather, like storms, floods or droughts, for generations to come.

Their support has also been invaluable to our work integrating clean water, decent toilets and good hygiene into health facilities. From new mothers to experienced health professionals, more people than ever can harness these essential services to stop the spread of disease and protect their dignity.

Thanks to players, we can respond to these urgent priorities. But we can also change the future by training communities how to maintain their services, and build awareness of the importance of these essential human rights across whole countries.

Thank you to every player of People's Postcode Lottery. Together, we are creating lasting change for millions of people.

### Below left:

Lorinna Arpushana used to walk miles to collect water in La Guijara, Colombia – until support from Medicor Foundation helped us build local taps. Now Lorinna can spend more time on her textiles business.

Below: Thanks to a project funded by players of People's Postcode Lottery, Helme and her daughter Amaru in Amhara, Ethiopia, can now collect clean water from a tap by their door, rather than trek to the river.

Right: Voices from the Field Officer Mani Karmacharya guided viewers through our exclusive Virtual Visit to Nepal, an immersive experience that let them choose their own journey of films and stories from the communities we are working with.

## Virtual visits

We brought supporters closer to our vital work during the pandemic through our first ever Virtual Visit, an immersive experience of projects in Nepal. Introduced by long-time supporter Sir Richard Stilgoe, and featuring a Q&A with WaterAid UK Chief Executive Tim Wainwright and WaterAid Nepal staff members, we have since delivered three more events like it, and plan to develop more in the future.



# A wave of support for Nepal

Philanthropists and trusts made our Winter Appeal for Nepal a fantastic success this year. Supporters gave just under £3.6 million, with philanthropists and trusts contributing an enormous wave of support through gifts of £804,670 – more than one fifth of this amount. The UK Government then matched a further £2 million, bringing the grand total to £5,592,201.

To inspire our philanthropic audience, Mani Karmacharya, our Voices from the Field Officer in Nepal, hosted an exclusive webinar that dived into details of our work in the country – including the school in Lahan the appeal was centred around. Funds raised will now be used to reach 475 schoolchildren in Lahan, 28,000 people and 30 schools in Nepal's Bardiya District, and even more communities around the world with clean water, decent toilets and good hygiene.

## Reaching rural communities

The Zochonis Charitable Trust has generously supported our work in Northern Ghana since 2019, providing significant funding for our local partners to work with hard-to-reach rural communities. Thanks to the trust, more than 13,000 people now have clean water, decent toilets and good hygiene, with a special focus on improving services at community healthcare facilities to protect everyone's health.



## Becoming climate resilient

Thanks to invaluable support from the Prince Albert II of Monaco Foundation, we started developing plans between the most climate vulnerable communities in southwest Bangladesh and their local governments. We will use climate resilient services to reach 50,000 people with clean water, 40,000 with improved sanitation and 60,000 with hygiene messaging to protect their health during and after extreme weather events like cyclones.

## Reaching rural communities

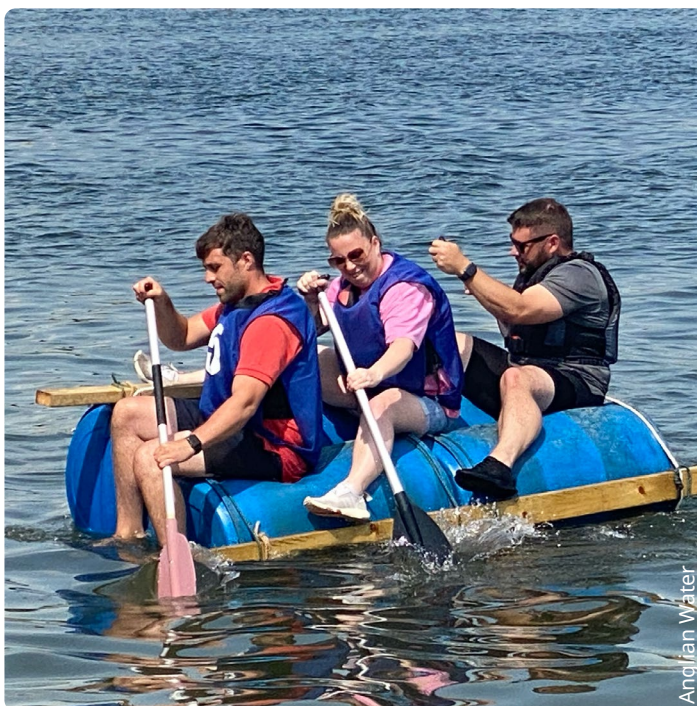
Thanks to long-standing supporter Medicor Foundation, we improved access to clean water and toilets for rural communities in Colombia's La Guajira and Putumayo provinces and the North Caribbean Coast Autonomous Region in Nicaragua. With their support, we integrated these essential services into schools, day-care centres and the wider community, and strengthened the water sector at regional and national levels.





● Right: Contestants splashed out in the Anglian Water Regatta, returning to in-person events and raising £135,822 for clean water, decent toilets and good hygiene in Lahan, Nepal through the Beacon Project.

● Far right: This year's WaterAid Scotland Ball raised funds for our work in Malawi – so we were delighted that Malawian comedian Daliso Chaphonda hosted the festivities and inspired attendees.



## A year of reconnecting

We are immensely grateful to UK water companies for inspiring their employees and customers, and relaunching fundraising programmes after a difficult year. Despite the impacts of COVID-19, our industry partners managed to raise a phenomenal £2.1 million for clean water, decent toilets and good hygiene.

Their success was achieved through a combination of in-person, virtual and hybrid events, and exciting replacements for well-loved favourites – like Severn Trent, who were sadly unable to hold their annual Mountain Challenge, but substituted it with a clay shoot. Northern Ireland Water held their second successful virtual ball, and both Anglian Water and Scottish Water were able to bring back in-person balls in March.

Funds raised will go towards programmes changing life for thousands of people across Africa and Asia with essential services.

Anglian Water will continue supporting the Beacon Project in the town of Lahan, Nepal. Severn Trent will keep investing in climate resilience for communities in southwest Bangladesh. Scottish Water and Northern Ireland Water will protect maternal health through the Deliver Life to Mothers, Girls and Children in Malawi project. And other water companies, like South West Water, will support us through unrestricted funding, to be used where the need is greatest.

Thank you to all water industry employees, suppliers and customers for your continued commitment. Because of you, we are truly making a bigger difference.

## Superheroes ball

The WaterAid Scotland Ball raised £129,000 for Deliver Life, our project in partnership with communities in southern Malawi, with core funding from the Scottish Government's International Development Fund. The event highlighted Malawian superheroes making change happen in their communities, and people from Scottish Water and the wider water industry in Scotland whose support makes our vital work possible.

## 40 years of partnership

2021 marked 40 years of WaterAid – and 40 years of cake sales, mountain challenges, raffles and much, much more by the UK water industry to support us. Since our foundation in 1981 by UK water companies, employees have committed everything for clean water, decent toilets and good hygiene and changed millions of lives for good.



Iain Spowart

## UK-wide support

Water companies helped us reach over 12 million UK households this year by including WaterAid leaflets in their bills. With gift aid and other fundraising by customers, this raised over £13 million – an amazing response considering the impact the COVID-19 pandemic has had across the UK. Since 1990, leaflets in bills have secured £234 million to help communities unlock their potential with clean water.

■ Right: Gita Roy inspects a water storage tank. Gita leads Golap Dol, a women's group with around 60 members managing local water services in Tengrakhali, Bangladesh. Our work with the group and their community has been supported by Severn Trent.



WaterAid/Drik/Farza a Hossen

## Fundraising Superman

Matthew Girvan, Senior Mechanical Engineer at Scottish Water, set a big plan in motion this year. After raising over £5,000 hiking the Scottish National Trail for us in 2020, he dedicated himself to a new goal in 2021 – inspiring colleagues at Scottish Water to take on their own personal challenges for clean water, decent toilets and good hygiene.

To do so, Matthew has spent this year encouraging peers to embody one of three characters based on Scottish Water's values - Hometown Hero, Lifestyle Legend or Dare Devil – and get fundraising.

All funds raised by his colleagues are helping our community programmes in Rwanda and Malawi, which are also supported by the Scottish Government's International Development Fund. A big thank you to Matthew and everyone at Scottish Water taking part!

## Adapting and innovating

To keep supporting us, water company staff adapted to the changing COVID landscape and innovated their fundraising events. Anglian Water hosted the first ever national water industry quiz, bringing employees together virtually from all over the country. Cycle challenges went online, but brought participants together on social media, and Northern Ireland Water hosted a special drive-in movie night for social distancing.





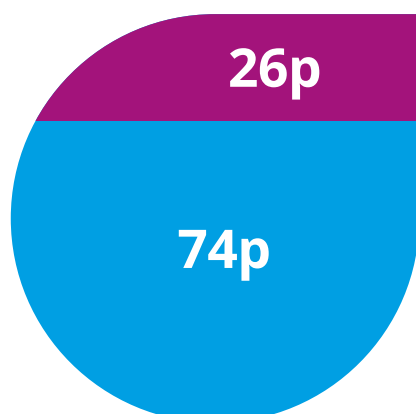
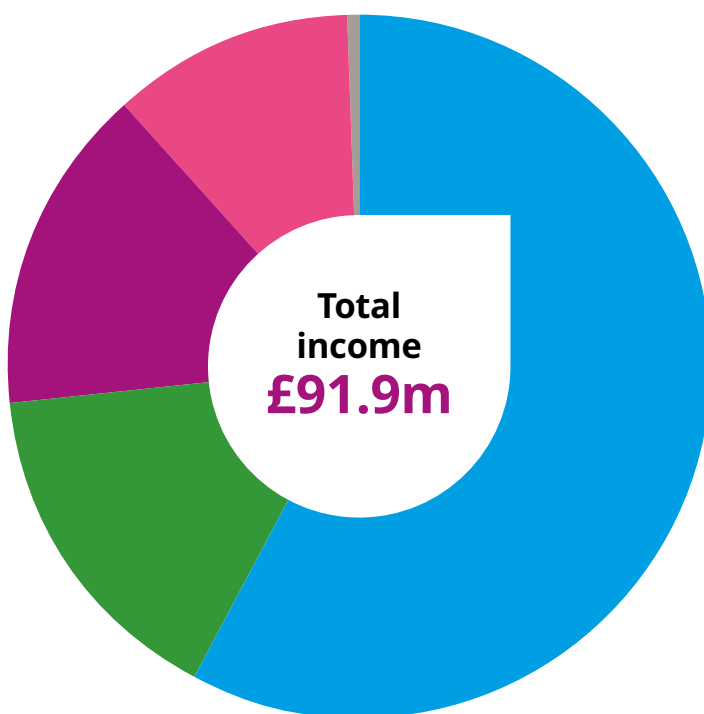
## Financial summary

### Income

Total income is 2.7% higher compared to the prior year, which is a remarkable achievement given the continued impact of COVID-19 and more recently the war in Ukraine. With social distancing restrictions being lifted this year, we were delighted to see many of our corporate partners' businesses recover and many events take place again to grow that income stream.

Giving from individuals continued steadily and companies and philanthropic organisations supported our work with greater generosity than we planned for. We are immensely proud of and grateful for this, as it has a direct impact on our ability to respond to the difficult circumstances experienced in the countries where we work.

- Individual supporters  
**£53.3m**
- Corporate and trust supporters  
**£14.3m**
- Other WaterAid member countries  
**£13.7m**
- Governments and other institutions  
**£10.3m**
- Other income  
**£0.3m**



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

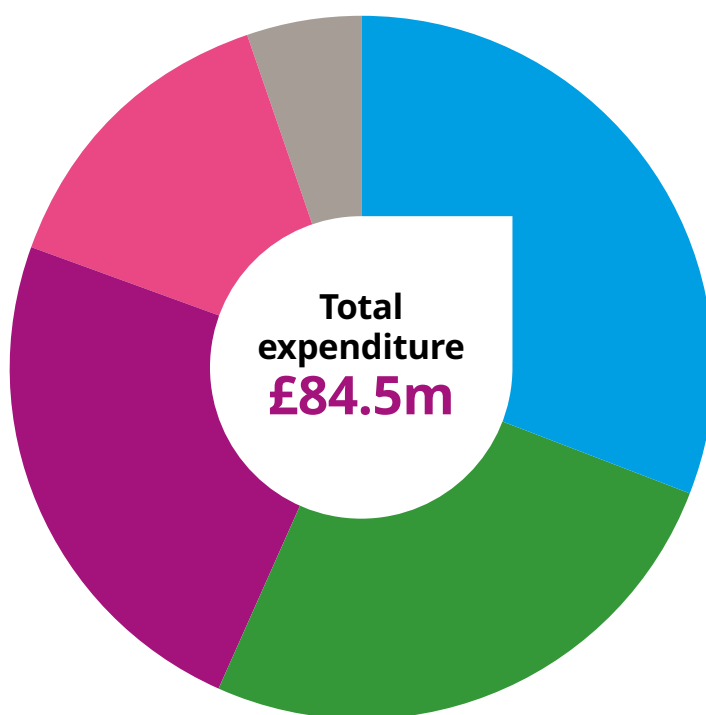
## Expenditure

Total expenditure reduced by 1% on the previous year. While expenditure against already secured funds was a little slower than we had planned there were also economic factors such as exchange rates being more favourable than expected that contributed to programmes being delivered at lower cost than budgeted. Going into 2022-23 the challenging environment to deliver sustainable and quality programmes of work continues, with the ongoing impact of COVID-19, political insecurity in some countries, war in Ukraine affecting critical supply of goods (especially to Africa) and weakening global economics contributing to rapidly rising inflation.

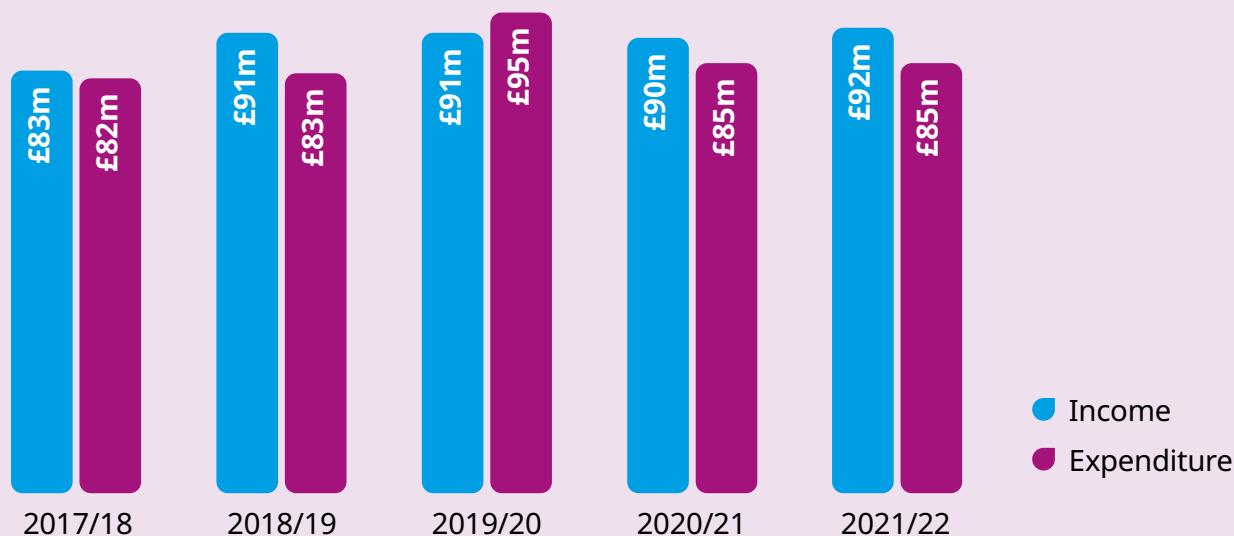
- Supporting partners to deliver water, sanitation and hygiene **31.0%**
- Fundraising **25.7%**
- Sector strengthening and capacity building **23.9%**
- Influencing policy in water, sanitation and hygiene **14.3%**
- Supporting WaterAid globally **5.1%**

## Reserves

The lower costs and excellent income results led to an unrestricted surplus for the year, increasing our operational reserve above its target. We will draw upon this excess to manage risks of our uncertain economic environment, and to invest in implementing our new global strategy, which is starting in 2022-23.



## Income and expenditure 2017-2022





Thank you

Thank you

Below: Sahana and Rani wash their hands using a handwashing station in their primary school in New Delhi, India.

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

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



4Water

Access

Affinity Water

All the individuals who kindly left a gift in their will

All UK water industry supply chain partners and sector bodies

Allegra Foundation

Anglian Water Alliance partners – Beacon project

Anglian Water Services Ltd

Ann & Howard Thorne

Association of Inner Wheel Clubs in Great Britain and Ireland

AXA XL

Belu Water Ltd

Bournemouth Water

Bristol Water Plc

Brit Insurance

Cambridge Water

Camp Bestival

CoWaterSogema International Inc

Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

Diageo Plc

Dŵr Cymru Welsh Water

Environment Agency

Essex and Suffolk Water

European Commission

Eversheds Sutherland LLP

Faith groups across the UK supporting our work

Faversham House

Foreign, Commonwealth and Development Office

GAMA Healthcare

Giorgio Armani Acqua for Life

Glastonbury festival

Green Man

Grundfos

H&M Foundation

Halma Plc

Hanif & Ann Ali

HEINEKEN Africa Foundation

Institute of Water

Japan International Cooperation Agency

John & Maggie King

John Lewis Foundation

Kimberly Clark Corporation

Liberty Specialty Markets  
 Linda I  
 Lions Clubs International  
 LTS International Limited  
 Medicor Foundation  
 Natural Resources Wales  
 Northern Ireland Water  
 Northumbrian Water Ltd  
 Ocorian Corporate Trustees Limited  
 Oonagh Fawkes  
 Osprey Foundation  
 Parklife  
 Peter & Pamela McPhillips  
 Pictet Group Foundation  
 Players of People's Postcode Lottery  
 Portsmouth Water  
 Poul due Jensen Foundation  
 Rotary Clubs of Great Britain and Ireland  
 Save the Children  
 Scottish Government International  
 Development Fund  
 Scottish Water  
 SES Water  
 Severn Trent  
 Soroptimist International Great Britain  
 and Ireland  
 South East Water  
 South Staffs Water  
 South West Water  
 Southern Water

Spirax-Sarco Engineering Plc  
 Swedish International Development Agency  
 Swiss Agency for Development and Cooperation  
 Thames Water  
 The Alchemy Foundation  
 The Constance Travis Charitable Trust  
 The Craig and Jill Thomas Fund  
 The Georg & Emily von Opel Foundation  
 The Haverstock Charitable Trust  
 The Prince Albert II of Monaco Foundation  
 The Reo Stakis Charitable Foundation  
 The Richard & Anne King Charitable Trust  
 The Water Report  
 The Waterloo Foundation  
 The Wimbledon Foundation  
 The World Bank  
 The Zochonis Charitable Trust  
 Twinings Ltd  
 UNICEF  
 Unilever  
 United Nations Development Programme  
 United Utilities  
 Vivien Barnard  
 Wallingford HydroSolutions  
 Water Industry Education Forum  
 Welsh Water  
 Wessex Water  
 World Health Organisation  
 Yondr Group  
 Yorkshire Water



Scottish Government  
 Riaghaltas na h-Alba  
 gov.scot







WaterAid/Ernest Randriarimalala

## Supporting staff to be their best

● Above: Girls outside their school's toilet block in Tsiroanomandidy district, Madagascar – just one example of the positive impact our staff have on people's lives. Making sure of their own mental health, safety and security is a key priority for us.

## Promoting openness on mental health

With the pandemic heightening awareness of mental health, we launched our first annual global wellbeing day just after World Mental Health Day in October. To engage staff in this vital issue we ran a global webinar that raised awareness of how we can support each other's wellbeing and mental health at work. Senior leaders discussed their own mental health and wellbeing, to demonstrate the importance of being open and honest with colleagues.

We also launched our Global Gratitude Corner, where messages of gratitude are shared between people across the organisation. Around one third of staff engaged in this forum. And we released two new Let's talk wellbeing podcasts, part of a series that has now grown to 15 episodes, where staff share personal stories of their own mental health challenges.

Meanwhile, our wellbeing champion network supported local initiatives. These included the Rwanda team engaging a specialist company to run wellbeing sessions and provide counselling. Similarly, in Madagascar the team hired a psychologist to provide individual support and guidance on how to reduce tension and stress at work, while they also produced a wellbeing booklet and created a wellbeing committee to keep the issue front of mind.

We also granted all staff an additional day of leave as a special thank you for the previous year's hard work, and to recognise the value of resting and recharging.

## Ensuring safety and security

Each year during a special week we share learning and experiences in two important areas of our work – safeguarding and security. These are woven throughout our approaches to delivering programmes and projects in partnership with others, in our fundraising activities, and in our roles as staff and volunteers.

Maintaining a strong and effective safeguarding and security culture is vital to us fulfilling our core principle of 'do no harm'. In October, Safer WaterAid Week brought the voices of survivors, courageous leaders and Safeguarding/Security Focal Points to the fore. Globally and within our country teams we ran webinars, quizzes, panel discussions, and shared videos. Particularly moving was hearing from a survivor of female genital mutilation, and a country team in the middle of political and civil unrest.

● Right: Safeguarding Focal Points and other staff share learning and ensure our core principle of 'do no harm'.

## A global approach to recruitment

In line with our ambitions to devolve decision making, address power inequalities, and grow diversity, we are increasingly taking a global approach to recruitment. For many roles, finding the right people with the right capabilities, at the right time, no longer needs to be dependent on them being in a particular place. This includes being innovative about recruiting global experts in countries where we have no registered office, as we have done in Kenya.

The approach allows us to maximise our existing talent, as well as to employ the best future talent. To achieve it we published global recruitment guidelines and launched a global opportunities hub. Each of these was designed to help keep the process fair, equitable and consistent.

## New strategy for people and culture

We started developing a new strategy for our people and culture during the year, to set out our areas of focus so we can achieve our mission in a rapidly changing world. We involved external contacts as well as staff at different levels, with diverse perspectives. We began with a comprehensive analysis of our strengths, weaknesses, opportunities and threats, developed insights from these, and explored the shifts we might need to make.





## Principles for hybrid working

Following multiple lockdowns in many of our countries, we launched a hybrid working project to explore people's desire for choice over where, when and how they work to best balance home and work life. Using appreciative inquiry with our UK based staff, we developed a set of principles which we will further refine. The current principles are: building a global and inclusive team; connecting on an equal basis; recognising and respecting the needs and circumstances of others; and courageously and continuously challenging and evolving the status quo.

We provided teams across our countries with the tools to hold relevant conversations, and our IT teams put in place what was needed to support colleagues to continue working outside the office.

WaterAid



## Recruiting for inclusion

We significantly boosted our capacity to promote diversity, equality and inclusion (DEI) across our global teams during the year. In February we appointed Julie Shrestha as Global Head of Diversity & Inclusion, in December we appointed Trustee Mala Rao as Lead Trustee on the Board for DEI, and in March Caroline Chukwura became our Internal Communications Manager for DEI.

● Left: Trustee Mala Rao took up an additional role during the year of Lead Trustee for Diversity, Equality and Inclusion.



WaterAid

## Taking our own temperature

In November, 74% of our 920 staff took part in a short global engagement survey to share how they felt about the organisation. Highlights included:

- 92% of our staff think we are a good place to work.
- 85% of our staff feel they belong.
- 83% of our staff feel they are treated fairly, irrespective of gender or gender identity.

## Planning people for our new strategy

Following the launch of our new strategy for 2022-2032, we began engaging with all teams using a process of strategic people planning (SPP). This is to ensure we resource our needs appropriately, and create the right environment for people to be their best. The SPP helps us understand what capabilities and skills we need both now and in the future, what we currently have, and the actions we need to take to close the gap.



● Above from left to right: Special Projects Director Mariame Dem, Rwanda Country Director Maurice Kwizera, Regional Director Robert Kampala and Nepal Country Director Tripti Rai all joined our extended UK Directors Team as a way to involve senior leaders outside the UK in making critical decisions.

## Addressing our own power imbalances

At the heart of our work lies the conviction that everyone, everywhere deserves the same rights and opportunities. In relation to water, sanitation and hygiene, we are committed to identifying and removing the barriers that hold people back from these three essentials and fulfilling their potential. Increasingly, we have been challenging our own assumptions and practices as an organisation to remove internal power imbalances and inequalities that get in the way of us achieving our mission.

During the year we carried out a power analysis. 655 colleagues took part, of whom 61% felt that unhelpful power differences are getting in the way of achieving our mission. These include being too UK centric, and not recognising expertise, allocating resources equally, or ensuring enough decision-making autonomy within and between the countries we work in, as well as not having enough diversity of voices at Board and senior leadership levels.

In response we established a steering group to create a vision of the changes we want to see, and to oversee the actions we need to take. We extended the UK Directors' Team to involve senior leaders outside the UK in making critical decisions. We ran webinars and podcasts for staff to deepen their understanding of the issues, demonstrate their allyship, and suggest solutions. All of this has led to a range of racial equality and inclusion action plans we are now implementing. We will build on this work over the coming years until we have addressed the issues identified.



# Our priorities for 2022-23

# 1

## **Accelerating progress so many more people gain access to sustainable clean water, decent toilets and good hygiene. We will:**

- Influence and model the delivery of sustainable, climate resilient water, sanitation and hygiene services at all levels.
- Catalyse and support the prioritisation for improvements to water, sanitation and hygiene in healthcare settings, and hygiene behaviour change generally.
- Support and directly deliver services to communities in targeted areas.

# 2

## **Resourcing our work. We will:**

- Engage a broad range of support across the water industry, other companies, institutions and individuals.
- Raise between £91-93 million, with a minimum of £30 million being restricted income.
- Spend between £92-94 million, with 74-76% spent on charitable objectives and 24-26% spent on raising funds for this and future years.
- Ensure an operational reserve target of £21-24 million.

# 3

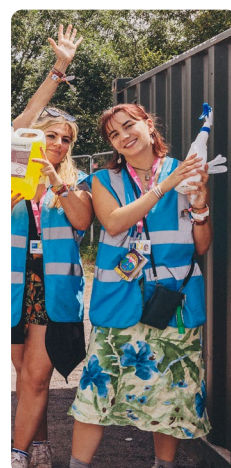
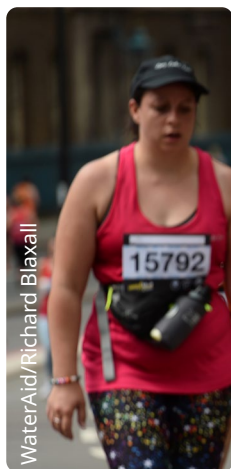
## **Supporting staff to be their best. We will:**

- Prioritise the physical and mental wellbeing of our staff.
- Identify, develop and recruit the skills needed for the new global strategy.
- Further develop ourselves as a diverse and inclusive organisation including addressing the power inequalities that are obstacles to achieving our mission.

● Top: Bintu Nasiru carries a container of water that she has collected from a stream in Adamawa, Nigeria.

● Middle: The London Landmarks Half Marathon, just one of the many ways our wonderful supporters found to raise funds for our work.

● Bottom: Staff and volunteers work and play at Glastonbury Festival, Worthy Farm, England.





# Looking after our people

## Safeguarding

### Our commitment

Safeguarding is a priority for us. Wherever we work in the world, we have zero tolerance for the abuse of power, privilege or trust, or any form of inappropriate behaviour, discrimination, abuse, harassment, or exploitation of any kind. We expect all staff, volunteers, partners, and those representing us to conduct themselves in a way that preserves the dignity and respect of every individual. All representatives are required to uphold our Global Code of Conduct. We ensure all reports of misconduct are fully investigated by trained staff, with a survivor-centred approach, and that appropriate actions are taken to protect and safeguard all individuals involved. Where a staff member has been dismissed for sexual harassment or abuse, we are committed to sharing the reason for termination on any future reference requests.

### Safeguarding activity

During 2021-22, our Global Safeguarding Team received reports of 27 safeguarding concerns from across the WaterAid federation. 11 of these concerns related to WaterAid staff or WaterAid as an organisation. 16 of these concerns related to others such as partner staff, vulnerable fundraisers or donors, or staff family members.

The team responded to all reports; we resolved 12 cases following an initial safeguarding review and 14 cases led to a safeguarding investigation. One concern was not investigated as this was a community safeguarding issue not related to WaterAid or its partners and the issue was reported to a local ombudsman. Of the 27, 19 were confirmed as safeguarding issues.

The outcome of the findings led to some of the following actions:

- 3 staff members being dismissed and 2 staff members receiving warnings.
- 1 partner staff member and 1 partner volunteer were dismissed.

- 1 case where WaterAid returned money to a vulnerable person who had unintentionally made a donation.
- 4 cases led to a revision of our procedures to address identified gaps or risks.
- 2 cases led to thorough learning reviews.

Other cases led to the development of personal welfare plans, risk management plans, individual action plans.

### Improving our responses

We recognise that the number of safeguarding concerns from and about partners and communities are fewer than we believe they should be given the challenging circumstances we work in. We remain committed to improving and strengthening our safeguarding reporting and responses with the partners and communities we work with.

We also remain committed to training our staff, partners, and communities to identify and raise concerns, to respond robustly and to mitigate risks. We have updated our core policies and procedures and we launched our Principles of Child Safeguarding (formerly our Child Safeguarding Procedure) with a global staff webinar.

COVID-19 posed an increased risk to already vulnerable groups, our partners and to staff in terms of safeguarding. During 2021-22, we continued the support we offered the previous year, including awareness raising around family and domestic violence (which had seen a global increase) and how to respond to issues being raised whether these related to our own staff, partner staff or community members.

We reviewed the role of Safeguarding Focal Points in every country. We produced clearer guidance on budgeting for safeguarding and set up a fund to support global, regional or country improvement initiatives. Several countries drew upon the fund to deliver partner safeguarding training workshops with positive feedback received. We updated Partnership Agreement Guidelines to include a partner safeguarding self-assessment tool.

### Training

We provide ongoing mandatory training to our staff. This past year, we delivered safeguarding training to all Trustee Boards across the Federation and there is now a nominated Safeguarding Trustee for most Boards. During

Safer WaterAid Week, which took place 25-29 October, we ran a range of awareness raising activities.

We remain part of the sector working group run by the international non-governmental organisation network Bond, providing expertise around recruitment, partnership and community awareness. We also helped the Foreign and Commonwealth Department to shape their plans for an aid worker registration scheme, by sharing our safeguarding processes around safer recruitment.

## Quality assurance

In the final quarter of 2021-22, we carried out a global safeguarding audit of all federation members against our Global Safeguarding Standard. The findings will generate both global and member-specific action plans. It is the first review of its kind and we will use the findings to implement change across the federation. We also finalised a Global Disclosure Policy to ensure that the highest level of background checks can be carried out on staff where this legal mechanism is available. We will commence Disclosure and Barring Service checks on all our new starters such as those whose roles involve working with children and vulnerable groups.

Our Global Head of Safeguarding provides written reports to all WaterAid Boards, attends the WaterAid UK Board meetings, and liaises regularly with our lead Trustee for safeguarding. Anyone can raise a safeguarding concern, by calling the Global Safeguarding Team on: 0207 793 4468 or emailing: [safeguarding@wateraid.org](mailto:safeguarding@wateraid.org) Alternatively, our whistleblowing hotline is through Protect: 020 3117 2520. For more information, please see the safeguarding section on our website.

## Modern slavery

Our full Modern Slavery statement can be found on our website. It outlines our commitment and co-ordinated action in relation to the Modern Slavery Act 2015 in respect of our policies for staff and partners, and our operations and supply chains. During the year we recruited a Global Ethical Checks Manager who reviewed and updated our Global Ethical Standards and Policy, and ethical check procedures. Any concerns around modern slavery or trafficking

are reported, recorded and dealt with through safeguarding procedures. During 2021-22, no safeguarding concerns about modern slavery were reported.

## Remuneration

We are very aware of our responsibilities to those who benefit from our work as well as to our supporters, donors, staff and the public. In setting pay we take seriously our responsibility to ensure value for money in everything we do, by always being effective stewards of our resources. This includes using our money wisely to ensure we pay competitive and fair salaries that enable us to recruit and retain staff with the right values, skills and experience to achieve our mission. We aim to remunerate and to review remuneration in a transparent way.

All of our staff have an annual performance review. We believe that basing an element of pay on performance demonstrates our commitment to value for money, accountability to our stakeholders, and reinforces the importance of high standards of performance for all staff.

Pay scales for all staff are set with reference to market conditions, comparing ourselves with similar not-for-profit organisations. Market pay is determined using recognised salary surveys specialising in the charity and international development sector. We seek to pay between the median and upper quartile of these comparators.

Pay ranges for the Chief Executive and Directors are set with reference to market data for each individual role, benchmarked using at least three relevant remuneration surveys.

Each year we consider an increase to be awarded on 1 April. Increases are determined taking into account the benchmark data, individual performance and affordability. In April 2022, we took note of some significant changes to inflation in many parts of the world.



The People Committee of the Board provide assurance that our global remuneration policies and principles are being applied. The Committee reviews all proposed increases for Directors and recommends the remuneration of the Chief Executive for approval by the Board of Trustees.

Our Board of Trustees are not remunerated.

## Gender and ethnicity reporting

The gender pay gap shows the difference in average pay between men and women nationally or within an organisation. As of 5 April 2022, our mean (average) pay gap in the UK was 13.38% and our median (middle) pay gap was 12.52%. Each are below the published national average. The median and the mean pay gap have increased slightly since last year, by 1.3% and 1.2% respectively, the second year we have seen an increase.

We have significantly more women than men in our UK workforce, and our female employees are generally equally distributed across all our grades. Our pay gap arises from the distribution of our male employees across our grades, with a greater proportion of men employed in senior roles and fewer in junior roles, which is similar to other organisations in our sector. This year, we saw even more women and fewer men in the lower quartile, and a greater proportion of men in the upper quartile, which would explain an increase in our gender pay gap.

We carried out our first ethnicity pay gap reporting, using the same process as for our gender pay gap and with the 5 ethnicity categories outlined by the Office for National Statistics. Using the latest available figures, at April 2021 we had a mean ethnicity gap of 0.04% and median pay gap of 5.55%. In April 2022 the mean was -0.64% and the median 4.49%. We will continue to track and review the data to fully understand the reasons.

We now have an integrated gender and ethnicity action plan in place that covers five key areas – developing our apprenticeship schemes; improving opportunities for work; making jobs at all levels flexible, encouraging men and women to share childcare responsibilities; and reducing prejudice and bias in recruitment,

promotion and pay. During 2022-23 we will focus specifically on tackling our pay gaps through actions linked to recruitment

## Diversity and inclusion

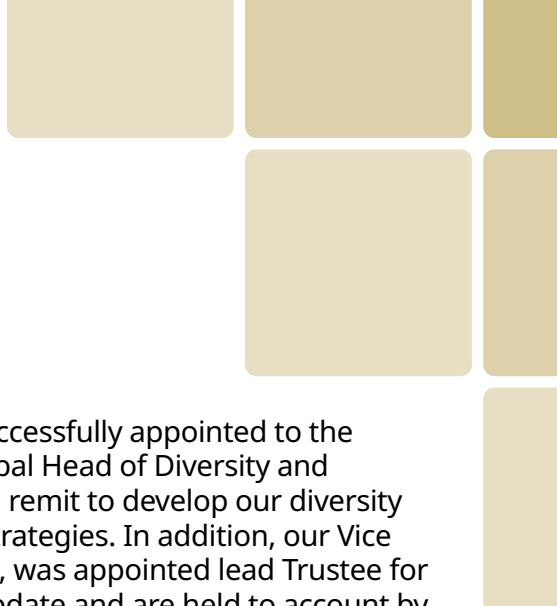
We are passionately committed to being an organisation where everyone is welcome, respected, included and empowered to be their best. We promote and celebrate the diversity of our staff, partners and everyone that we work with, and seek to create a culture where everyone can reach their full potential and bring their unique and valuable contribution.

We have policies in place to ensure we give candidates, existing staff and volunteers equal opportunities to succeed, and we are registered as a Disability Confident employer in the UK. We support flexible working and encourage staff to develop to match their circumstances and aspirations.

Last year we launched our racial equality and inclusion framework, outlining our intentions and actions to stand against all forms of racism and address any unhelpful internal power dynamics. Since launching the framework we held quarterly meetings with the Racial Equality and Inclusion Advisory Group to be accountable for, and report on, progress against the framework's four aims: individual understanding, allyship and action; our people practices; power dynamics within WaterAid; our communications and how we portray ourselves and the communities that we work with.

WaterAiders across the world committed themselves to deepening their understanding and allyship through reading, podcasts, attending webinars and through discussions within their teams. Many teams ran reflection sessions, and developed and started to implement Racial Equality and Inclusion action plans.

As part of our commitment to address the power differentials that hold us back from achieving our mission, we commissioned a consultant to undertake an internal power analysis. Between June and August 2021 around 150 global staff were interviewed or joined focus groups and 655 completed a survey. 61% of those surveyed thought unhelpful power dynamics were holding us back. As a result of the feedback, we formed a steering group with



representatives from country programmes and regions. The group will create a vision of how we will change, and will identify and drive the required actions over both the short and long term. We created a global engagement and communications plan for this area of work, with activities planned at 3 levels: senior leaders; global audiences; and localised team activities. The aims are to learn, to engage people and to challenge our thinking and shift behaviours.

To support our ambition to devolve decision making, address power inequalities, draw on talent from a wide range of countries and grow diversity, in 2021-22 we launched our global opportunities hub and increased the number of global roles based outside the UK.

We recognise and take seriously our responsibility for how we portray ourselves and the communities that we work with, and how this defines us as an antiracist organisation and resonates with recipient audiences. We drafted a representation policy and approach that will ensure our communications are founded on being an anti-racist organisation, drawing on consultations with communities in Ethiopia and Nepal, diaspora communities in the UK, and through internal workshops.

We have reviewed many of our people management practices from a diversity lens with a focus on recruitment, career development, induction, leadership development and other learning activities, and in December 2021 we reviewed and updated our Global Code of Conduct.

In every country, our teams engaged in discussions about diversity and inclusion. In some countries support groups have formed, such as an LGBTQ+ group in the UK and a women's group in Bangladesh. We report annually on our UK gender pay gap and this year also reported on our ethnicity pay gap.

In November 2021 we held our annual global employee engagement survey. 80% thought people at WaterAid are treated fairly, irrespective of nationality, race or ethnic origin; and 85% thought people at WaterAid are treated fairly, irrespective of gender or gender identity. 13% said they had experienced or witnessed discrimination at WaterAid in the previous 12 months.

In March we successfully appointed to the new role of Global Head of Diversity and Inclusion with a remit to develop our diversity and inclusion strategies. In addition, our Vice Chair, Mala Rao, was appointed lead Trustee for Diversity. We update and are held to account by the Board on our progress in this important area.

Everything we do is guided by our values of respect, collaboration, accountability, innovation, courage and integrity. We treat everyone with dignity and respect, and champion the rights and contributions of all to achieve a fairer world. We act with honesty and conviction and our actions are consistent with openness, equality and human rights.



# Managing risk

WaterAid works in countries where security is often an issue, which means a level of risk is inevitable. We have an active risk management process in place to make sure appropriate steps are taken to manage and mitigate risk across the organisation.

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

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

## Our process

- Risk appraisals conducted from the Board of Trustees through to country team level, with regular staff training sessions to identify, evaluate and manage risks.
- Risk registers that capture the risks identified across WaterAid, including material risks, controls and mitigating actions.
- An annual risk management plan which is produced by the Directors team for review and approval by the Board of Trustees, who receive regular progress reports.
- A risk management review which is carried out by the Audit Committee twice a year.
- Regular audits which are carried out by our Internal Audit team and reported to the Audit Committee, who review the implementation of each recommendation.

- Multi-year planning and budgeting which focuses on milestones linked to delivering the global strategy.
- Financial reporting which compares results with the budget on a monthly, quarterly and yearly basis.
- Value for money principles which guide when and where we source goods and services, how we benchmark salaries, and our policies on borrowing and reserves.

## Last year's most significant risks

The high risk areas we had identified in our business planning were related to people, delivery of programmes, and finances.

- COVID-19  
The pandemic continued to be a big risk during the year in some countries. The two main challenges were keeping our people and our partner staff safe and being able to deliver a high-quality programme of work with continued restrictions, for example on the movement or gathering of people. There were also, however, opportunities to promote the benefits of water, sanitation and hygiene for better public health.
- Economic pressures  
COVID-19 was identified as a risk to the global economy going into 2021-22. The full impact of supply shortages, rising inflation and the national costs of responding to the pandemic was starting to be felt across the globe. However, the impact of this and then the war in Ukraine was mostly felt toward the end of the year and this is identified as a risk for at least the next two financial years, likely impacting income and costs. Restricted income, particularly from the UK Government, was down in the year, however other income streams did better than planned which helped mitigate this risk.
- Political instability / terrorism  
We continued to see political instability in many countries where we work and security issues continued to be a threat in some countries. The rigorous policies and procedures in place to mitigate some risks were followed and increased support given to countries experiencing this increased risk

environment. Tailored security plans and a range of training was in place to support our staff in their context to remain vigilant on their safety and security.

- **Safeguarding and security**  
The risk of harm to people due to either safeguarding or security incidents remains high in our assessments due to the impact rather than likelihood of such incidents. We had developed mandatory operating procedures at the beginning of the pandemic to help manage staff safety, and rolled out baseline security training for all country programme staff with enhanced training for those in high risk areas. We continue with ongoing safeguarding elearning for all staff and Trustees.
- **Cyber security**  
We take the security of our data seriously and have good measures in place, but this remained a significant challenge as demonstrated by the increase in phishing, malware and ransomware attempts. Improved security software enhanced how we deal with cyber attacks and we provide regular fraud and cyber security training to staff to raise awareness.

## Main risks to manage in the year ahead

- **Unstable global politics diverts attention from the water, sanitation and hygiene crisis**  
Instability in global politics, coupled with the economic challenges resulting from COVID-19 and the war in Ukraine, may lead to global leaders having less focus on global development objectives. This is especially relevant for water, sanitation and hygiene as they are not yet a priority, despite the critical role they play in human health and climate adaptation.
- **Global economy**  
The war in Ukraine and continued lockdowns due to COVID-19 variants are impacting heavily on the global economy, with significant risk of global recession. High inflation rates increase the cost of delivering programmes as well as impacting individuals' spending choices and affecting corporate and institutional decision-making. The future trend in individual spending is unknown, although we continue to strengthen our analysis, tracking performance

and gathering insight to identify triggers early so we can respond with necessary changes

- **Delays and disturbances to programme delivery**  
Disruption and delays to delivering on programme commitments (caused in part by COVID-19 and security issues) are likely to continue into 2022-23. The emphasis will be on working in partnership with the communities, local partners, government and funders of these programmes to build realistic expectations that will ensure programme quality and staff wellbeing is prioritised.
- **Safeguarding and security**  
Risk of harm to people due to a safeguarding or security incident continues to be an elevated risk with the ongoing impact of COVID-19 and security risks in many countries. Global leads for safeguarding and security are in place along with safeguarding and security focal persons in country programmes and UK departments. There is regular staff training, with additional training in high-risk countries. Safer WaterAid Week awareness raising runs annually while global standards, the global safeguarding strategy, and plans are in place.
- **Power, diversity and inclusion**  
Real and perceived power imbalances between the global north and global south within WaterAid can risk the effective and sustainable achievement of our mission, given the relative size and influence of different countries, with the UK being the largest power base. A key workstream for our new Global Strategy undertook a power analysis and is making recommendations for longer term actions and considerations as part of the Global Strategy. One area of focus for the power work is our Racial Equality and Inclusion framework, which has four focus areas:
  - our individual allyship, understanding and action;
  - our people management practices;
  - addressing power differentials between global north and global south;



● our communications and imagery.

We are working with sector colleagues to share best practice. We already differentiate ourselves by not having a dual pay structure (expats/local) in countries where we work.

● Staff retention and recruitment

The risk to retention has been identified more widely than WaterAid as 'the great resignation'. There is a risk that we may not be quick enough to recruit or able to retain the required talent, and a risk that we may not have clearly identified our resourcing needs or have the correct mix of talent for the new strategy or new ways of working. We will continue to retain staff through creating a good working environment and regular benchmarking of pay against the market. Consultation will continue, responding to staff on the need for increased work flexibility following extensive home working. We seek to be an attractive employer in this respect in all countries.

## Our public fundraising approach

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

We speak to a number of our supporters by telephone each year, if they have given prior consent for us to communicate with them on the phone. We use a professional telephone fundraising agency, Angel, to carry out this work on our behalf. They are required to do so in a respectful manner in accordance with our own high standards and sector regulation. We closely monitor our agency's compliance, training and call quality to ensure we provide our supporters with the best experience when they are speaking with our fundraisers. We use an independent assessor to monitor a minimum of 2% of calls made, providing the agency with detailed feedback and training actions where appropriate. We do not hesitate to take action should a call fail to meet our quality expectations. You can learn more about our

approach to telephone fundraising at [wateraid.org/uk/telephone-fundraising](https://wateraid.org/uk/telephone-fundraising)

Understanding and protecting people in vulnerable circumstances is of paramount importance for us: we recognise that we will come into contact with people who are in a potentially vulnerable situation, or who may lack the capacity to make an informed decision about their giving. We follow industry guidelines regarding people in potentially vulnerable situations, and how to manage any interactions we may have. You can read our Vulnerable Supporter Policy on our website at [wateraid.org/uk/our-fundraising-promise](https://wateraid.org/uk/our-fundraising-promise)

While we provide supporter details that an agency partner requires to fundraise on our behalf (as per our Privacy Policy), we do not give or sell our supporters' details to anyone else, and we do not contact people from cold lists. Whenever a partner fundraises on our behalf, we put in place the appropriate data sharing agreements to ensure the security and fair processing of personal data in accordance with the General Data Protection Regulator (GDPR). When considering a new partner who would process personal data, we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the Chartered Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy seriously and are committed to protecting our supporters' personal information. You can read our Privacy Policy on our website at [wateraid.org/uk/privacy-policy](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 2021-22, we made 5,590,718 contacts using email, mail, telephone and SMS.

We received 260 complaints about our fundraising, 0.005% of the total contacts we made. These were 85% of all complaints received. Our Supporter Care team looks into each and every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work. The key causes were direct mail (55%), television advertising (9%) and online activity (13%).

## General Data Protection Regulation (GDPR)

The UK GDPR sets out the responsibilities organisations in the United Kingdom have in relation to the personal data they process.

We have successfully implemented the principles of the GDPR and have embedded an excellent culture of awareness and good practice across the organisation. We are always looking to maintain these high standards, and continually strive to make improvements where we can identify opportunities.

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

- Data protection policies.
- A regularly maintained data map, so we can always show what data we have.
- Data retention and cleansing policies and procedures.
- Simple processes allowing our supporters to easily exercise their GDPR rights.
- Supporter data privacy, consent, and preference management.
- Contracts with all of our data processors (e.g. our mailing house) to ensure they adhere to the same data protection standards that we do.
- Data Protection Impact Assessments whenever we embark on a new fundraising initiative, ensuring data protection is at the centre of everything we do.

- Excellent working relationships with fundraising teams so data protection expertise can be provided promptly to innovative campaigns.

We consider that every member of staff has a role to play, and we have an active training and awareness raising programme to ensure we are all familiar and compliant with regulatory requirements, including mandatory training for new starters.

For more information on how we use and protect personal data, please see our Privacy Policy: [wateraid.org/uk/privacy-policy](https://wateraid.org/uk/privacy-policy)



# Managing our finances

## Reserves policy

Our reserves policy seeks to retain a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target for the operational reserve is reviewed on an annual basis and for 2021-22 the target range was £13-17 million. The operational reserve at the end of March 2022 was above this range, at £24 million and the following gives some information on how this excess occurred. On page 29 we outline how the excess above the target range will be utilised in this and coming years.

At the start of the year COVID-19 continued to be a major risk to income, and we initially estimated an income shortfall of up to £4 million. Although support from individuals to campaigns dropped a little in the second half of the year, especially at the beginning of the war in Ukraine, events and support from some corporate partners had a positive return. We were able to deliver the delayed work from 2020-21 and secure further funding for future years. This resulted in an unrestricted surplus, increasing our operational reserve above its target.

Total funds at 31 March 2022 were £44 million, of which £14 million was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals – the restrictions that these partners place on the funds they give us can range from a focus on a region, theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

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

## Investment policy and performance

We hold short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits.

Accordingly, our investment policy is to invest in short-term deposits and to hold cash only at those banks with a high credit rating.

Despite holding higher cash balances than in the previous year, due to the extremely low interest rate in the UK, investment income was just £20,000 in 2021-22; we expect improved but still low rates of return on cash balances to continue in 2022-23.

## Going concern statement for 2022-23

Our going concern statement is an important disclosure to give our supporters, partners and staff confidence in how WaterAid navigates through our environment of global economic uncertainty. The Board of Trustees is confident WaterAid's financial position is strong and that we have adequate resources to continue in operational existence for the foreseeable future, a minimum of 12 months from the date of signing these accounts. There is still high demand for the work WaterAid is doing but additionally the following factors provide assurance of WaterAid's going concern:

- We have a diverse portfolio of income raised and are not reliant on any key single source of funding – we are not dependant on one or a very few donors.
- Over half our income is from the generosity of individuals, through regular giving and leaving WaterAid legacies in their wills. This is income WaterAid can place a high degree of confidence in. The support comes from a large number of highly engaged individuals, the majority giving small sums of money regularly.

- The generosity of support to those affected by the war in Ukraine together with the increased cost of living in the UK resulted in a reduced number of donations from individual givers and other funders at the end of the last financial year and the beginning of this year. However, historically individuals do continue to be supportive in difficult economic times, and reduction in giving is not material. We currently estimate the engagement and retention levels to remain high, and therefore the risk of significant changes to unrestricted income to be low, but we are monitoring this closely. High levels of inflation are impacting the cost of delivering our programmes in local currency terms in many of our country programmes, This is being somewhat offset in many countries by movements in exchange rate making local currency cheaper to buy and the net difference in costs is not unaffordable in the next year when inflation is predicted to be at its highest.
- Many of the fundraising activities hit by COVID-19 have restarted as a result of the success of the vaccination programme. Similarly, our corporate partners affected by the lockdowns are recovering with positive forecasts for this year and beyond.
- We project high growth for the next three to five years by WaterAid America, with the majority of their funding being directed toward programmes managed by WaterAid UK.
- We ended the year above our target level of operational reserves, leaving us in a strong position to weather future financial shocks and invest in transformation as part of implementing the new strategy.
- We will have sufficient cash throughout the year to meet our liabilities as the cashflow profile is a building of cash in the early part of the year and drawing down on that in the latter part of the year. We will not go below a manageable working capital cash base at any time of the year.

In conclusion the Trustees are confident the right processes are in place to monitor the financial position of WaterAid during a continued period of uncertainty, to ensure the organisation remains a going concern. Any significant changes to the fundraising approach will continue to be brought to the Fundraising

sub-committee of the Board before approval by the Board of Trustees. The Board receives appropriate financial reporting including the cash position at its quarterly meetings to enable members to fulfil their responsibilities. The Trustees believe that there are no material uncertainties that would cast doubt on the going concern of the charity and its accounts are therefore prepared on that basis.

## Public benefit

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



# How we operate

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

## Legal structure

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

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. At 31 March 2021, there were 44 company members. WaterAid UK is a member of the WaterAid federation. WaterAid international was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid international accounts do not require consolidation into WaterAid UK accounts as WaterAid UK does not exercise control or significant influence over WaterAid International.

## Trading company

The principal activity of WaterAid Trading Limited ("the Company") is identifying and undertaking commercial licensing deals. WaterAid Trading Ltd made a net profit of

£0.3 million on a gross turnover of £0.4 million. This trading company is wholly owned by WaterAid which primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

## Organisation structure

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

As at 31 March 2022, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa.

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

## Streamlined energy and carbon report

The annual quantity of energy we consumed was 219,020 kWh and the amount of carbon dioxide we emitted was 46,505 kg. These quantities have been calculated using our office online energy portal, which links to each floor's energy meters, and our fleet car mileage. Our intensity ratio was 125.69 kg CO<sub>2</sub> / staff member (46,505 kg CO<sub>2</sub> / 370 staff) compared to 133.15 kg last year. The reduction in carbon usage was due to all lease cars being handed back at the start of the financial year. The intensity ratio reduced from 2020 (base year) by 33%. In September 2020 we moved to our new office in Canary Wharf. Here we benefit from several energy efficient features including

<sup>iv</sup> WaterAid raised £3,397,539.32 in Scotland through fundraising activities organised both in Scotland and the rest of the UK.

LED lighting, sensor lighting, A grade or above energy efficient appliances, control of our air con system to closely manage output, and energy efficient IT.

## WaterAid UK's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company. WaterAid has a conflicts of interest policy and procedure, and a register of interests is held by the Company Secretary. Trustees and senior management are expected to sign a declaration when they join and update this annually.

WaterAid is committed to the highest standards of governance and seeks to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, WaterAid meets all core areas of key compliance of the Charity Governance Code and has been ranked amongst the top rated of those reviewed by the audit firm RSM on charities' application of the Code. In December 2020 the code was updated to include a new principle on Equality, Diversity and Inclusion, and in the same month the Board of Trustees committed to delivering on a new anti-racism and diversity framework. In the framework we commit to being an antiracist organisation where diversity is celebrated. Managing safeguarding and security risks are also priorities for the Board of Trustees. In 2021 a Trustee was assigned to lead on equity, diversity and inclusion, ensuring an effective approach throughout the organisation and in its own practice as a Board.

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

The Board of Trustees has four committees:

1. The Audit Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management processes, IT and communications systems, capital spend projects and office occupancy strategy.
2. The Nominations and Governance Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees, so as to achieve an appropriate and diverse mix of skills and experience across the Board as a whole.
3. The People Committee reviews the development of our people management policies and practices including our salary policy, with a particular focus on executive remuneration.
4. The Communications and Fundraising Committee oversees and monitors fundraising procedures, policies and activities. It also provides advice on activities that may pose financial, regulatory or reputational risk.

All these committees have terms of reference published in the governance manual, which is on our website. An induction programme is held for Trustees joining the Board. Trustees are invited to participate in seminars with staff as well as being expected to visit WaterAid's work to familiarise themselves with our operations. As part of the development of the Board, a Board evaluation is held 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 52, together with the President, Vice President and Directors' Team.

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



## Registers of interests

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

## Section 172 (1) Statement of Directors' duties

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

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

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

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

- The likely consequences of any decision in the long term:  
During 2021-22 our focus was on developing our future global strategy and how it will contribute to our vision of clean water, decent toilets and good hygiene for everyone, everywhere. Trustees evaluated the long-term impact of some strategic choices and made some hard decisions based on organisational priorities. As part of this work, we held a workshop including Trustees on our geographic focus which led to the decision to close three of our country programmes globally. The group had to consider the consequences of the decision carefully, and its impact on our staff and the communities

we work with. This resulted in an exit plan that will take place gradually over the next two years.

- The desirability of the company maintaining a reputation for high standards of business conduct:  
We are the world's leading non-governmental organisation in the water, sanitation and hygiene sector, and we purposefully create and deliver all of our work in partnership with others. Our reputation for high standards of business conduct is therefore vital to ensure we can maintain our position and approach, and it is driven by our core values of respect, collaboration, accountability, innovation, courage and integrity. The Board of Trustees has paid particular attention to the embedding of our Safeguarding policies and processes, with the Head of Safeguarding reporting directly to the Board and a specific Trustee tasked with being lead for safeguarding. The work we do means there is always a safeguarding risk, so this is a priority for the Board and each quarterly meeting has a standing agenda item on safeguarding to reflect that. See page 38 for more details. Another area prioritised by Trustees this year was promoting anti-racism. We are conscious of power dynamics that exist at WaterAid and set up a workstream to ensure we are demonstrating anti-racism, which is reported back to the Board. We appointed a diversity Trustee during the year – for more details in this area see pages 34-35 and 40-41.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the annual report and the financial statements in accordance with applicable law and regulations.

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

including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein and that all information has been provided to the auditors.

Approved by the Board of Trustees on  
16 September 2022. Signed on its behalf by:



10 October 2022

**Andy Green CBE**

Chair of the Board of Trustees



# Our leadership team

## President

The former Prince of Wales

## Vice President

The Rt Hon Baroness Chalker of Wallasey

## Board of Trustees

Zaid Al-Qassab<sup>vii, viii</sup>

Manuel Alvarinho

Alyson Clark

Harpinder Collacott

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

Chair of the Board of Trustees

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

Mala Rao OBE<sup>vi, vii</sup>

Vice Chair

Guido Schmidt-Traub

Myriam Sidibe  
(retired October 2021)

Peter Simpson<sup>v</sup>

Heather Skilling<sup>v</sup>

Matthew Tweedie<sup>v</sup>  
Treasurer

Hilary Wild<sup>v</sup>  
Chair of Audit Committee

## Chief Executive and Company Secretary

Tim Wainwright

## Directors' Team

Mariame Dem, Acting Director of International Programmes (until February 2022)

Olga Ghazaryan, Director of International Programmes (from February 2022)

Paula Laird, Director of Finance and Information Technology

Marcus Missen, Director of Communications and Fundraising (until June 2021)

Jennie York, Director of Communications and Fundraising (from October 2021)

Sol Oyuela, Director of Policy and Campaigns

Rachel Westcott, Director of People

## Principal banker

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

## Auditor

BDO LLP, 55 Baker Street, London W1U 7EU

## Principal solicitor

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

## Company number

1787329

## Charity numbers

288701 (England and Wales)  
SC039479 (Scotland)

## Registered office and operational address

6th floor, 20 Canada Square, London E14 5NN

<sup>v</sup> Audit Committee member

<sup>vi</sup> Nominations and Governance Committee member

<sup>vii</sup> People Committee member

<sup>viii</sup> Communications and Fundraising Committee member

# Independent auditors' report to the members of WaterAid

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of WaterAid ("the Parent Charitable Company" and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of

the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

### Conclusions related to going concern

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

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

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

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

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

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

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when



it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all

engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations, grants and legacy revenue recognition, supplier and overseas grant payments.

Our tests included:

- Agreeing the financial statement disclosures complied with applicable legislation;
- Enquiries of the Audit Committee, management and internal audit, review of minutes of meetings of those charged with governance;
- Testing controls over grant funding including agreeing recognition to signed grant agreements to ensure conditions have been met;
- Testing controls over the conduct of country programme audits being conducted;
- Reviewing a sample of gift aid claims and ensuring these have been made in accordance with the regulations;
- Audit testing a sample of overseas expenditure and grant awards, ensuring these have been made in accordance authority limits, agreements and internal control procedures;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual;
- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements;
- review of Serious Incident Reports submitted to the Charity Commission and performing an assessment of any Whistleblowing matters;

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

- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 March 2022; and
- performing audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

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

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

## Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's

members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jill Halford (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor  
London, UK  
13 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Consolidated statement of financial activities

(including consolidated income and expenditure account)  
For the year ended 31 March 2022

	Note	Unrestricted £000	Restricted £000	2022 Total £000	2021 Total £000
<b>Income from:</b>					
<i>Donations and legacies</i>					
Donations	3	54,179	4,348	58,527	54,847
Grants of a general nature	3	6,316	-	6,316	3,660
Gifts in kind	3	264	-	264	238
<i>Charitable activities</i>					
Grant funding for specific activities	5	-	25,855	25,855	26,983
<i>Other trading activities</i>	4	746	185	931	3,778
<i>Investment income</i>		20	-	20	12
<b>Total income</b>		61,525	30,388	91,913	89,518
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Expenditure on raising grants, donations and legacies	6	21,349	316	21,665	21,451
Expenditure on other trading activities	6	38	-	38	87
<i>Charitable activities</i>					
Supporting partners to deliver water, sanitation and hygiene	6	9,702	16,500	26,202	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	11,678	8,524	20,202	20,354
Influencing policy in water, sanitation and hygiene	6	10,075	2,049	12,124	10,831
Supporting WaterAid globally	6	3,263	1,002	4,265	4,186
<b>Total expenditure</b>		56,105	28,391	84,496	85,392
Net income		5,420	1,997	7,417	4,126
Transfers	19	828	(828)	-	-
<b>RECONCILIATION OF FUNDS</b>					
<b>Net movement in funds or net income for the year</b>	24	6,248	1,169	7,417	4,126
Funds brought forward at 1 April	19	23,122	13,306	36,428	32,302
<b>Total funds carried forward at 31 March</b>	19	29,370	14,475	43,845	36,428

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All incoming resources and resources expended derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 61 to 83.

There is no material difference between the net incoming resources stated above and its historical cost equivalent.



# Charity only statement of financial activities

For the year ended 31 March 2022

	Note	Unrestricted £000	Restricted £000	2022 Total £000	2021 Total £000
<b>Income from:</b>					
<i>Donations and legacies</i>					
Donations	3	54,179	4,348	58,527	54,847
Grants of a general nature	3	6,316	-	6,316	3,660
Gifts in kind	3	264	-	264	238
<i>Charitable activities</i>					
Grant funding for specific activities	5	-	25,855	25,855	26,983
<i>Other trading activities</i>	4	543	-	543	3,304
<i>Other income*</i>		350	-	350	388
<i>Investment income</i>		20	-	20	12
<b>Total income</b>		61,672	30,203	91,875	89,432
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Expenditure on raising grants, donations and legacies	6	21,349	316	21,665	21,451
Expenditure on other trading activities	6	-	-	-	-
<i>Charitable activities</i>					
Supporting partners to deliver water, sanitation and hygiene	6	9,702	16,500	26,202	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6	11,678	8,524	20,202	20,354
Influencing policy in water, sanitation and hygiene	6	10,075	2,049	12,124	10,831
Supporting WaterAid globally	6	3,263	1,002	4,265	4,186
<b>Total expenditure</b>		56,067	28,391	84,458	85,305
Net income		5,605	1,812	7,417	4,127
Transfers	19	828	(828)	-	-
<b>RECONCILIATION OF FUNDS</b>					
<b>Net movement in funds or net income for the year</b>	24	6,433	984	7,417	4,127
Funds brought forward at 1 April	19	22,937	13,306	36,428	32,302
<b>Total funds carried forward at 31 March</b>	19	29,370	14,290	43,845	36,429

The statement of financial activities includes all gains and losses recognised during the year, there were no realised gains during the year on investment assets. All incoming resources and resources expended derive from continuing activities. There was no material difference between the charity and group accounts. The notes supporting the Financial Statements are on pages 61 to 83.

There is no material difference between the net incoming resources stated above and its historical cost equivalent

\*Other income is made up of the Deed of Covenant from WaterAid Trading and licence fee paid by WaterAid Trading. These are both eliminated on consolidation.

# Consolidated and charity balance sheets

At 31 March 2022

Company number: 01787329

		The group		The charity	
	Note	2022 £000	2021 £000	2022 £000	2021 £000
<b>Fixed assets</b>					
Intangible assets	10	1,792	976	1,792	976
Fixed Asset Investments	10	82	-	-	-
Tangible assets	10	3,323	3,610	3,323	3,610
Total fixed assets		5,197	4,586	5,115	4,586
<b>Current assets</b>					
Debtors	11	10,560	8,656	11,387	9,389
Cash at bank and in hand	15	29,998	28,036	28,907	26,928
Short term deposits	15	7,000	4,000	7,000	4,000
Total current assets		47,558	40,692	47,294	40,317
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(7,380)	(7,613)	(7,353)	(7,238)
Provision for liabilities and charges	17	(1,425)	(1,237)	(1,106)	(1,237)
		(8,805)	(8,850)	(8,459)	(8,475)
<b>Net current assets</b>		38,753	31,842	38,835	31,842
Provision falling due over one year	17	(105)	-	(105)	-
<b>Net assets</b>		43,845	36,428	43,845	36,428
<b>The funds of the charity</b>					
<b>Unrestricted income funds</b>					
Designated funds	19	5,195	4,585	5,195	4,585
General income funds	19	24,175	18,537	24,175	18,537
Total unrestricted income funds		29,370	23,122	29,370	23,122
<b>Restricted income funds</b>	19	14,475	13,306	14,475	13,306
<b>Total charity funds</b>		43,845	36,428	43,845	36,428

The financial statements on pages 61 to 83 were approved by the Board of Trustees on 16 September 2022 and signed on its behalf by:



**Andy Green,**  
Chair



**Matthew Tweedie,**  
Treasurer

# Consolidated cash flow statement

For the year ended 31 March 2022

	2022 £000	2021 £000
Net income for the year	7,417	4,126
Interest receivable	(20)	(12)
Amortisation and depreciation of fixed assets	1,245	980
Gain on disposal of fixed assets		(18)
Movement in disposals	-	(27)
Movement in debtors	(1,904)	3,126
Movement in short term creditors	(233)	(8)
Movement in long-term creditors	105	-
Movement in provisions	188	213
<b>Generated from operating activities</b>	<b>6,798</b>	<b>8,380</b>
Bank interest received	20	12
Payments to acquire tangible fixed assets	(526)	(880)
Payments to acquire intangible fixed assets	(1,249)	(2,762)
Fixed Asset investment	(82)	-
Proceeds from sales of fixed assets	-	19
<b>Cash flows expended in investing activities</b>	<b>(1,837)</b>	<b>(3,611)</b>
<b>Increase in cash in the year</b>	<b>4,961</b>	<b>4,769</b>
<b>Analysis of cash as shown in the balance sheet</b>	<b>2022 £000</b>	<b>2021 £000</b>
Balance at beginning of the year	32,036	27,267
Net cash inflow	4,962	4,769
<b>Balance at the end of the year</b>	<b>36,998</b>	<b>32,036</b>
The charity held no borrowings, related derivatives or obligations under finance leases during the year.		
The cash balances were held in the following locations:	<b>2022 £000</b>	<b>2021 £000</b>
UK	29,998	29,529
Overseas	7,000	2,507
<b>Balance at 31 March</b>	<b>36,998</b>	<b>32,036</b>



# Notes to the financial statements

For the year ended 31 March 2022

## 1. Accounting policies

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

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

### a) Basis of preparation

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

The Financial Statements are drawn up on the going concern basis which assumes WaterAid will continue in operational existence for the foreseeable future (deemed to be a period of 12 months from the date of this report).

As permitted by exemption under Section 408 of the Companies Act 2006, a separate income and expenditure account dealing with the results of the charity only has not been presented.

### b) Basis of consolidation

The charity has three wholly-owned subsidiaries and a 20% share in an associated company. Consolidated Financial Statements for the group, being WaterAid and WaterAid Trading Limited have been prepared on a line by line basis. Two further subsidiaries, WaterAid (WASH and Health) Limited and WaterAid (WASH and Climate Change) Limited were dormant for the whole of the financial year. Consolidation does not include WaterAid international as there no ability to direct nor does it include dormant companies or other WaterAid members. Further details can be found in note 14. A 20% fixed asset investment in WeAreGoodGiving Ltd is treated as an associated company and accounted for under the equity method with the consolidated accounts.

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

### c) Foreign exchange

Transactions denominated in foreign currencies are translated at the rate of exchange at the beginning of the month as an approximation to actual transaction dates. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Realised and unrealised foreign exchange gains and losses are included within support costs and reallocated across charitable activities in the Statement of Financial Activities (SOFA) as per note 6.

### d) Income

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

- **Grant income** Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions have been met.

Grants that have specific restrictions placed upon their use are included within income for charitable activities and are credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund:

- **Donations** Individual donations are recognised in the period in which they are received.
- **Legacies and in memoria** Legacy income is recognised when three criteria are met when entitlement is established, receipt of the income is probable and it can be reliably measured.
  - Entitlement is established when we receive notification of an interest in an estate and probate is granted.
  - Receipt is probable and the estate is reliably measurable when the final estate accounts is received.

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

- **Investment income** Investment income is primarily bank interest received and is recognised when earned.

# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 1. Accounting policies (continued)

- **Gifts in kind** Goods, facilities and services donated for the charity's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the Financial Statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.
- **Fundraising events** Fundraising events income is included in donation and legacies income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which the charity has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis. Fundraising event income received in advance are deferred until the event has taken place.

### e) Expenditure

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

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

Grants are recognised in the period in which they are payable. Grants payable in furtherance of the charity's objects are attributed to the related classification heading in the SOFA. Partner agreements and funding contracts may be for longer than one year.

The costs of raising funds relate to the costs incurred by the group and the charity in raising funds for the charitable work. Expenditure is allocated to the particular activity where the cost relates directly to that activity.

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

### f) Fund accounting

General unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes, nor had any specific restrictions applied.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 19.

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

### g) Fixed assets and depreciation

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

Motor vehicles	3 years
Equipment and Furniture – Overseas	3 years
Equipment and Furniture – UK	5 years
Computer Hardware and Software	3 years
Lease improvements	10 years

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

## 1. Accounting policies (continued)

### **h) Investment Policy**

Our investment in an associated company is consolidated in our accounts using the equity method which is initially measured at cost and subsequently adjusted to reflect our share of the associated company's profit or loss. If there is any indication of impairment then the carrying amount will be tested and adjusted accordingly

### **i) Financial instruments**

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

### **j) Investments**

The investment in the subsidiaries is valued at cost.

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

### **k) Cash at bank and in hand**

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

### **l) Pension cost**

The charity operates a defined contribution pension scheme for UK staff. The assets of the scheme are held separately from those of the charity in independently administered funds. Contribution payments are charged to the SOFA.

Similarly our staff in country programmes and regions are provided with post employment benefits that comply with local employment legislation.

### **m) Operating leases**

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

### **n) Provisions**

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

### **o) Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. Accounting estimates impacting the financial statements concerned with grant, legacy and gift in kind income are detailed in note (d). It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

For grant income entitlement is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is satisfactory evidence that conditions have been met. This judgement made based on evidence such as receipt of reports showing satisfactory progress has been made against agreed donor outcomes.

WaterAid's policy on estimation of legacy income is as follows:

Pecuniary legacies are a fixed value and WaterAid accrues all open gifts, where a letter from executors has been received. Residuary legacies often involve the sale of assets and therefore the value is only estimated at the point of notification. WaterAid maintains a policy of only recognising the income from these legacies once the final estate accounts have been issued. This is when the value is known with certainty and is the most prudent interpretation of the SORP 2015 regulation.

Gift in kind income is recognised within donations and measured at its fair value (ie market value), or if this is not available it may be derived from the cost to the donor.



# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 1. Accounting policies (continued)

### Going concern assumptions after the impact of COVID-19

Given the continued global economic uncertainty we have included some additional narrative on the accounting judgements and estimations related to why WaterAid considers it is a going concern.

Over half our income is from the generosity of individuals, through regular giving and leaving us legacies in their wills. The generosity of support to those affected by the war in Ukraine together with the increased cost of living in UK has resulted in reduced number of donations from individual givers and other funders at the end of last financial year and beginning of this year. However, historically individuals do remain continue to be supportive in difficult economic times, and reduction in giving is not material. We currently estimate the engagement and retention levels to remain high, and therefore the risk of significant changes to unrestricted income to be low, but we are monitoring this closely. High levels of inflation are impacting the cost of delivering our programmes in local currency terms in many of our country programmes, This is being somewhat offset in many countries by movements in exchange rate making local currency cheaper to buy and the net difference in costs is not unaffordable in the next year when inflation is predicted to be at its highest.

Many of the fundraising activities hit by COVID-19 have restarted as a result of the opening up of activities following the UK vaccination programme. Similarly, our corporate partners affected by the lockdowns are recovering with positive forecasts for this year and beyond. We ended the year above our target level of operational reserves, leaving us in a strong position to weather future financial shocks and invest in transformation as part of implementing our new strategy. Cashflow is forecast based on a long historical trend of regular income generation and spending pattern in our country programmes. This is not expected to change either suddenly or significantly. The Trustees therefore believe that there are no material uncertainties that would cast doubt on the going concern of the charity and its accounts are therefore prepared on that basis.

## 2. Prior year consolidated statement of financial activities

	Unrestricted £000	Restricted £000	2021 Total £000
<b>Income from:</b>			
<i>Donations and legacies</i>			
Donations	52,361	2,486	54,847
Grants of a general nature	3,660	-	3,660
Gifts in kind	238	-	238
<i>Charitable activities</i>			
Grant funding for specific activities	-	26,983	26,983
<i>Other trading activities</i>	1,499	2,279	3,778
<i>Investment income</i>	12	-	12
<b>Total income</b>	<b>57,770</b>	<b>31,748</b>	<b>89,518</b>
<b>Expenditure on:</b>			
<i>Raising funds</i>			
Expenditure on raising grants, donations and legacies	21,007	444	21,451
Expenditure on other trading activities	87	-	87
<i>Charitable activities</i>			
Supporting partners to deliver water, sanitation and hygiene	10,297	18,186	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene	11,122	9,232	20,354
Influencing policy in water, sanitation and hygiene	7,248	3,583	10,831
Supporting WaterAid globally	2,414	1,772	4,186
<b>Total expenditure</b>	<b>52,175</b>	<b>33,217</b>	<b>85,392</b>
Net incoming/(outgoing) resources before transfers	5,595	(1,469)	4,126
<b>Net movement in funds or net deficit for the year</b>	<b>5,595</b>	<b>(1,469)</b>	<b>4,126</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 April	17,527	14,775	32,302
<b>Total funds carried forward at 31 March</b>	<b>23,122</b>	<b>13,306</b>	<b>36,428</b>

# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 3. Income from donations and legacies

	Unrestricted £000	Restricted £000	2022 Total £000	2021 Total £000
<b>Donations</b>				
Regular giving, donations and appeals	41,905	2,362	44,267	44,207
Legacies and in memoria donations	10,683	850	11,533	9,194
Fundraising events	1,591	1,136	2,727	1,446
<b>Total</b>	54,179	4,348	58,527	54,847
<b>Grants of a general nature</b>				
Other WaterAid member countries	2,743	-	2,743	2,556
The Waterloo Foundation	300	-	300	400
Peoples Postcode Lottery	3,269	-	3,269	-
Alchemist Foundation	-	-	-	300
Coronavirus Job Retention Scheme (CJRS)	4	-	4	223
Other	-	-	-	181
<b>Total</b>	6,316	-	6,316	3,660
<b>Gifts in kind</b>				
Water Industry Partnerships	147	-	147	149
Customer appeal	112	-	112	82
Rent	5	-	5	5
Other	-	-	-	2
<b>Total</b>	264	-	264	238
<b>Total</b>	60,759	4,348	65,107	58,745

At 31 March 2022, in addition to legacy income that has been included in the financial statements, WaterAid expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. Accrued legacy income included within the financial statements is measured as per our policy and amounted to £1,551,000 (2021: £1,224,000). A further £13,724,000 (2021: £10,390,000) of future legacy income is estimated but not accrued as it does not meet WaterAid's income recognition criteria.

Gifts in Kind were provided by our Water Industry Partners in support of fundraising events, appeals and delivery of charitable activities.

The Coronavirus Job Retention Scheme grant from UK government has been disclosed as unrestricted income in note 3 in line with government requirements. The grant was spent in line with government policy to contribute to pay costs for staff on temporary leave ('furlough') because of coronavirus (COVID-19).



## 4. Other trading activities

	Unrestricted £000	Restricted £000	<b>2022 Total £000</b>	2021 Total £000
Lotteries	543	-	<b>543</b>	3,304
Trading company	203	185	<b>388</b>	474
<b>Total</b>	<b>746</b>	<b>185</b>	<b>931</b>	<b>3,778</b>

Where lotteries were run by WaterAid and it acted as the principal, the proceeds were recorded as gross of prizes and other expenditure.

In the case of WaterAid lotteries managed by People's Postcode Lottery (PPL), WaterAid had no ability to alter the ticket price, prizes or management charges and therefore did not act as the principal for these draws. In 2021 proceeds were therefore recognised in the SOFA as net of prizes and other expenditure. In 2022 this funding is now awarded as a grant of a general nature and the relevant recognition criteria is followed.

	Unrestricted £000	Restricted £000	<b>2022 Total £000</b>	2021 Total £000
PPL ticket proceeds	-	-	-	8,322
PPL prize fund	-	-	-	(3,323)
PPL management fee	-	-	-	(2,330)
PPL prize indemnity insurance	-	-	-	(6)
<b>PPL net income</b>	-	-	-	2,663
Other WaterAid lotteries	-	-	-	640
<b>Total lotteries income</b>	-	-	-	<b>3,303</b>

We received £3.3m unrestricted income from players of People's Postcode Lottery in 21/22. For 22/23 we submitted an application for an award of £3m.

Our application was approved by their Board of Trustees and henceforth WaterAid will no longer run a PPL lottery


# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 5. Income from charitable activities

### Grant funding for specific activities

	2022 Total £000	2021 Total £000
Other WaterAid member countries	10,909	7,108
UNICEF	1,705	1,755
Swedish International Development Cooperation Agency	1,388	5,568
Heineken Africa Foundation	1,371	1,172
Japan International Cooperation Agency	1,274	-
Kimberley-Clark	1,248	11
European Commission	1,176	901
the Foreign, Commonwealth and Development Office (FCDO)**	845	1,317
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	562	209
CowaterSogema International	535	-
Plan International***	475	163
Scottish Government	440	455
Giorgio Armani Acqua for Life	417	359
The Wimbledon Foundation	415	188
Unilever*	359	3,229
Diageo	329	212
Reckitt Benckiser	209	-
Halma Plc	209	-
Medicor Foundation	149	608
Danish International Development Agency	-	656
Mastercard Foundation	-	377
Swiss Agency for Development and Cooperation	-	351
Action Against Hunger	-	187
Auxilium	-	182
Other grants	1,840	1,975
<b>Total</b>	<b>25,855</b>	<b>26,983</b>
**the Foreign, Commonwealth and Development Office (FCDO), formerly stated as the Department for International Development (DFID)		
Match Funding – Untapped	845	623
Covid-19 Project Clear	-	500
Water Project Arusha Tanzania	-	190
Other	-	4
<b>UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)</b>	<b>845</b>	<b>1,317</b>
*Covid-19 Hygiene Behaviour Change Coalition – received through Unilever	359	3,229
Accelerating the Sustainable Control and Elimination of Neglected Tropical Diseases – received through Sightsavers	-	119
***South Asia Wash Result Project – received through Plan International	475	163
<b>UK Aid received indirectly from the Foreign, Commonwealth and Development Office (FCDO)</b>	<b>834</b>	<b>3,511</b>
<b>Total UK Aid received from the Foreign, Commonwealth and Development Office (FCDO)</b>	<b>1,679</b>	<b>4,828</b>



Grant funding for specific activities are displayed where either the current balance or prior year balance was greater than £150k

Additional information on transactions with WaterAid member countries can be found in note 25.

Funding from the Foreign, Commonwealth and Development Office (FCDO) reduced in 2022 due to the completion of programmes.

Part of the income from the South Asia WASH Result Project – received through Plan International was transferred to unrestricted to be used for WaterAid strategic aims shown in note 19



# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 6. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2022 Total £000	2021 Total £000
<i>Raising funds</i>							
Expenditure on raising grants, donations and legacies		6,869	13,058	292	1,446	21,665	21,451
Expenditure on other trading activities		25	13	-	-	38	87
		6,894	13,071	292	1,446	21,703	21,538
<i>Charitable activities</i>	8						
Supporting partners to deliver water, sanitation and hygiene		8,059	15,660	367	2,116	26,202	28,483
Sector strengthening and capacity building to deliver water, sanitation and hygiene		6,899	10,601	152	2,549	20,201	20,201
Influencing policy in water, sanitation and hygiene		4,193	6,111	122	1,700	12,126	10,831
Supporting WaterAid globally		15	4,185	-	65	4,265	4,186
		19,166	36,556	641	6,430	62,793	63,854
Governance		748	69	-	(817)	-	-
Support costs		3,579	3,170	310	(7,059)	-	-
Governance and support costs		4,327	3,239	310	(7,876)	-	-
		30,387	52,866	1,243	-	84,496	85,392

Governance and support costs have been allocated on the basis of staff numbers in each area of activity. These staff numbers are listed in note 7 to the Financial Statements.

The governance and support costs and losses/(gains) on exchange rates were incurred as follows:

	2022 Total £000	2021 Total £000
Finance, People and Information Services	6,049	5,664
Chief Executive Office, Internal audit and Governance	817	643
Premises and facilities	1,795	1,661
Office move	-	1,027
Gift in kind	140	126
Support costs	8,801	9,121
Realised and unrealised exchange (gains)/losses on assets	(925)	1,033
Total of governance and support costs and exchange (gains)/ losses	7,876	10,154

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

## 7. Staff costs and numbers

Staff costs for the charity and group were as follows:

	2022 £000	2021 £000
Wages and salaries	26,420	25,360
Social security costs	1,336	1,490
Other pension costs	2,631	2,428
	<b>30,387</b>	<b>29,278</b>

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

	2022 No.	2021 No.
Fundraising staff (cost of generating funds)	146	141
Staff delivering charitable activities	643	639
Support staff	71	71
Governance	9	9
	<b>869</b>	<b>860</b>

During the year, there was an increase in staff costs of 2.7% (2021: increase of 1.3%) per full time equivalent employee.

The average monthly headcount was 897 staff (2021: 882). The total number of WaterAid employees at 31 March 2022 was 912 (2021: 877). The increase in the total number of WaterAid employees reflects recruitment of roles previously put on hold in response to the impact of the Covid-19 pandemic.

The charity paid termination payments totalling £18k (2021: £14k).

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

Employee benefits (excluding employer national insurance contributions and employer pension costs)	2022 No.	2022 Total pension contribution £000	2021 No.	2021 Total pension contribution £000
£60,000 – £69,999	21	137	23	152
£70,000 – £79,999	14	90	12	71
£80,000 – £89,999	7	33	6	53
£90,000 – £99,999	3	25	6	51
£100,000 – £109,999	2	21	-	-
£110,000 – £119,999	3	30	3	34
£120,000 – £129,999	1	11	-	-
	<b>51</b>	<b>347</b>	<b>50</b>	<b>361</b>

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £128,048 (2021: £128,862) and pension contributions of £13,526 (2021: £13,618). The Chief Executives salary is shown in the table above net of employer national insurance contributions of £10,957 (2021: £11,110).

In the UK, WaterAid makes contributions for its employees to a defined contribution scheme operated by Aegon. Pension contributions due to the Aegon scheme as at 31 March 2022 were £167k (2021: £161k).

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Directors' Team. The Trustees' Annual Report provides information on how remuneration is set. The total employee benefits of the key management personnel of the group was £674k (2021: £798k). The key management roles in WaterAid Trading Limited were fulfilled by members of the key management personnel of the charity.

# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 8. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	2022 Total £000	2021 Total £000
<b>West Africa</b>				
Burkina Faso	721	3,061	<b>3,782</b>	6,217
Ghana	574	713	<b>1,287</b>	1,541
Liberia	481	651	<b>1,132</b>	1,094
Mali	883	2,054	<b>2,937</b>	2,140
Niger	358	863	<b>1,221</b>	1,157
Nigeria	838	848	<b>1,686</b>	1,661
Sierra Leone	259	480	<b>739</b>	1,033
Regional management and support costs	928	84	<b>1,012</b>	925
	<b>5,042</b>	<b>8,754</b>	<b>13,796</b>	15,768
<b>East Africa</b>				
Ethiopia	549	1,656	<b>2,205</b>	2,384
Rwanda	863	1,055	<b>1,918</b>	1,689
Tanzania	1,074	567	<b>1,641</b>	1,723
Uganda	658	435	<b>1,093</b>	867
Regional management and support costs	1,182	26	<b>1,208</b>	1,007
	<b>4,326</b>	<b>3,739</b>	<b>8,065</b>	7,670
<b>Southern Africa</b>				
Kingdom of eSwatini (previously Swaziland)	542	323	<b>865</b>	849
Madagascar	466	1,842	<b>2,308</b>	1,767
Malawi	634	1,402	<b>2,036</b>	1,786
Mozambique	1,181	1,062	<b>2,243</b>	1,824
Zambia	616	1,153	<b>1,769</b>	1,741
Regional management and support costs	707	557	<b>1,264</b>	1,239
	<b>4,146</b>	<b>6,339</b>	<b>10,485</b>	9,206
<b>Asia</b>				
Bangladesh	1,309	3,185	<b>4,494</b>	5,555
Myanmar	475	1,070	<b>1,545</b>	1,301
Nepal	915	1,356	<b>2,271</b>	1,964
Pakistan	573	827	<b>1,400</b>	2,277
Regional management and support costs	436	46	<b>482</b>	461
	<b>3,708</b>	<b>6,484</b>	<b>10,192</b>	11,558
<b>UK and Other</b>				
Supporting WaterAid globally	3,204	995	<b>4,199</b>	4,101
Other UK direct international programme support costs (including technical and programme effectiveness)	3,619	1,146	<b>4,765</b>	4,066
UK-based policy, campaigns and education costs	4,285	578	<b>4,863</b>	3,156
Allocated UK support costs to charitable activities	7,185	-	<b>7,185</b>	7,482
Exchange (gains)/losses	(796)	40	<b>(756)</b>	847
	<b>17,497</b>	<b>2,759</b>	<b>20,256</b>	19,652
<b>Total</b>	<b>34,719</b>	<b>28,075</b>	<b>62,794</b>	<b>63,854</b>

The total cost of supporting partners to deliver water, sanitation and hygiene (including sector strengthening) was £46.4m (2021: £48.8m) and the cost of influencing policy in water, sanitation and hygiene was £12.1m (2021: £10.8m).



## 9. Payments to partner organisations

WaterAid has made transfers under partnership agreements to 102 partners with a total value of £10.2m for the year ended 31 March 2022. For the year ended 31 March 2021, payments were made to 127 partners with a total value of £13.2m. Payments below are those made to implementing partners.

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

	2022 No.	2021 No.
£0- £49,999	55	67
£50,000 – £99,999	13	21
£100,000 – £149,999	7	9
£150,000 – £199,999	7	6
£200,000 – £249,999	9	5
£250,000 and over	11	19
	<b>102</b>	<b>127</b>

The top 20 financial implementing partners recipients during the year ended 31 March 2022 are listed below. The implementation costs are included in the charitable expenditure outlined in notes 6 and 8.

Name of partner	Country	2022 £000	2021 £000
1 Dushtha Shasthya Kendra – DSK	Bangladesh	507	577
2 Compagnons Fontainiers du Rwanda COFORWA	Rwanda	481	545
3 Eau Vive Ouagadougou	Burkina Faso	477	759
4 Sajida Foundation	Bangladesh	453	410
5 Community Development Forum	Nepal	395	-
6 Association DAKUPA (DAKUPA)	Burkina Faso	375	340
7 Rupantar	Bangladesh	322	329
8 SKS Foundation	Bangladesh	317	463
9 Association les Mains Unies du Sahel (AMUS)	Burkina Faso	295	291
10 Village Education Resource Center – VERC	Bangladesh	282	423
11 Tsogang Water and Sanitation	South Africa	250	286
12 Centre Culturel Korê	Mali	246	-
13 Dalit Janjati Kalyan Yuwa Club	Nepal	246	-
14 Association Malienne pour la Sauvegarde du Bien Etre Familial	Mali	244	-
15 ON CALL AFRICA	Zambia	230	-
16 Association Pour la Promotion de la Femme et de l'Enfant au Mali	Mali	226	-
17 ONG ZUMA	Niger	217	-
18 Nabolok	Bangladesh	212	241
19 Salvation Army	Zambia	209	241
20 Amref Health Africa	Malawi	208	241
Other partners in top 20 in 2021			2,612
<b>Total payments to top implementing partners</b>		<b>6,192</b>	<b>7,758</b>

# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 10. Fixed assets

The group	Intangible assets			Tangible assets		Total £000
	Fixed Asset Investment £000	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	
Cost						
At 1 April 2021	-	5,816	2,430	4,144	4,176	16,566
Additions in year	82	1,249	28	413	85	1,857
Disposals in year	-	(43)	-	(635)	(1,147)	(1,825)
At 31 March 2022	82	7,022	2,458	3,922	3,114	16,598
Accumulated amortisation/depreciation						
At 1 April 2021	-	4,840	122	3,697	3,321	11,980
Charge for the year	-	389	247	299	311	1,246
Disposals in year	-	1	-	(659)	(1,167)	(1,825)
At 31 March 2022	-	5,230	369	3,337	2,465	11,401
Net book value						
At 31 March 2022	82	1,792	2,089	585	649	5,197
At 31 March 2021	-	976	2,308	447	855	4,586

Intangible assets include £1.3m assets under construction for a software development project to migrate our fundraising database to the cloud.

Fully depreciated assets with a net book value of £nil have been removed from the balance sheet under disposals. Wateraid trading has a 20% share in WeAreGoodGiving which is accounted for using the equity method in our consolidated accounts. There were no distributions or impairments in 2022.

The charity	Intangible assets		Tangible assets		Total £000
	Software £000	Lease improvements £000	Motor vehicles £000	Equipment and furniture £000	
Cost					
At 1 April 2021	5,816	2,430	4,144	4,176	16,566
Additions in year	1,249	28	413	85	1,775
Disposals in year	(43)	-	(635)	(1,147)	(1,825)
At 31 March 2022	7,022	2,458	3,922	3,114	16,516
Accumulated amortisation/depreciation					
At 1 April 2021	4,840	122	3,697	3,321	11,980
Charge for the year	389	247	299	310	1,245
Disposals in year	1	-	(659)	(1,167)	(1,825)
At 31 March 2022	5,230	369	3,337	2,465	11,401
Net book value					
At 31 March 2022	1,792	2,089	585	649	5,115
At 31 March 2021	976	2,308	447	854	4,585

## 11. Debtors

Amounts due within one year:

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Amounts owed by WaterAid International	166	736	166	737
Amounts owed by WaterAid Trading	-	-	900	865
Grant debtors	4,549	3,288	4,549	3,288
Other debtors	822	798	754	659
Gift Aid tax recoverable	2,005	1,332	2,005	1,332
Prepayments	1,062	846	1,062	846
Other accrued income	1,956	1,656	1,951	1,662
	<b>10,560</b>	<b>8,656</b>	<b>11,387</b>	<b>9,389</b>

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

## 12. Investments

The company sold shares held at the start of the financial year or acquired during the financial year for proceeds of £16,727 (2021: £8,246). At 31 March 2022 there were no shares waiting to be sold (2021: nil).

## 13. Fixed asset investments

The company has an unlisted investment with a historical cost of £2 representing its 100% shareholding in WaterAid Trading Limited and invested £82k for a 20% shareholding in WEAREGOODGIVING Ltd. WaterAid Trading Limited generates income from licensing agreements made with a number of organisations. A summary of that company's financial position is set out in note 14.



# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 14. Group companies

### **WATERAID TRADING LIMITED Company number 02362892**

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

#### **a) Profit and loss account**

	<b>2022 £000</b>	2021 £000
Turnover	<b>383</b>	452
Cost of sales	<b>(20)</b>	(20)
Gross profit	<b>363</b>	432
Administrative expenses	<b>(38)</b>	(86)
Operating profit	<b>325</b>	346
Interest receivable	<b>5</b>	22
Profit on ordinary activities	<b>330</b>	368
Gift Aid to WaterAid under Deed of Covenant	<b>(330)</b>	(368)
Retained earnings	<b>-</b>	-

#### **b) Balance Sheet**

	<b>2022 £000</b>	2021 £000
<b>Non-Current assets</b>		
Investment in associated companies:		
WeAreGoodGiving Ltd.	<b>82</b>	-
	<b>82</b>	-
<b>Current Assets</b>		
Debtors	<b>77</b>	133
Cash at bank and in hand	<b>771</b>	788
	<b>848</b>	921
<b>Creditors</b>		
Amounts due within one year	<b>(930)</b>	(921)
Net assets	<b>-</b>	-
<b>Represented by:</b>		
Share capital	<b>-</b>	-

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2020: two £1 ordinary shares)

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

#### Wholly owned subsidiaries

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

Registered Office 6th floor, 20 Canada Square, London E14 5NN

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

Registered Office 6th floor, 20 Canada Square, London E14 5NN

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

#### Associated Company

Wateraid trading company invested £82k in March 2022 in a 20% shareholding in a new payroll giving company: WEAREGOODGIVING Ltd with registered company number 13256341. The other equal shareholders are four other charities. The new company was set up with an independent Managing Director and three Non-Executive Directors nominated from the charities. In addition to the articles of association the company governance is established by the Subscription and Shareholding Agreement.

## 15. Cash at bank and in hand

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Cash and bank balances in UK	26,553	25,529	25,462	24,421
Cash and bank balances overseas	3,445	2,507	3,445	2,507
Short term deposits UK	7,000	4,000	7,000	4,000
	<b>36,998</b>	<b>32,036</b>	<b>35,907</b>	<b>30,928</b>

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

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors	3,555	4,276	3,555	4,276
Taxation and social security	731	355	713	310
Other creditors	274	533	274	212
Accruals	2,638	2,437	2,629	2,428
Deferred income	182	12	182	12
	<b>7,380</b>	<b>7,613</b>	<b>7,353</b>	<b>7,238</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

	2022 £000	2021 £000
Deferred income at the beginning of the year	12	119
Amounts released from previous years	(12)	(119)
Incoming resources deferred in the year	182	12
<b>Deferred income at the end of the year</b>	<b>182</b>	<b>12</b>

# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 17. Provision for liabilities and charges

	The group		The charity	
	2022 £000	2021 £000	2022 £000	2021 £000
<b>Provision falling due under one year</b>				
Provisions at beginning of the year	1,237	1,024	1,237	1,024
Amount charged to statement of financial activities	1,329	1,001	1,010	1,001
Amount released to statement of financial activities	(1,141)	(788)	(1,141)	(788)
Provisions at the end of the year	1,425	1,237	1,106	1,237
<b>Provision falling due more than one year</b>				
Dilapidation Provision	(105)	-	(105)	-
	(105)	-	(105)	-

Provisions include end of contract provisions for staff on non-UK contracts. These end of contract provisions include lump sums paid at the end of their contract is similar to a pension scheme and/or loyalty payment which is paid on full completion of their service. Other provisions include dilapidation for WaterAid UK head office and at country level contract retentions on construction works.

## 18. Contingent liability

There were no new reported legal actions against WaterAid in 2022 and the contingent liability is £nil (2021: £nil).



## 19. Movements in funds

	At 1 April 2021 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 March 2022 £000
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets fund	4,585	30	580	-	5,195
Property project	-	-	29	(29)	-
Total Designated funds	4,585	30	609	(29)	5,195
General funds	18,537	61,495	(56,714)	857	24,175
Total unrestricted funds	23,122	61,525	(56,105)	828	29,370
<b>Restricted funds:</b>					
Bangladesh	1,958	2,460	(3,296)	-	1,122
Burkina Faso	2,004	1,998	(3,096)	-	906
East Africa Region	35	11	(26)	-	20
Ethiopia	1,005	1,771	(1,721)	-	1,055
Ghana	498	856	(727)	-	627
Kingdom of eSwatini	207	495	(365)	-	337
Liberia	139	386	(665)	-	(140)
Madagascar	318	1,777	(1,880)	-	215
Malawi	399	1,629	(1,444)	-	584
Mali	440	2,124	(2,062)	-	502
Mozambique	(44)	1,101	(1,087)	-	(30)
Myanmar	528	1,023	(1,116)	-	435
Nepal	925	2,638	(1,427)	-	2,136
Niger	(461)	1,244	(876)	-	(93)
Nigeria	(23)	1,554	(871)	-	660
Pakistan	383	539	(827)	-	95
Rwanda	140	1,352	(1,086)	-	406
Sierra Leone	(172)	563	(481)	-	(90)
Southern Africa Region	115	885	(574)	-	426
South Asia Region	40	35	(24)	-	51
Tanzania	263	692	(566)	-	389
Uganda	780	488	(439)	-	829
West Africa Region	64	3	(83)	-	(16)
Zambia	1,444	2,557	(1,170)	-	2,831
UK	2,321	2,207	(2,482)	(828)	1,218
<b>Total restricted funds</b>	13,306	30,388	(28,391)	(828)	14,475
<b>Total funds</b>	36,428	91,913	(84,496)	-	43,845

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.4m (2021: £2.7m). Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a donor, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on individual restricted funds. It is considered that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

Transfers between funds in the year consist of £29K expense relating to the property project being transferred into unrestricted expenditure and £828K relating a payment by result project where the surplus income at the end of the project is transferred from restricted to unrestricted income in line with donor conditions.

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

## 19. Movements in funds (continued)

	At 1 April 2020 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 March 2021 £000
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets fund	1,898	521	2,166	-	4,585
Property project	1,665		(3,394)	1,729	-
Total Designated funds	3,563	521	(1,228)	1,729	4,585
General funds	13,964	57,249	(50,947)	(1,729)	18,537
Total unrestricted funds	17,527	57,770	(52,175)	-	23,122
<b>Restricted funds:</b>					
Bangladesh	1,837	4,351	(4,230)	-	1,958
Burkina Faso	2,637	5,214	(5,847)	-	2,004
East Africa Region	(1)	45	(9)	-	35
Ethiopia	706	1,705	(1,406)	-	1,005
Ghana	349	1,275	(1,126)	-	498
Kingdom of eSwatini	100	687	(580)	-	207
Liberia	205	554	(620)	-	139
Madagascar	769	1,202	(1,653)	-	318
Malawi	550	879	(1,030)	-	399
Mali	733	1,059	(1,352)	-	440
Mozambique	(261)	797	(580)	-	(44)
Myanmar	470	910	(852)	-	528
Nepal	2,376	734	(2,185)	-	925
Niger	(196)	608	(873)	-	(461)
Nigeria	12	916	(951)	-	(23)
Pakistan	795	1,144	(1,556)	-	383
Rwanda	518	824	(1,202)	-	140
Sierra Leone	(7)	683	(848)	-	(172)
Southern Africa Region	280	337	(502)	-	115
South Asia Region	108	34	(102)	-	40
Tanzania	(382)	1,586	(941)	-	263
Uganda	325	684	(229)	-	780
West Africa Region	111	105	(152)	-	64
Zambia	1,073	1,861	(1,490)	-	1,444
UK	1,668	3,554	(2,901)	-	2,321
<b>Total restricted funds</b>	14,775	31,748	(33,217)	-	13,306
<b>Total funds</b>	32,302	89,518	(85,392)	-	36,428

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.7m (2020: £3.1m). These arise due to the timing differences between the income due under individual funding contracts still to be claimed and the actual project expenditure already incurred.

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

# Notes to the financial statements

## For the year ended 31 March 2022 (continued)

### Designated funds

The Fixed Asset Fund of £5.2m (2021: £4.6m) represents the net book value of the charity's intangible and tangible fixed assets. £3.4m of assets relating to the property project were added to the fixed asset fund when the asset was brought into use in September 2020. £29,000 was transferred from Unrestricted to Designated funds in 2022 to cover the release of a retention payment.

### General funds

The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2021-22 was a range of £13m-£17m. The balance at 31 March 2022 was £23.8m (2021: £18.5m).

### Restricted funds

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

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

## 20. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	Total funds £000
Restricted income funds	-	14,475	14,475
Designated funds	5,195	-	5,195
General income funds	-	24,175	24,175
<b>Total funds as at 31 March 2022</b>	<b>5,195</b>	<b>38,650</b>	<b>43,845</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 (2021: £nil).

## 22. Company limited by guarantee

The liability of 44 members (2021: 44) of the charity is limited by guarantee to £1 each.

## 23. Operating lease commitments

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

	Land & Buildings	
	2022 £000	2021 £000
within one year	680	618
1 – 2 years	906	638
2 – 5 years	2,921	2,792
More than 5 years	3,866	3,866
	<b>8,373</b>	<b>7,914</b>

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

# Notes to the financial statements

For the year ended 31 March 2022 (continued)

## 24. Net movement in funds or net income for the year

This is stated after charging/(crediting):

	2022 £000	2021 £000
Amortisation and depreciation	1,245	980
Trustees' indemnity insurance	6	6
Trustees' reimbursed expenses	-	2
Auditors' remuneration – BDO and its affiliates		
Audit – WaterAid UK	53	55
Audit – WaterAid Trading Limited	8	8
Audit – country programmes	30	26
Auditors' remuneration – Other audit firms	81	107
Exchange (gain)/loss	(925)	1,033
UK operating lease rentals – buildings	601	128

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. No Trustees were reimbursed for expenses incurred during the year (2021: 3 Trustees).

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

The group paid £172,000 in audit fees in the year ended 31 March 2022 (2021: £195,000). This figure includes £61,000 for the consolidated statutory audit provided by BDO LLP (2021: £62,000). Other audit fees relate to overseas country office external audits, project audits and donor grant audits as required by conditions of contracts. These services are provided by a range of audit firms.

## 25. Related party transactions

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

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

	Received from:		Paid to:	
	2022 £000	2021 £000	2022 £000	2021 £000
WaterAid America	7,868	4,205	1,536	2,435
WaterAid Australia	456	144	-	80
WaterAid Canada	861	921	-	-
WaterAid Japan	51	11	-	238
WaterAid Sweden	3,955	4,382	-	-
WaterAid India	-	-	1,967	913
	13,191	9,663	3,503	3,666



During the year WaterAid did not contribute to the WaterAid international investment fund (2021:£238,000) and paid expenses on behalf of WaterAid international of £141,000 (2021:£149,000). At 31st March the outstanding debtor balance with WaterAid international was £166,000 (2021: £737,000) which is due to be settled early in the 2023 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £712,000 (2021: £641,000).

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

Harpinder Collacott, a trustee of WaterAid, was a former executive director and shareholder of Development Initiatives International. During the year WaterAid made no payments to Development Initiatives (2021: £35,000). She was also a trustee of Bond to which WaterAid made payments of £60,711 in 2022 (2021: £30,000)

Andy Green was appointed chair of WaterAid in October 2020. He was a trustee of WWF to which WaterAid made payments of £13,000 in 2022 (2021: £3,000)

Guido Schmidt-Traub was employed by Systemiq Limited. During the year Wateraid made payments of £106,749 to Systemiq Limited (2021: £nil)

Heidi Mottram was a trustee and CEO of Northumbrian Water Group. During the year WaterAid received £38,775 from Northumbrian Water Group Ltd (2021: £49,000). Heidi also personally donated £5,000 in 2022 (2021: £nil)

Mala Rao was a trustee of WaterAid and personally donated £600 in 2022 (2021: £nil)

Alyson Clark was a trustee of WaterAid and personally donated £120 in 2022 (2021: £nil)

Peter Simpson was a trustee and CEO of Anglian Water. During the year WaterAid received £679,000 from Anglian Water Services Limited (2021: £347,000), £160 from AWG Corporate Services Limited (2021: £nil) and Peter also personally donated £3,630 in 2022 (2021: £nil)

Rachel Westcott, an executive Director of People and Organisational Development, was a Director of of Water & Sanitation for the Urban Poor (WSUP). During the year, WaterAid made no payments to WSUP (2021: £10,000)

Jennie York, an executive Director of Communications and Fundraising personally donated £60 to WaterAid

The charity has disclosed the financial statements of the subsidiary, WaterAid Trading Limited, detailed in note 14.

#### Transactions between WaterAid UK and WaterAid Trading

	Net income to charity £000	Balance owed to charity at 31 March 2022 £000	Balance owed to charity at 31 March 2021 £000
Trademark - Logo	19	-	-
Deed of Covenant	330	-	-
Admin expenses	34	-	-
Group undertakings	-	900	866
Other income	(5)	-	-

## 26. Financial instruments

	2022 £000	2021 £000
<b>Financial assets</b>		
Cash and bank	36,998	32,036
Grant receivables	4,549	3,288
Other receivables	2,827	2,130
Other accrued income	1,956	1,656
	<b>46,330</b>	<b>39,110</b>
<b>Financial liabilities</b>		
Trade creditors	3,555	4,276
Other creditors	1,005	888
Accruals	2,638	2,437
	<b>7,198</b>	<b>7,601</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 top image: Aregashe Addis, Store Officer at the Debre Tabor Water Utility in South Gondar, Ethiopia.
- Other cover images captioned on pages 20 and 32.



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



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