



# 2016 17

UK annual report and  
financial statements  
2016–17



WaterAid is an international not-for-profit organisation, 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.



**One vision.  
Three goals.**

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Woti Diallo, President of the Samabogo women's group, poses with bars of soap made by the group and sold at their hygiene promotion sessions, Mali.



Cover photograph: Angelo and his mother, Mariane, at their new water point in Madagascar.

Photo credit: WaterAid/Ernest Randriarimalala



Explore the digital version of this report [www.wateraid.org/annualreportUK](http://www.wateraid.org/annualreportUK)

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Scope of report: WaterAid is part of the WaterAid federation. For the purposes of this report the suffix UK is sometimes added to distinguish the UK organisation from other WaterAid federation members in America, Australia, Canada, India, Japan and Sweden. The narrative sections of this report refer to those activities for which WaterAid UK has management responsibility.





Former Chief Executive Barbara Frost with Tim Clark, Chair of Trustees, and new Chief Executive, Tim Wainwright.

## Welcome to the annual report

The journey towards the UN's Global Goals for Sustainable Development is well underway. With your support, we are reaching millions of people each year with clean water, decent toilets and good hygiene, and working with the international community to reach everyone, everywhere within a generation.

### Too many still missing out

On a trip we made to Mozambique this year with outgoing Chief Executive Barbara Frost, our experiences encapsulated many of the successes and challenges we see across the countries where we work.

As we made our way to visit a community, we drove along a new asphalt motorway, recently built to improve communications with neighbouring South Africa. Just a short distance off that new

road live people who have to walk two kilometres to fetch water. In every sense, development and modernisation have passed them by.

### Creating a better world

For any country striving to build a healthier, better educated and more prosperous society, the failure to prioritise universal access to clean water, sanitation and hygiene is like constructing a house without laying the foundations.

This is where you come in. You support us to deliver life-changing practical projects and carry out policy and technical work to drive local, national and international agendas. Last year, in line with our global strategy, we continued to place more emphasis on influencing the world around us.

## Farewell and thank you to Barbara Frost...

During the 11 years our former Chief Executive spent at the helm, we expanded to work in over 35 countries, trebled our income and substantially increased our impact. We were delighted when, shortly after retiring in May 2017, Barbara's huge contribution was recognised in the Queen's Birthday Honours List when she was made a Dame. She will be greatly missed as an inspirational leader, colleague and friend, and we wish her all the very best for the future.

We measure the success of these complementary approaches in two ways: by the numbers of people we reach directly, and by the transformational changes we help make happen through our partnerships, particularly with governments, international agencies, and the health and education sectors in the countries where we work.

### Your commitment to the cause

Despite the economic turmoil of 2016–17, donations from our individual supporters were at the same level as 2015–16. The UK water industry, together with our community of institutions and companies, also gave us another year of outstanding support, helping us extend our reach to ensure no-one is left behind.

## ...and welcome to Tim Wainwright, our new Chief Executive

Tim joins the team after six years as Chief Executive of ADD International. His career also includes senior roles at the Equality and Human Rights Commission, VSO and Oxfam. Tim brings a wealth of knowledge and experience of international development allied to a commitment to equality and human rights. Everyone at WaterAid is very excited to welcome Tim and we look forward to great success together.

So, we say a huge thank you to everyone who gave so generously last year, and to those who worked and campaigned so effectively to keep water, toilets and hygiene at the top of the international agenda.

And thanks to Barbara Frost's incredible legacy, we have the confidence and platform to make even greater strides towards our vision of everyone having clean water, a decent toilet and good hygiene. With you by our side, we are committed to making more progress in the year ahead in changing people's lives for good.

*T. J. Wainwright* *Tim Clark*

**Tim Wainwright**  
Chief Executive

**Tim Clark**  
Chair of Trustees

# The priorities we set ourselves

Here are the priorities we focused on last year along with a brief summary of how we performed.



Schoolchildren outside their new toilet block, Madagascar.

**1. Deliver against our global strategy and four strategic aims (equality, sustainable services, integration and hygiene) to help achieve Global Goal 6 of the Global Goals for Sustainable Development: water, sanitation and hygiene for all by 2030.**

**2. Develop new partnerships.**

Our strategic aim is to use our life-changing direct service delivery work to persuade others to do more than we could achieve as a single organisation. We take the experiences and evidence generated by our highly-effective practical projects and use them to influence other actors to build sustainable systems that deliver services to every member of society. This is our contribution towards achieving Global Goal 6.

So, with new and existing partners, we continued to do direct service delivery work on a smaller, more targeted scale.

At the same time, we expanded the ways in which we work with governments, utilities, research institutions and other partners to influence systemic changes in the water, sanitation and hygiene sector.

Through our direct service delivery work, we reached over 956,000 people with clean water, 1,159,500 with decent toilets and 1,653,000 with good hygiene.

However, the fall in the value of the pound, combined with reduced grants from institutions such as the UK Government and European Commission, meant that we did not reach as many people as planned.

WaterAid India is currently an associate member of the WaterAid federation, and not under WaterAid UK's management. It is on its way to full membership by becoming self-sustaining, generating significant funds within India and globally. WaterAid UK is the prime funder in this transition period, so we report the numbers of people reached with clean water, decent toilets and good hygiene for information, separately from the achievements of WaterAid UK.

[See pages 8-19](#)

**3. Effective global working.**

**4. Encourage innovation in our work.**

**5. Effective security management.**

Driven by the imperatives of our global strategy, we improved leadership and coordination across the organisation, restructuring where needed and recruiting new talent. To help achieve Global Goal 6, we continued to develop the skills of existing staff to foster innovative ways of meeting the challenges we face. An Executive Director was recruited for WaterAid international, meaning the Chief Executive of WaterAid UK no longer splits their time between the two organisations.

Thankfully, there were no major security incidents where we worked last year, but the risks remain significant, particularly in our country programmes. The newly-created post of Global Security Manager now oversees an integrated security management framework to help ensure we are as prepared as possible for any eventuality.

[See pages 20-23](#)

**6. Raise between £85-90 million, with 67% being unrestricted income.**

**7. Spend between £84-90 million.**

**8. Recruit 39,000 new supporters.**

Political and economic turmoil had an impact on our fundraising last year, with income at £81.1 million, £4.4 million (5%) down on the previous year. However, we were delighted to maintain giving from individuals at the same level as the previous year and 67% of total income was unrestricted. We spent £87.5 million, £4 million (5%) up on 2015-16.

The UK water industry continued their invaluable support, and corporate fundraising successes included the renewal of the HSBC partnership and a commitment to a further £9.25 million over three years from 2017. We renewed our focus on raising income from institutional donors.

We recruited 30,089 new supporters during the year, which, while short of our aim, was a 1% growth in our supporter community in a difficult fundraising and economic environment.

[See pages 24-27](#)



# A snapshot of our impact

Our practical projects delivered clean water, toilets and hygiene services to millions of people last year. These achievements and experiences helped us influence our partners to reach millions more. This integrated approach is our contribution to Global Goal 6: water, sanitation and hygiene for all by 2030.

## All-time totals

25.8m people reached with clean water<sup>1</sup>

25.1m people reached with decent toilets<sup>2</sup>

18.3m people reached with good hygiene<sup>3</sup>

## Totals 2016-17<sup>4</sup>



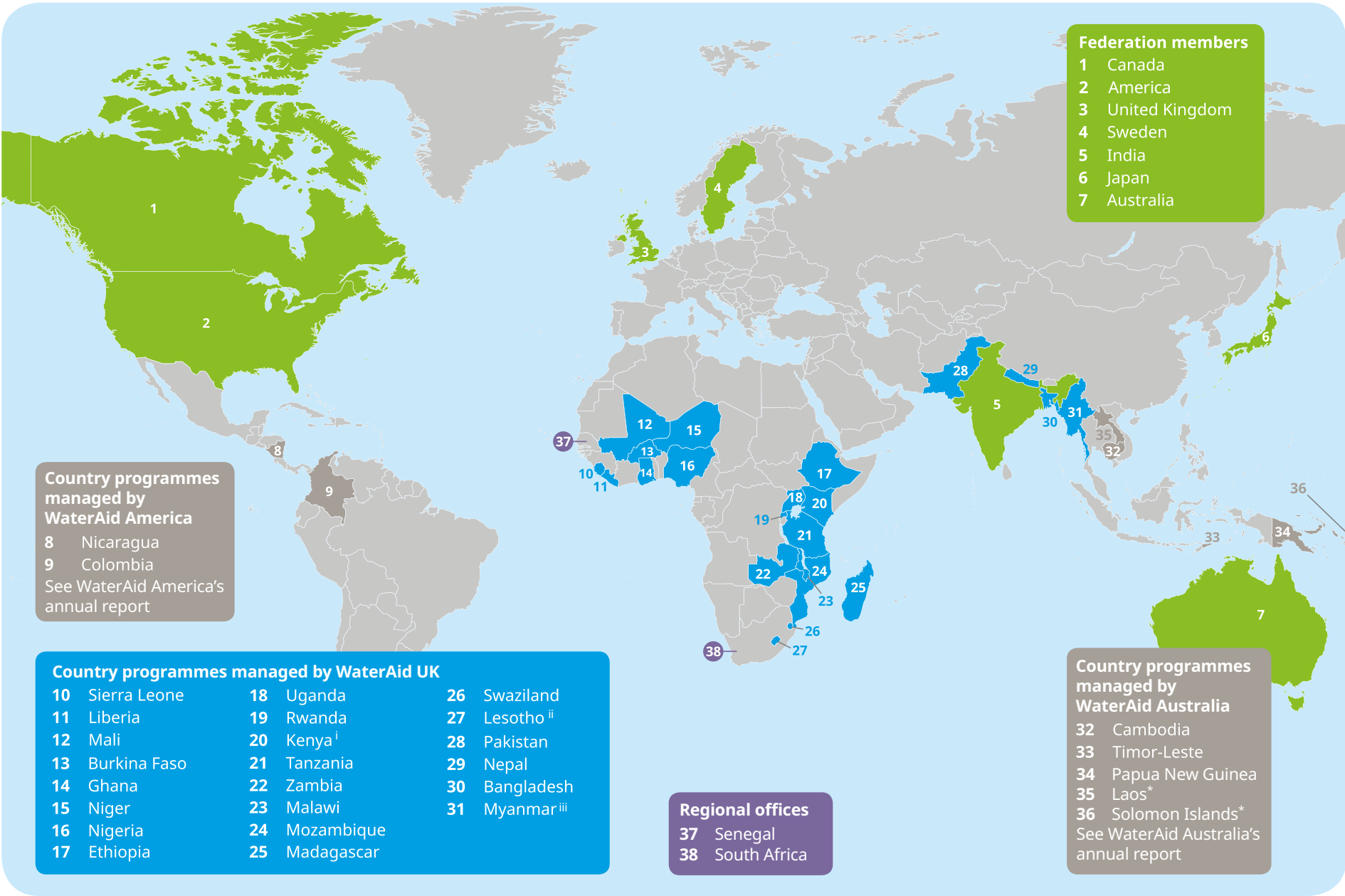
Clean water:  
956,000 people reached



Decent toilets:  
1,159,500 people reached



Good hygiene:  
1,653,000 people reached



## People reached in 2016-17

	Clean water	Decent toilets	Good hygiene
East Africa	276,000	105,000	142,000
South Asia	260,000	430,500	540,500
Southern Africa	211,500	152,000	238,500
West Africa	208,500	472,000	732,000
	956,000	1,159,500	1,653,000

The figures above refer to the people we directly reach through services delivered together with our partners. To make lasting change happen on a massive scale, we also:

- convince governments to change laws;
- link policy makers with people on the ground;
- change attitudes and behaviours;
- pool knowledge and resources; and
- rally support from people and organisations around the world.

Through this work we benefit many more people than those shown above.

As advised on page 6, WaterAid India numbers are not included in the South Asia figures above. WaterAid India reached over 603,000 people with clean water, 1,171,000 with decent toilets and 1,566,000 with good hygiene, supported by WaterAid UK funding. See [www.wateraidindia.in](http://www.wateraidindia.in) to find out more.

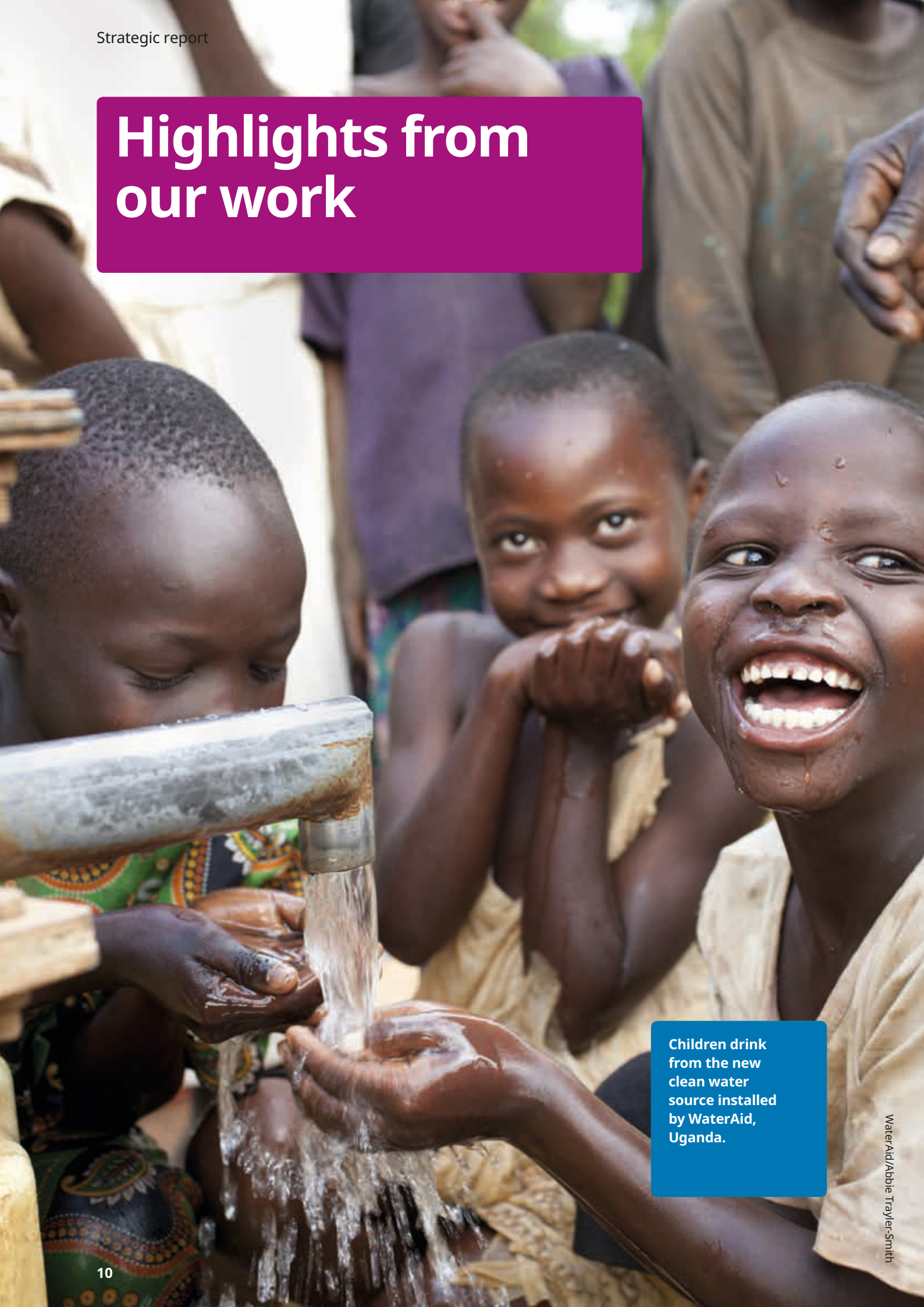
<sup>1</sup> Closing September 2017  
<sup>2</sup> Closing November 2017  
<sup>3</sup> New UK-managed programme for 2017-18

\* Now closed

<sup>4</sup> Since 1981, when we were established.  
<sup>5</sup> Since 2004, when we began recording sanitation interventions.  
<sup>6</sup> Since 2014. Hygiene promotion numbers are estimates based on local marketing campaigns and our work in schools.  
<sup>7</sup> Priority 1: see page 6



# Highlights from our work



Children drink from the new clean water source installed by WaterAid, Uganda.

We are determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere within a generation. Last year, as every year, we focused on transforming people’s lives with these three essentials.

Without clean water, decent toilets and good hygiene, people can’t live dignified, healthy lives. With all three, they can unlock their potential, break free from poverty and change their lives for good.

By inspiring people, sparking chain reactions and working closely with partners, we helped deliver lasting change in some of the poorest communities in the world.

**Everything we do is based on our four strategic aims:**

**Equality**

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

**Sustainable services**

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

**Integration**

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

**Hygiene**

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



A child is immunised at a clinic in Nepal, where the parents also receive hygiene advice.



Read on to see highlights from our work in 2016-17



# Equality

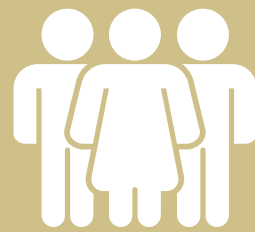
**Together we can unlock people's potential with clean water, decent toilets and good hygiene. But today, hundreds of millions of people in the world's poorest countries live without these basic human needs. Last year, we helped tackle this inequality because we know water, toilets and hygiene transform lives for good.**

## Leaving no-one behind

Our projects in Malawi are examples of our equitable approach, where we strive to reach everyone in a community so that the health benefits are maximised and shared. After five years of working with us to build toilets and improve hygiene, the 30,000 people of Mwansambo celebrated the eradication of open defecation. And in Chatata and Mchenzi, we reached areas previously experiencing low water pressure by helping to build 26 water kiosks and a new 650,000 litre water tank.

## Women making water work

In the countries where we work, women are usually responsible for water collection and family health. Their involvement in implementing water and sanitation solutions is essential to ensure everyone is served fairly and appropriately. In Burkina Faso, we supported female leaders to oversee projects, promote good hygiene and raise women's awareness of their rights.

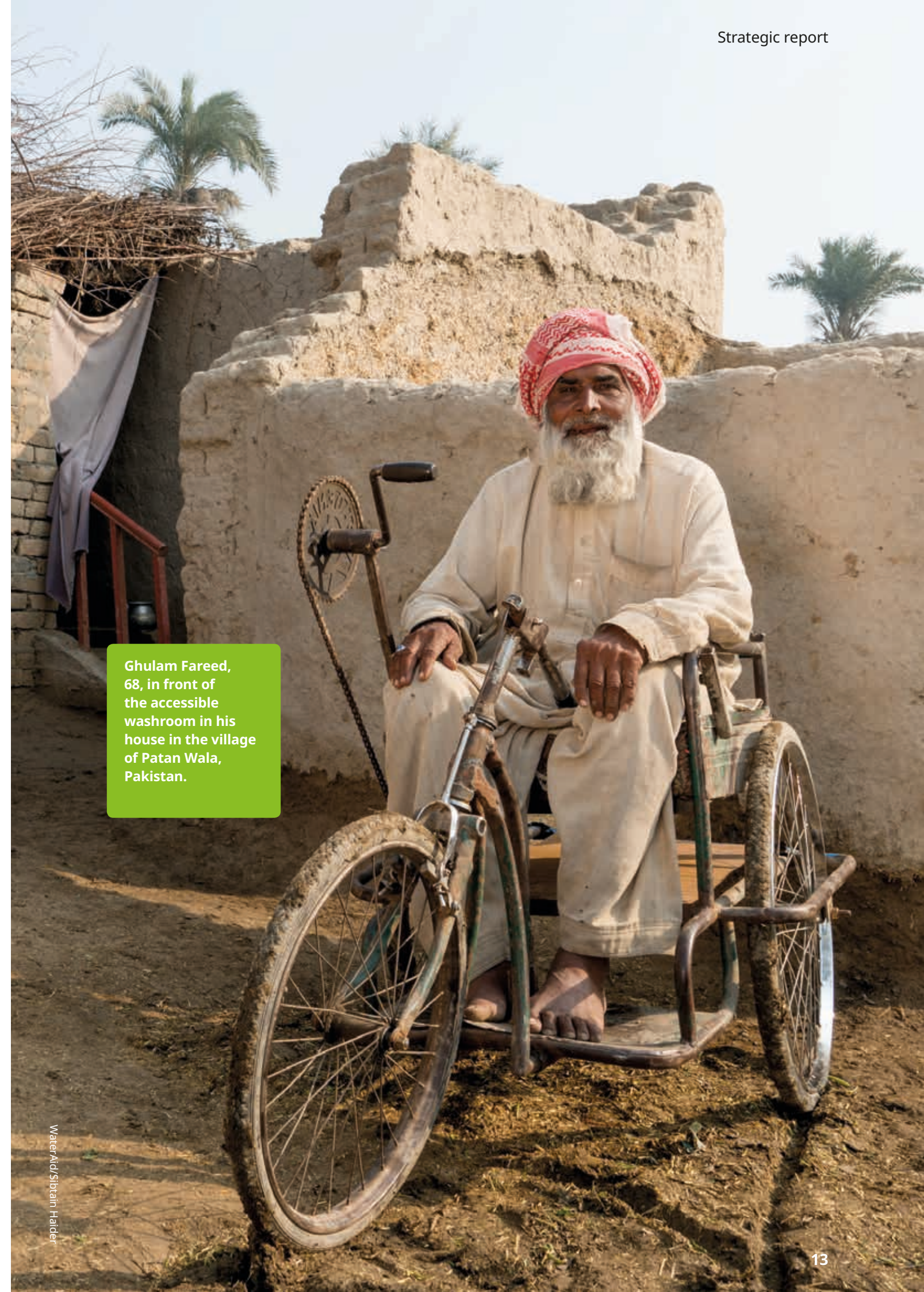


Since 2012, our partnership with the HSBC Water Programme has reached 1.65 million people with clean water,

2.5 million with decent toilets, set up 3,602 facilities management committees, and trained 3,114 pump mechanics in some of the poorest and most marginalised communities in the world.

## Fighting for people's rights

Having clean water and a decent toilet are human rights. In Nepal, we worked with disabled people to influence the government to provide inclusive toilets; in Uganda, we helped civil society groups engage with parliament on budgets for water and toilets; and in Bangladesh, we helped community organisations win an agreement from the government to provide 200 water points in Korail, Dhaka's biggest slum.



Ghulam Fareed, 68, in front of the accessible washroom in his house in the village of Patan Wala, Pakistan.



The water point we installed in Mele'at's village, in Ethiopia, in 2004 (see inset photo below) has helped her grow up without any major illnesses. "The water has been right here, in our backyard, since as far back as I remember. So, I never had to go to the river." She's decided she wants to dedicate her life to people who haven't been so lucky. "I would like to become a doctor. I want to help people."



Mele'at in 2004

WaterAid/Behailu Shiferaw

WaterAid/Behailu Shiferaw

# Sustainable services

Together we make a lasting difference. We want to bring about change that transforms lives for good. Last year, we helped build the systems that keep water points and toilets functioning, and promoted good hygiene to maximise their health benefits.

## Surviving 'wild water'

Flooding and drought often wipe out fragile water and toilet services, disproportionately affecting the poorest communities. In areas of southern Africa gripped by drought or vulnerable to sea flooding, we worked with communities to build deeper, better protected borehole wells. And in Ghana and other countries, we worked with the national government to embed water and sanitation in their climate change resilience plans.

## International support

In partnership with the UK water industry, we linked up experts from the UK with their counterparts in Ethiopia, Malawi and Nepal, with the aim of sharing skills to strengthen services. The teams from Yorkshire Water, Thames Water and Anglian Water helped the utilities to reduce water wastage and look at where local businesses, such as latrine-emptying services, can help improve sanitation.



In Rwanda, we provided technical support to the government so that service delivery work is better planned, coordinated and sustained in areas most in need. We trained 50 district staff, and in Bugesera we helped to establish the first District Water Board that will help improve water, sanitation and hygiene facilities in schools and healthcare centres.

## Back to the future

As part of a photo documentary, we revisited some of the Ethiopian communities where we had installed clean water taps in 2004. Mehari Abreha told us about the savings in medical costs that allowed his family to buy their first livestock, which gave them the money to build a house and send the children to school (see photo opposite). As with many other communities, such a simple intervention, sustained over the long term by involving the community in operation and maintenance, has transformed every aspect of their lives.



# Integration

**Together we make a bigger difference. Installing taps and toilets and promoting hygiene is essential, but only a part of what we do. Last year, we used our practical experiences to influence governments and key organisations in the health, education and nutrition sectors.**

## A healthy start for children

Our global campaign, Healthy Start, continued to improve the health and nutrition of newborns and infants by integrating clean water, decent toilets and good hygiene into health facilities. We campaigned with midwives and influenced the UN and World Health Assembly to promote their inclusion in healthcare action plans. And our media report *Caught short* gained worldwide coverage, raising the issue among health and nutrition organisations.

## Working with schools and health centres

Having clean water and decent toilets in schools and health centres should be normal everywhere in the world. In Tanzania, we worked with the Ministry of Health to set new standards for providing water and sanitation in hospitals. And in Rwanda, our team produced a report on the status of water, sanitation and hygiene in schools to call on the government to target the investments needed.

## Building cleaner cities for the future

In rapidly growing towns and cities, reaching everyone with toilets will require radical change in the way governments and urban utilities integrate their plans and operations. Our two reports – *A tale of clean cities* and *Making sanitation happen* – helped to influence, among others, the World Bank, the German Government, and the Indian Government as they continue with their national project to eradicate open defecation by 2019.



Over the past three years, the Global Program for Water – funded by the H&M Foundation – has worked

with the education, water and sanitation sectors to provide clean water and toilets to over 250,000 students in schools across Ethiopia, India, Pakistan, Tanzania and Uganda.



Five-year-old Sham shows off her clean hands outside the new school toilet block, Uganda.



# Hygiene

**Good hygiene should be a normal part of life for everyone. Last year, we promoted good hygiene practices, such as handwashing with soap and safely storing water, to help millions of people dramatically reduce the spread of disease and live safer, healthier lives.**

## World-leading hygiene promotion

We continued our ground-breaking partnership with the Government of Nepal to promote hygiene to thousands of mothers at immunisation clinics. We trained 3,000 female community health volunteers, who coached 26,000 mothers with messages about safe breastfeeding, handwashing and food preparation. This life-saving project is the first of its kind anywhere in the world and has the potential to roll out nationally and worldwide.

## Creating good habits

We kicked off a national hygiene behaviour change campaign in Pakistan last year, with support from government ministries and private companies. Our messages on practices ranging from handwashing to menstrual hygiene reached around 96 million people, and we followed up with promotion sessions in communities. After a successful pilot, we started rolling the campaign out in collaboration with the country's largest community outreach organisation.



**Promoting handwashing is a major part of our work because it reduces diarrhoea by up to 47%,<sup>5</sup> acute respiratory infections by up to 21%, and pneumonia by 50%.<sup>6</sup> It has also been found to reduce school absenteeism by 43% by improving children's health.<sup>7</sup>**

## Ending the shame around periods

In many places, menstruation is still shrouded in stigma and ignorance. We continued to empower women and girls to manage their periods safely and with dignity. Globally, our films and photography pushed periods up the agenda. In Sierra Leone and Liberia, we established more menstrual hygiene sessions in schools. And in Lesotho, we helped promote Menstrual Hygiene Day, which drew a commitment from the Queen Mother to provide sanitary towels in schools.

Manisha studies in her room in Sindhuli, Nepal. She took part in WaterAid training that dispelled discriminatory myths about periods. "After I became aware regarding menstruation, I make sure I bathe regularly, I change my pads regularly. Menstruation is a natural process – that's why we should keep our body healthy and clean."

<sup>5</sup> Bowen A, Ma H, Ou J, et al (2007). A cluster-randomized controlled trial evaluating the effect of a handwashing-promotion program in Chinese primary schools. *The American journal of tropical medicine and hygiene*. 76(6):1166-1173.

<sup>6</sup> Meadows E, Saux N (2004). A systematic review of the effectiveness of antimicrobial rinse-free hand sanitizers for prevention of illness-related absenteeism in elementary school children. *BMC Public Health*. 4(1):1.

<sup>7</sup> Talaat M, Afifi S, Dueger E, et al (2011). Effects of hand hygiene campaigns on incidence of laboratory-confirmed influenza and absenteeism in schoolchildren, Cairo, Egypt. *Emerg Infect Dis*. 17(4):619-625.



# Responding to challenges

Throughout the year, we had to find innovative, practical and effective solutions to a range of challenges so that we could deliver against our plans in a fast-changing world. Here are some of the key issues that affected our work in 2016–17.

## Economic turmoil

In June 2016, a rapid and sustained decline in the value of the pound followed the Brexit vote. As a large proportion of our funds are raised in sterling, this depreciation meant we could buy less local currency. We protected our commitment to expenditure on our international programmes and made savings elsewhere.

Southern Africa experienced economic instability with currency devaluation and fluctuation, and rising inflation led to an increase in the cost of living.

## Political changes

In West Africa, there was civil instability in Burkina Faso, which led to the intervention of the Economic Community of West African States. The changes in political leadership in Ghana, Mali and Niger meant less continuity with water, sanitation and hygiene stakeholders, but also new engagement opportunities.

In Nepal, after nearly two decades, elections were held, accompanied by political tension which disrupted programme work. The Nepal Government's new democratic mandate may provide more opportunities to engage. In Ethiopia, protests in Oromia led to the government declaring a 10-month state of emergency. This caused delays in programme delivery but implementation has since got back on track.

## Improving sustainability

Ensuring that physical services and good hygiene practices are sustained over the long term is a perennial challenge. Our monitoring and evaluation systems show that the main threats to sustainability are weak community management, a lack of resources and institutional capacity. Climate variability, and major climate-related events, also pose a severe risk to our work and the communities we serve. Our strategic aim of strengthening sustainable services and our focus on improving climate resilience are helping us tackle these challenges.

Amin Uddin used to beg for a living. He now owns two mobile toilets, and stations them in busy areas of Dhaka, Bangladesh, where there are few, if any, public facilities. WaterAid supported Amin to start this business, which he uses to support his wife and three children.





# Our international team

Last year, our teams worked with partners across the world to reach millions of people and help lead the global effort towards achieving Global Goal 6. We seek to recruit and retain the best talent to get this ambitious job done.

### Engaging employees

Our 'People Promise', launched internally last year, outlines what we look for in our employees: commitment to our vision, energy and expertise, and an appreciation and respect for different people and ideas. In return, WaterAiders are inspired by the change they make happen, have the chance to grow and space to be their best, and have a sense of belonging to a wider global community. In the biennial Global Employee Survey held last year, 95% of staff gave feedback, with 86% saying they would recommend WaterAid as a good place to work (8% up on the previous survey).

We also focused on delivering our global people strategy in support of the overall global strategy, developing our leaders across the organisation, attracting and developing talent, encouraging innovation and strengthening collaboration across the global organisation.<sup>8</sup>



Our team in Malawi.

### Keeping staff safe and secure

The protection and wellbeing of our staff is of paramount importance to us. Thankfully, we did not experience any major security incidents last year, but the threat from political violence, terrorism and disease outbreaks remains significant. Through our security focal points in each country, we are working hard to ensure our staff are equipped and trained in the approaches needed to ensure the safety of themselves and others.<sup>9</sup>

<sup>8</sup> Priorities 3 and 4: see page 7  
<sup>9</sup> Priority 5: see page 7



"In films, photographs and stories, supporters can see where their money is going. That is what motivated me to join the team." Chileshe Chanda, Voices from the Field Officer, WaterAid Zambia.

### Showing where your money goes

In 2016–17, our team of 'Voices from the Field' officers gathered an amazing range of content from over 150 communities in eight regions of the world. Their photographs, films, interviews and insights are used by our staff to show supporters what the real situation is, day by day, as we put your money to work.





# Our supporter community

We have more than 653,000 supporters in the UK, with over 339,000 giving regularly by direct debit.<sup>10</sup> You are the lifeblood of our organisation, committing your time, money, energy and imagination to the cause. Here are just some of the ways you inspired us last year.

### Record-breaking young climber

Ten-year-old Ollie Buckle (pictured right) has just become the youngest person ever to scale the 140m-high ‘Old Man of Hoy’ in the Orkney Islands. After receiving good luck messages from Sir Chris Bonington and Bear Grylls, he completed the climb with his father Benjamin, raising £5,000 for WaterAid. Ollie looks set to have a daring future and we say thank you to him and all the other young people who gave their money and time to the cause.



Benjamin Buckle



The Tandem Men

### World-conquering Tandem Men

John Whybrow and George Agate – aka The Tandem Men (pictured left) – set off from Canterbury to establish the Guinness World Record for circumnavigating the world by tandem. 18,000 miles and 290 days later, they pedalled back into Canterbury, raising over £13,000 to be split between WaterAid and two other charities. Thank you to John, George and all our other intrepid supporters for dedicating their adventures to our vital work.

<sup>10</sup> Priority 8: see page 7



WaterAid/Ben Roberts

Chvrches lead singer Lauren Mayberry joins two of our 400 Glastonbury Festival volunteers in 2016, helping to gather signatures for the Toilets Save Lives petition.

### You told the PM: ‘Toilets Save Lives!’

Thanks to your support for our Toilets Save Lives campaign, a group of WaterAid volunteers found themselves knocking on the door of 10 Downing Street to deliver the 78,509 names of everyone who signed our petition calling on the UK Government to keep their promise to help achieve Global Goal 6.

### Belu extends partnership until 2030

Belu, the ethical bottled water company, have extended their partnership with WaterAid until 2030. Last year, Belu won the Queen’s Award for Enterprise in Sustainable Development for reducing CO<sub>2</sub> emissions, seeking new ways to reduce their impact and creating positive social and environmental outcomes. Our partnership began in 2011 and to date Belu have donated over £2 million as part of their commitment to give 100% of their profits to our work.

### The UK water industry

The funds we receive from the UK water industry and their customers are the bedrock of our corporate support. Last year, people donated over £12.8 million in response to fundraising asks in their water bills. And water companies, their staff and contractors gave over £3.4 million. Since 1990, supporters who originally donated to WaterAid after hearing about our work in their water bill have gone on to give more than £164.5 million.

### Made Of The Same Stuff

You donated over £486,000 to our biggest fundraising campaign of last year, Made Of The Same Stuff; enough to reach over 32,000 people with clean water. The message was that water unites all of us – we all need it to live, work, study and play. Paralympic swimming champion Ellie Simmonds starred in one of the films and thousands of you shared the results of our fun ‘scientific’ test to see what else you are made of apart from 60% water.



# Financial review

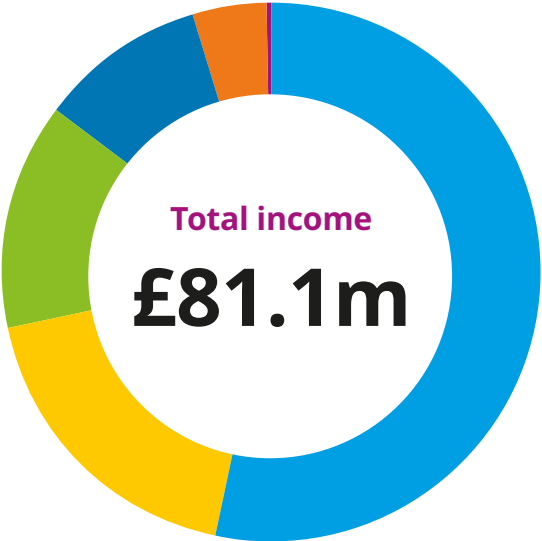
## Income<sup>11</sup>

More than half of our income comes from hundreds of thousands of individuals in the UK giving regular amounts. This continued generosity from the public gives WaterAid the strong foundation to face unexpected financial challenges such as the fall in the value of the pound after the Brexit vote.

Two thirds of our income is given as 'unrestricted' funds, giving us the flexibility to adapt to emerging situations and the discretion to target resources where they will be most effective in transforming lives.

Income from legacies, which is included in the individual supporters figure (see right), is another critical funding source from our general public supporters; it fell last year, but there is an upward trend over the last five years.

Securing institutional funding within the UK and Europe was more difficult in 2016–17, due to political and economic changes that negatively impacted this source of funding. We continue to have an excellent relationship with the UK Department for International Development (DFID) and are increasing our efforts to put forward new proposals for funding of water, sanitation and hygiene work from UK Aid.



Individual supporters	£43.4m
Corporate and trust supporters	£14.9m
Other WaterAid federation members	£10.9m
Governments and other institutions	£8.2m
Fundraising in other countries	£3.6m
Interest	£0.1m

77p

23p

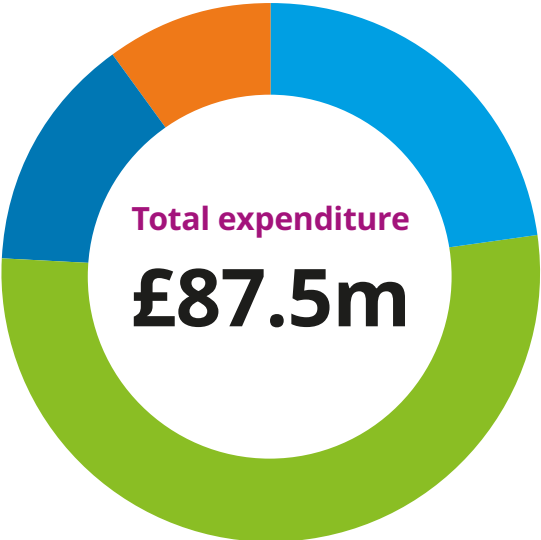
In every £1 we spent, 77p went on delivering services and making change happen, and 23p went on fundraising.

## Expenditure<sup>12</sup>

Expenditure was in line with plans; however, the reduced value of the pound after the Brexit vote meant we could buy less overseas currency. To ensure our work in countries was not adversely affected we reduced some of the planned expenditure in the UK and used some of our operational reserves.

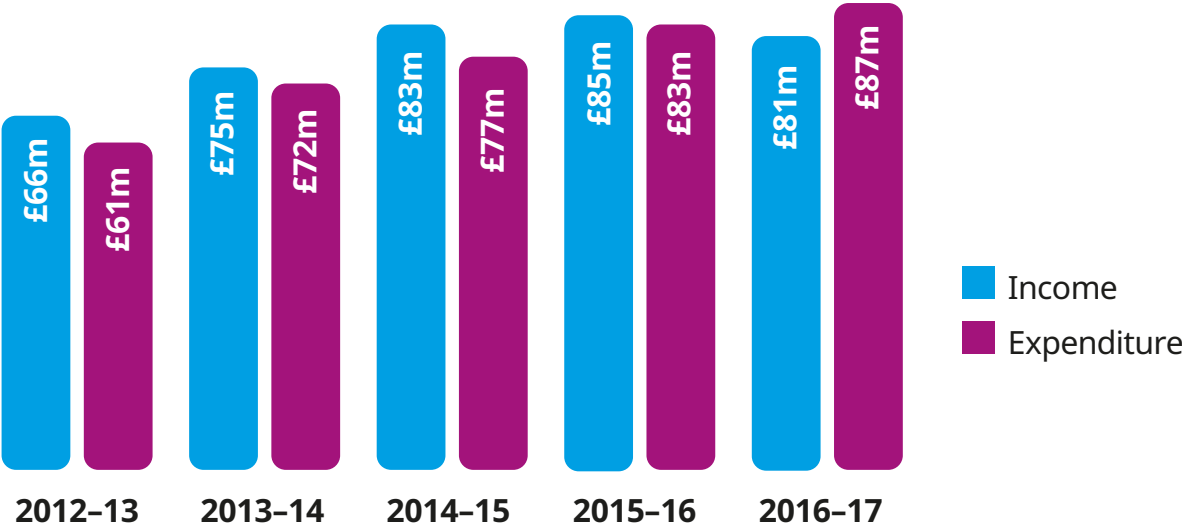
On plan and within budget, we delivered systems projects that improved operational effectiveness towards achieving our 2015–20 global strategy.

Staff costs increased in 2016–17 as we conducted a reward review in all the countries where we work. Our aim is for our staff reward packages to be in line with the median of the markets where we are working.



Fundraising	23%
Delivering services and making change happen:	
Supporting partners to deliver water, sanitation and hygiene	53%
Influencing policy in water, sanitation and hygiene	14%
Supporting other WaterAid federation members	10%

## Five-year snapshot



<sup>11</sup> Priority 6: see page 7

<sup>12</sup> Priority 7: see page 7



# Thank you

Thanks to the commitment and generosity of our 653,000 individual supporters and many other groups who backed us last year, we were able to transform millions of lives with clean water, decent toilets and good hygiene. Here we acknowledge some of the organisations and people who contributed to our vital work in 2016–17.

- |   |  |                             |
|---|--|-----------------------------|
| Affinity Water                            | Black & Veatch Building a World of Difference Fund, a fund of the Greater Kansas City Community Foundation | Eversheds Sutherland LLP    |
| Aiimi                                     |  | Faversham House             |
| Allan and Nesta Ferguson Charitable Trust |  | FHI360                      |
| Allegra Foundation                        | Black & Veatch Ltd   | Fujifilm Europe GmbH        |
| Amey                                      | Bournemouth Water  | Glastonbury Festival        |
| Andrex® & Kimberly-Clark Corporation      | Bristol Water Plc  | Global Affairs Canada       |
| Anglian Water Alliance partners           | British Water  | Gowland and Dawson Ltd      |
| Anglian Water Direct                      | Cambridge Water  | Grundfos                    |
| Anglian Water Services Ltd                | Capgemini  | H&M                         |
| Aveda UK and Ireland                      | Clancy Docwra  | H&M Foundation              |
| Balfour Beatty Utility Solutions          | Claret Civil Engineering Ltd   | H5O                         |
| Barhale Construction Plc                  | Comic Relief   | HSBC Holdings Plc           |
| Belu Water Ltd                            | Conrad N. Hilton Foundation  | Humble Bundle               |
| BHP Billiton Sustainable Communities      | Costain Group Plc  | Institute of Water          |
| Big Lottery Fund                          | Danaher and Walsh  | Interoute                   |
| Bill & Melinda Gates Foundation           | Diageo   | ISS                         |
|   | Dŵr Cymru Welsh Water  | Jersey Overseas Aid         |
|   | Environment Agency   | Kelda Group Ltd             |
|   | Esh Group  | Kier Group                  |
|   | Essex and Suffolk Water  | Laing O’Rourke              |
|   | European Commission  | Latter Day Saints Charities |
|   |  | Levi Strauss & Co           |

- |   |   |  |
|---|---|--|
| Liberty Specialty Markets                           | Rotork Plc  | The Leona M. & Harry B. Helmsley Charitable Trust        |
| Lions Clubs International British Isles and Ireland | Savills   | The Poul due Jensen Foundation (Grundfos Foundation)     |
| Margaret A. Cargill Foundation                      | Scottish Water  | The Scout Association                                    |
| Medicor Foundation                                  | Selwoods  | The Shanley Charitable Trust                             |
| MEICA Partners                                      | SES Water   | The TYF Group  |
| Mildren Construction                                | Severn Trent Water  | The Waterloo Foundation                                  |
| Morrison Utility Services                           | Sing for Water committees                                       | Tokio Marine Kiln Insurance Services Limited             |
| Mott MacDonald Bentley                              | Skanska   | Turner and Townsend                                      |
| MWH Global  | Sofidel   | UK Aid from the Department for International Development |
| MWH Treatment                                       | Soroptimist International Great Britain and Ireland             | UNICEF   |
| Natural Environment Research Council                | South East Water  | United Utilities   |
| Natural Resources Wales                             | South Staffs Water  | Veolia   |
| New English School of Kuwait                        | South West Water  | Vitol Foundation   |
| NMC Nomenca Ltd                                     | Southern Water  | Water UK   |
| Northern Ireland Water                              | Stiftung Drittes Millennium                                     | WaterAid’s Local Group volunteers                        |
| Northumbrian Water Ltd                              | Stonbury Ltd  | WaterAid’s Speaker Network volunteers                    |
| Ofwat   | Sweco   | WaterAid’s Student Societies                             |
| One Drop Foundation                                 | Swedish International Development Agency                        | Wessex Water   |
| Pelican Business Services                           | Swedish Postcode Lottery  | Yorkshire Water  |
| Players of People’s Postcode Lottery                | Thames Water  |  |
| Portsmouth Water                                    | The Alchemy Foundation  |  |
| Prince Albert II of Monaco Foundation               | The Association of Inner Wheel Clubs in Great Britain & Ireland |  |
| Radley College                                      | The Diocese of St Albans  |  |
| Rotary International in Great Britain and Ireland   | The Foster Wood Foundation                                      |  |







# Our priorities for 2017–18



**Country programmes**

To deliver high quality programmes in line with our four strategic aims to directly, and indirectly through our influencing work, reach more people with clean water, decent toilets and good hygiene, helping to achieve Goal 6 of the Global Goals for Sustainable Development: water, sanitation and hygiene for all by 2030.

**To directly reach\***

1

million people with clean water



1

.2 million people with decent toilets



1

.7 million people with good hygiene



**Healthy Start campaign**

To secure concrete commitments from health and nutrition decision-makers to improve the health and nutrition of newborns and infants by integrating clean water, decent toilets and good hygiene into health facilities.



**Our people**

To continue to develop the skills we need to deliver our strategy, including our ability to maximise the use of digital technology, leadership skills and specialist technical skills. We will maximise the potential of all WaterAid staff and maintain our extremely high levels of employee engagement.



Primary school children play hygiene games in Sylhet, Bangladesh.



**Fundraising and finance targets**

- To raise between £80–85 million, with 60% as ‘unrestricted’ income.
- To spend between £81–86 million.
- To recruit 35,900 new regular givers.



\* Additionally, WaterAid India, supported by funding from WaterAid UK, plans to reach 211,000 people with clean water, 1.08 million with decent toilets and 1.11 million with good hygiene. See [www.wateraidindia.in](http://www.wateraidindia.in) for more information.



# Key policies and processes

## Our people

### Equal opportunities and diversity

We believe in the value of a diverse team and have policies in place to ensure we give candidates and existing staff and volunteers equal opportunities to succeed.

### Employee engagement

Our staff participate in biennial global employee engagement surveys, giving helpful feedback on what it is like to work at WaterAid. In 2016, 97% of staff who took part said they had a good understanding of our vision and overall aims, and 86% would recommend WaterAid as a good place to work. In the UK, a staff engagement group meets quarterly to discuss ideas and provide feedback on particular topics.

### Remuneration

We aim to remunerate all our staff fairly and to benchmark ourselves against other non-governmental organisations. The Board of Trustees has a Remuneration Committee that reviews our people policies and considers the pay and benefits of the Chief Executive and the Directors. Salaries for all staff are benchmarked against similar roles in similar-sized organisations. Salaries of the Chief Executive and Directors are set with reference to market data for each individual role and benchmarked using at least three relevant remuneration surveys.

### Modern slavery

We produce this statement in accordance with section 54 of the Modern Slavery Act 2015 to document the processes that WaterAid has in place to prevent slavery and trafficking within its organisation.

We take our obligations seriously in promoting ethical working practices globally. We have a zero tolerance approach to slavery and human trafficking, both in our own organisation and also with our corporate partners and supply chains.

Our actions in 2016–17 to promote the Modern Slavery Act have included raising staff and partners’ awareness, and developing new ethical checking guidance to create a robust process for all new corporate partnership relationships. We have implemented an enhanced supplier due diligence process to ensure we have greater monitoring and oversight of our third party suppliers.

There remains in place an independent reporting process for any suspicions of slavery or trafficking within WaterAid and its partners, as well as an anonymous whistleblowing procedure for all reports. There have been no reports of slavery or trafficking this year.

# Key policies and processes

## Managing risk

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

The Board of Trustees and Directors Team have been clear that the areas where risk should be very carefully assessed relate to the health, welfare 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 accessing clean water, sanitation and 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.

### Processes include:

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



### The most significant risks last year were:

- **Financing the global strategy given the uncertain economic climate in which there is more economic pressure on individuals and a number of institutional and corporate supporters are reviewing their priorities.** Restricted income reduced year on year, with a significant reduction in funding from DFID as they changed their funding approach. It is expected the structural changes made to the way WaterAid is approaching this area of fundraising will lead to an increase in institutional financing in future years. The trust in WaterAid from the hundreds of thousands of individual supporters continued to be high, and we were delighted to maintain giving from individuals at the same level as the previous year.
- **Failure to adapt promptly to changes in the legislative and operating environments for NGOs and civil society in the countries where we work.** WaterAid has engaged actively with the changes to fundraising regulation in the UK and is ensuring compliance with the new requirements. In some of the countries we work in, there is a tightening of the 'space' within which NGOs are allowed to operate, but we have so far been able to adapt, for example in Ethiopia.

- **Delivering a complex global portfolio of systems projects on time and within budget.** Projects to improve our planning, monitoring, evaluation and reporting for programme work, fundraising and resources (people and finance) have been delivered as planned in 2016–17 and these will lead to a considerable improvement in providing the information that people in WaterAid need to make good, timely decisions.
- **Competition for staff at country programme level.** We have updated our salary scales and benefits, and reviewed job titles, to ensure they are comparable to those in other organisations.
- **Civil unrest and insecurity in the areas where WaterAid works impacting on delivery and staff welfare.** We have continued to strengthen our security management practices and have launched a new security management framework for all WaterAid members. We continue to embed our risk assessment processes to protect staff and partners and to build a culture of good security awareness and are rolling out a range of training. We continue to take particular care where campaigning on rights-based issues may not be deemed appropriate by some governments.

- **Currency volatility with the sustained weakness of the pound impacts the value of the contribution WaterAid UK can make in real terms.** The Board of Trustees regularly took actions to manage currency volatility, including the use of operational reserves and some forward purchasing of hard currencies to mitigate risk of a further fall in the value of the pound.

### The main risks to be managed in the year ahead:

- Security and safety management, with particular attention to our country programmes, to ensure we are providing the right level of care for our staff, partners and supporters.
- Securing adequate restricted income.
- Managing changes in Data Protection and Fundraising Regulations.
- Responding to and influencing changes in aid policy and government handling of civil society.
- Managing multiple currency finances in volatile economic times.



### Our public fundraising approach

We raise a significant percentage of our funds from the public and our aim is to ensure we do this in both a respectful and compelling way that is consistent with our values. In all of our fundraising, we work diligently to comply with the Fundraising Code of Practice and to champion the standards it promotes.

We contact a number of our supporters by telephone each year. External agencies who conduct this work on our behalf are required to do so in a respectful manner and in accordance with our standards and sector regulation. We closely monitor agencies' compliance and performance.

We involve ourselves in agencies' training and the materials used and have developed guidelines with respect to people in vulnerable situations and how calls with them are managed. We do not contact people from cold lists, nor do we give or sell supporters' details to anyone else. Details regarding our approach to fundraising are on our website, along with our fundraising promise, and we actively encourage supporters to contact us with any feedback. It is vital that we communicate with our supporters in the manner they prefer, and we are very keen to respect their privacy and preferences.

We have recently refreshed our data privacy policy to ensure it covers all of our activity. We have communicated this to all of our supporters so that they are fully aware of how seriously we take our commitments in this area. The new policy can be found here: [www.wateraid.org/uk/privacy-policy](http://www.wateraid.org/uk/privacy-policy)

We support measures that will improve public trust and support for the sector.

We welcomed the introduction of the new Fundraising Regulator and contributed to its set-up costs.

We endorse the formation of best practice standards and guidelines for the sector, which we helped define.

We are members of the Institute of Fundraising, the Fundraising Regulator, the Direct Marketing Association and the Public Fundraising Regulatory Association. We abide by their codes of conduct.

We monitor complaints and take on board feedback to help us improve our fundraising approach.

During 2016–17 we made 4,816,606 contacts using email, mail and telephone. We received 615 complaints, 0.01% of the total contacts we made.

Our Supporter Care team looks into each and every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work.

## Key policies and processes

### Financial management

#### Reserves policy

WaterAid has an approved reserves policy, retaining a level of funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target range for the operational reserve is reviewed on an annual basis and, in 2016–17, the median of the target range was £11 million. The operational reserve at the end of March 2017 was below this level, at £10.8 million, but still within the target range.

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

Total funds at 31 March 2017 were £25.8 million, of which £10.3 million was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals and the restrictions that these partners place on the funds they give us can range from a focus on a region, theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

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

#### Investment policy and performance

WaterAid holds short-term investments and cash. The objective of our investment policy is to limit risk as far as is possible while earning such interest as is available on very secure deposits. Accordingly, our investment policy is to invest in short-term deposits and to hold cash only at those banks with a high credit rating.

Due to continuing very low interest rates, investment income was just £77,000 in 2016–17; it is not expected the level of return will increase in 2017–18.

#### Going concern

The Board of Trustees is of the opinion that WaterAid has adequate resources to continue in operational existence for the foreseeable future.

#### 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.



## Structure, governance and management

### WaterAid international

WaterAid international is our global governance structure, which is supported by a secretariat. It sets global standards and coordinates the activities of WaterAid federation member countries, including WaterAid UK, in developing and delivering our global strategy.

In 2016–17, WaterAid international had five full federation members: the UK, America, Australia, Canada and Sweden. WaterAid India and WaterAid Japan joined as associate federation members in March 2016 and December 2016 respectively. All federation members are independently-constituted organisations with their own boards.

Last year, WaterAid UK increased its investment in other member countries to support the growth of fundraising in federation members and the shared delivery of our global strategy.<sup>13</sup> We made grants to support fundraising, programmes and policy, and organisational development of WaterAid America, WaterAid Australia, WaterAid Canada and WaterAid India. WaterAid international made an investment grant to WaterAid Japan to support its development to an associate member of the WaterAid federation. WaterAid UK also funded part of the running costs of WaterAid international.

### 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>14</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 2017, there were 45 company members.

WaterAid international was formed in 2010. In 2011, the WaterAid marks were transferred from WaterAid UK to WaterAid international and a Membership and License Agreement was signed to allow WaterAid UK to operate as a member of the WaterAid international federation.

### Trading company

WaterAid Trading Ltd made a net profit of £0.84 million on £0.94 million gross. This trading company is wholly owned by WaterAid, sells goods and operates the sub-licensing agreements that WaterAid enters into.

### Organisation structure

WaterAid has an office in London where the Chief Executive and a team of five Directors and the Internal Audit 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 2017, WaterAid has offices, registered as branches of the UK company, in 24 countries in South Asia and Africa. During the year, the management of Myanmar transferred from WaterAid Australia to WaterAid UK and we took the decision to exit from Lesotho due to strategic, legal, funding and capacity issues. Due to the disproportionate amount of time and resource it has taken to register as a local entity in Kenya, we have decided not to continue our partnership there.

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.

Barbara Frost, Chief Executive until the end of 2016–17, spent 75% of her time managing WaterAid UK and 25% of her time on WaterAid international business until January 2017 when Ken Caldwell was appointed to the full-time role of Executive Director of WaterAid international. The secretariat for WaterAid international has a small team of staff.

The accounts of WaterAid international comprise secretariat and investment costs – not the accounts of the other federation members – and are consolidated into WaterAid in the UK as shown in note 15 to the Financial Statements. In 2017–18, it is expected there will be no requirement to consolidate the accounts of WaterAid international into WaterAid UK's accounts.

### 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.

Trustees serve for a three-year term which may be renewed for another term of three years. In occasional circumstances, this period may be further extended in order to retain specific skills.

<sup>13</sup> Priority 3: see page 7

<sup>14</sup> WaterAid raised £2,126,982 in Scotland through fundraising activities organised both in Scotland and the rest of the UK. Scottish Water continues to donate office space for WaterAid Scotland to operate from and is very supportive of the fundraising activities in Scotland.



Peter Millward stood down from the Board at the AGM in October 2016 at the end of his second term, having made a significant contribution to the Board of Trustees, including through his chairing of the Audit Committee. Sylvia Anie also stood down during the year. Both Peter's and Sylvia's service were noted with great thanks and much appreciation.

#### The Board of Trustees has three committees:

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

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, performance assessment processes are used for both the Board as a whole and for individual Trustees. 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 42, 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.

#### Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law, the Trustees have prepared the Financial Statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware. Each Trustee has taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees on 6 September 2017 and signed on its behalf by



**Tim Clark**  
Chair of Trustees



# Trustees, advisors and key details

**President**

HRH The Prince of Wales

**Vice President**

The Rt Hon Baroness Chalker of Wallasey

**Board of Trustees**

Sylvia Anie<sup>2</sup> (stood down February 2017)

Clarissa Brocklehurst<sup>2</sup>

Tim Clark, Chair of the Board of Trustees<sup>2, 3</sup>

Rosemary Carr<sup>2</sup>

Richard Flint<sup>2</sup>

Chris Loughlin<sup>1</sup>

Peter Millward, Chair of Audit Committee<sup>1, 3</sup> (stood down October 2016)

Peter Newman, Treasurer<sup>1, 3</sup>

Anna Segall<sup>1</sup>

Myriam Sidibe

Christiane Wuillamie<sup>1, 3</sup>

Steve Vaid<sup>1, 3</sup> (Chair of Audit Committee from January 2017)

**Chief Executive and Company Secretary**

Barbara Frost (Tim Wainwright took over as Chief Executive and Company Secretary in May 2017)

**Directors Team**

Margaret Batty: Director of Policy and Campaigns

Olga Ghazaryan: Director of International Programmes

Paula Laird: Director of Finance and Information Technology

Marcus Missen: Director of Communications and Fundraising

Rachel Westcott: Director of People and Organisational Development

**Principal bankers**

Barclays Bank plc  
50 Pall Mall  
London SW1A 1QB

**Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

**Principal solicitors**

Bates, Wells and Braithwaite  
2-6 Cannon Street  
London EC4M 6YH

**Company number**

1787329

**Charity numbers**

288701 (England and Wales)  
SC039479 (Scotland)

**Registered office and operational address**

47-49 Durham Street  
London SE11 5JD

# Independent auditors' report to the members of WaterAid

**Report on the financial statements**

**Our opinion**

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure and of the group's and parent charitable company's cash flows 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.

**What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and charity balance sheets as at 31 March 2017;
- the consolidated statement of financial activities (including consolidated income and expenditure account) for the year then ended;

- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the Financial Statements are prepared is consistent with the financial statements; and

<sup>1</sup> Audit Committee member  
<sup>2</sup> Nominations Committee member  
<sup>3</sup> Remuneration Committee member



- the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

#### Other matters on which we are required to report by exception

##### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### Responsibilities for the Financial Statements and the audit

##### Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 40, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and Trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### What an audit of Financial Statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

The maintenance and integrity of the WaterAid website are the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.



**Kevin Lowe (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors, London

19 September 2017



## Consolidated statement of financial activities

(including consolidated income and expenditure account)

For the year ended 31 March 2017

	Note	Unrestricted £000	Restricted £000	2017 Total £000	2016 Total £000
<b>Income from:</b>					
<i>Donations and legacies</i>					
Donations	3	45,319	4,383	<b>49,702</b>	53,953
Grants	3	4,706	2	<b>4,708</b>	5,694
Gifts in kind	3	191	—	<b>191</b>	143
<i>Charitable activities</i>					
Grant funding for specific activities	5	—	22,215	<b>22,215</b>	23,974
<i>Other trading activities</i>	4	3,933	251	<b>4,184</b>	1,599
<i>Investment income</i>		76	1	<b>77</b>	112
<b>Total income</b>		<b>54,225</b>	<b>26,852</b>	<b>81,077</b>	85,475
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Expenditure on raising grants, donations and legacies	6	19,692	501	<b>20,193</b>	19,935
Expenditure on other trading activities	6	49	—	<b>49</b>	51
<i>Charitable activities</i>					
Supporting partners to deliver water, sanitation and hygiene	6	22,156	24,540	<b>46,696</b>	48,070
Influencing policy in water, sanitation and hygiene	6	8,384	3,484	<b>11,868</b>	13,100
Supporting other WaterAid federation members	6	6,620	2,054	<b>8,674</b>	2,329
<b>Total expenditure</b>		<b>56,901</b>	<b>30,579</b>	<b>87,480</b>	83,485
Net (outgoing)/incoming resources before transfers		(2,676)	(3,727)	(6,403)	1,990
Transfers	20	(92)	92	—	—
<b>Net movement in funds or net (deficit)/income for the prior year</b>	25	<b>(2,768)</b>	<b>(3,635)</b>	<b>(6,403)</b>	1,990
Funds brought forward at 1 April	20	18,289	13,894	<b>32,183</b>	30,193
<b>Total funds carried forward at 31 March</b>	20	<b>15,521</b>	<b>10,259</b>	<b>25,780</b>	32,183

The accounts have been prepared in line with FRS 102.

The statement of financial activities includes all gains and losses recognised during the year. There were no realised gains during the year on investment assets. All incoming resources and resources expended derive from continuing activities. The notes supporting the Financial Statements are on pages 46 to 67.

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

WaterAid's (excluding WaterAid international and WaterAid Trading Limited) gross income for the year was £80.9m (2016: gross income: £84.6m). WaterAid's net deficit for the year was £6.4m (2016: net income: £2.0m).

## Consolidated and charity balance sheets

At 31 March 2017

	Note	The group		The charity	
		2017 £000	2016 £000	2017 £000	2016 £000
<b>Fixed assets</b>					
Intangible assets	10	<b>2,687</b>	2,356	<b>2,687</b>	2,356
Tangible assets	10	<b>1,112</b>	1,169	<b>1,112</b>	1,169
Total fixed assets		<b>3,799</b>	3,525	<b>3,799</b>	3,525
<b>Current assets</b>					
Debtors	11	<b>10,295</b>	10,091	<b>11,120</b>	11,120
Cash at bank and in hand	16	<b>17,643</b>	26,667	<b>16,663</b>	25,404
Total current assets		<b>27,938</b>	36,758	<b>27,783</b>	36,524
<b>Liabilities</b>					
Creditors: falling due within one year	17	<b>(4,710)</b>	(7,339)	<b>(4,561)</b>	(7,180)
Provision for liabilities and charges	18	<b>(1,247)</b>	(761)	<b>(1,247)</b>	(761)
		<b>(5,957)</b>	(8,100)	<b>(5,808)</b>	(7,941)
<b>Net current assets</b>		<b>21,981</b>	28,658	<b>21,975</b>	28,583
<b>Net assets</b>		<b>25,780</b>	32,183	<b>25,774</b>	32,108
<b>The funds of the charity</b>					
<b>Unrestricted income funds</b>					
Designated funds	20	<b>4,725</b>	6,525	<b>4,725</b>	6,525
General income funds	20	<b>10,796</b>	11,764	<b>10,790</b>	11,689
Total unrestricted income funds		<b>15,521</b>	18,289	<b>15,515</b>	18,214
<b>Restricted income funds</b>	20	<b>10,259</b>	13,894	<b>10,259</b>	13,894
<b>Total charity funds</b>		<b>25,780</b>	32,183	<b>25,774</b>	32,108

The Financial Statements on pages 46–67 were approved by the Board of Trustees on 6 September 2017 and signed on its behalf by:



Tim Clark, Chair



Peter Newman, Treasurer



# Consolidated cash flow statement

For the year ended 31 March 2017

	2017 £000	2016 £000
Net (deficit)/income for the year	(6,403)	1,990
Interest receivable	(77)	(112)
Amortisation and depreciation of fixed assets	1,793	1,499
(Gain)/loss on disposal of fixed assets	242	(50)
Movement in debtors	(204)	(1,578)
Movement in creditors	(2,629)	1,395
Movement in provisions	486	(106)
<b>Cash (absorbed by)/generated from operating activities</b>	<b>(6,792)</b>	<b>3,038</b>
Bank interest received	77	12
Payments to acquire fixed assets	(2,353)	(2,844)
Proceeds from sales of fixed assets	44	50
<b>Cash flows expended in investing activities</b>	<b>(2,232)</b>	<b>(2,682)</b>
<b>(Decrease)/Increase in cash in the year</b>	<b>(9,024)</b>	<b>3,463</b>
<b>Analysis of cash as shown in the balance sheet</b>	<b>2017 £000</b>	<b>2016 £000</b>
Balance at beginning of the year	26,667	26,311
Net cash (outflow)/inflow	(9,024)	356
<b>Balance at the end of the year</b>	<b>17,643</b>	<b>26,667</b>
<b>The cash balances were held in the following locations:</b>	<b>2017 £000</b>	<b>2016 £000</b>
UK	14,870	23,357
Overseas	2,773	3,310
<b>Balance at 31 March</b>	<b>17,643</b>	<b>26,667</b>

# Notes to the Financial Statements

For the year ended 31 March 2017

- 1. Accounting policies**

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

WaterAid is incorporated in the United Kingdom (company number: 1787329). WaterAid’s registered office and operational address is: WaterAid, 47–49 Durham Street, London SE11 5JD.
- a) Basis of preparation**

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), 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 reporting date). The Board have given due consideration to the working capital and cash flow requirements of WaterAid. The Board consider WaterAid’s current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

As permitted by Section 408 of the Companies Act 2006, a separate income and expenditure account dealing with the results of the charitable company only has not been presented.
- b) Basis of consolidation**

The charity has one wholly owned subsidiary, WaterAid Trading Limited, which is registered in England. WaterAid international is consolidated as a charity, regulated in the UK, by virtue of the control and influence WaterAid is considered to have over WaterAid international. Consolidated Financial Statements for the group, being WaterAid, WaterAid international and WaterAid Trading Limited have been prepared on a line by line basis. The group consolidation does not include other WaterAid federation members. WaterAid is a registered charity in England, Wales and Scotland and WaterAid international is a registered charity in England and Wales.

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

The charity discloses all of its transactions with its subsidiary, WaterAid Trading Ltd.
- d) Foreign exchange**

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

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

**Grant income**

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



1. Accounting policies (continued)

e) Income (continued)

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

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

Donations and legacies

Donations are recognised in the period in which they are received. Legacy income is recognised when WaterAid's entitlement is adjudged to be probable and where the amount can be reliably measured.

Restricted income

Income received that has specific restrictions placed upon its use is credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.

Gifts in kind

Goods, facilities and services donated for the charity's use, where the benefit is quantifiable and the goods or services would otherwise have had to be purchased, are recognised in the Financial Statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

In memoria

Donations received in line with persons' wishes are recognised on a cash receipt basis.

Fundraising events

Income from fundraising events is included in voluntary income as the funds received are by nature donations rather than funds paid to gain a benefit. Event income to which WaterAid has a legal entitlement and that is being held by a third party agent is recognised on a receivable basis.

f) Expenditure

Expenditure is recognised in the period in which it is incurred on an accruals basis. Expenditure includes attributable VAT which cannot be recovered.

Costs of charitable activities include direct expenditure incurred through grants to partners and operational activities together with associated support costs. Charitable expenditure is reported as a functional analysis of the work undertaken by the Charity, being supporting partners to deliver clean water, sanitation and hygiene and influencing policy in water, sanitation and hygiene.

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

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

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

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

g) Fund accounting

Unrestricted funds are the funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 20.

Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs where allowed by the donor. Negative balances are carried forward on funds only where further income is considered highly probable in the following year.

h) Fixed assets and depreciation

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

Motor vehicles	3 years
Furniture and equipment – Overseas	3 years
Furniture and equipment – UK	5 years
Computers and office equipment	3 years
Software	3 years

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

i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j) Investments

The investment in the subsidiary is valued at cost.

Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is taken to the SOFA.

k) Cash at bank and in hand

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

l) Pension cost

The charity operates two defined contribution pension schemes for UK staff. The assets of both schemes 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 WaterAid 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.



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

	Unrestricted £000	Restricted £000	<b>2016 Total £000</b>
<b>Income from:</b>			
<i>Donations and legacies</i>			
Donations	50,323	3,630	53,953
Grants	5,690	4	5,694
Gifts in kind	143	—	143
<i>Charitable activities</i>			
Grant funding for specific activities	—	23,974	23,974
<i>Other trading activities</i>	1,342	257	1,599
<i>Investment income</i>	112	—	112
<b>Total income</b>	<b>57,610</b>	<b>27,865</b>	<b>85,475</b>
<b>Expenditure on:</b>			
<i>Raising funds</i>			
Expenditure on raising grants, donations and legacies	19,373	562	19,935
Expenditure on other trading activities	51	—	51
<i>Charitable activities</i>			
Supporting partners to deliver water, sanitation and hygiene	25,754	22,316	48,070
Influencing policy in water, sanitation and hygiene	9,587	3,513	13,100
Supporting other WaterAid federation members	2,152	177	2,329
<b>Total expenditure</b>	<b>56,917</b>	<b>26,568</b>	<b>83,485</b>
Net incoming resources before transfers	693	1,297	1,990
Transfers	(71)	71	—
<b>Net movement in funds or net income for the year</b>	<b>622</b>	<b>1,368</b>	<b>1,990</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 April 2015	17,667	12,526	30,193
<b>Total funds carried forward at 31 March 2016</b>	<b>18,289</b>	<b>13,894</b>	<b>32,183</b>

**3. Income from donations and legacies**

	Unrestricted £000	Restricted £000	<b>2017 Total £000</b>	2016 Total £000
<b>Donations</b>				
Regular giving, donations and appeals	37,010	2,716	<b>39,726</b>	41,348
Legacies and In Memoria donations	5,076	283	<b>5,359</b>	7,693
Fundraising events	3,233	1,384	<b>4,617</b>	4,912
<b>Total</b>	<b>45,319</b>	<b>4,383</b>	<b>49,702</b>	53,953
<b>Grants of a general nature</b>				
UK Aid from the Department for International Development – Programme Partnership Agreement	3,151	—	<b>3,151</b>	4,202
Other WaterAid member countries	1,155	2	<b>1,157</b>	1,192
The Waterloo Foundation	300	—	<b>300</b>	300
Other	100	—	<b>100</b>	—
	<b>4,706</b>	<b>2</b>	<b>4,708</b>	5,694
<b>Gifts in kind</b>				
Customer appeal	128	—	<b>128</b>	102
Water industry partnerships	23	—	<b>23</b>	—
Audit fee	25	—	<b>25</b>	25
Rent	14	—	<b>14</b>	6
Other	1	—	<b>1</b>	10
	<b>191</b>	<b>—</b>	<b>191</b>	143
<b>Total</b>	<b>50,216</b>	<b>4,385</b>	<b>54,601</b>	59,790

**4. Other trading activities**

	Unrestricted £000	Restricted £000	<b>2017 Total £000</b>	2016 Total £000
Lotteries	3,138	107	<b>3,245</b>	727
Trading company	795	144	<b>939</b>	872
<b>Total</b>	<b>3,933</b>	<b>251</b>	<b>4,184</b>	1,599

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

In the case of WaterAid lotteries managed by People's Postcode Lottery (PPL), WaterAid has no ability to alter the ticket price, prizes or management charges and therefore does not act as the principal for these draws. Proceeds have been recognised in the Statement of Financial Activities as net of prizes and other expenditure. 2017 was the first year of this PPL arrangement.

	Unrestricted £000	Restricted £000	<b>2017 Total £000</b>	2016 Total £000
PPL Ticket proceeds	8,517	—	<b>8,517</b>	—
PPL Prize fund	(3,381)	—	<b>(3,381)</b>	—
PPL Management fee	(2,556)	—	<b>(2,556)</b>	—
PPL Prize indemnity insurance	(28)	—	<b>(28)</b>	—
PPL Net income	2,552	—	<b>2,552</b>	—
Other WaterAid lotteries	586	107	<b>693</b>	727
<b>Total lotteries income</b>	<b>3,138</b>	<b>107</b>	<b>3,245</b>	727

## 5. Income from charitable activities

Grant funding for specific activities	2017 Total £000	2016 Total £000
Other WaterAid member countries	9,820	6,946
UK Aid from the Department for International Development*	2,434	2,302
HSBC Holdings plc	2,222	3,323
European Commission	1,366	1,923
BHP Billiton Sustainable Communities	1,421	1,185
Swedish International Development Cooperation Agency (Bangladesh)	1,017	652
Unicef	804	570
Big Lottery Fund	622	768
Comic Relief	551	658
Plan International*	460	2,445
Medicor Foundation	270	131
Irish Aid	169	215
Queen Elizabeth Golden Jubilee Trachoma Trust	123	—
Jersey Overseas Aid	100	177
Swiss Agency for Development and Cooperation	11	304
Crown Agents	—	537
Other grants	825	1,838
<b>Total</b>	<b>22,215</b>	<b>23,974</b>
UK Aid from the Department for International Development*		
Match Funding – Deliver Life	1,451	—
Match Funding – To Be A Girl	838	636
Other	145	109
India MPWASH	—	1,277
Strategic Grant Arrangement Tanzania	—	239
Match Funding Big Dig	—	41
<b>UK Aid received directly from the Department for International Development</b>	<b>2,434</b>	<b>2,302</b>
<b>UK Aid received indirectly from the Department for International Development – consortium led by Plan International*</b>	<b>460</b>	<b>2,445</b>
<b>Total UK Aid received from the Department for International Development</b>	<b>2,894</b>	<b>4,747</b>

Additional information on transactions with WaterAid member countries can be found in note 26.

\*Following review, the total of grants received from the Department for International Development in 2016 was revised between individual programme lines.

## 6. Expenditure

	Note	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2017 Total £000	2016 Total £000
<i>Raising funds</i>							
Expenditure on raising grants, donations and legacies		5,846	12,776	371	1,200	20,193	19,935
Expenditure on other trading activities		39	10	—	—	49	51
		5,885	12,786	371	1,200	20,242	19,986
<i>Charitable activities</i> <sup>8</sup>							
Supporting partners to deliver water, sanitation and hygiene		10,908	30,716	842	4,230	46,696	48,070
Influencing policy in water, sanitation and hygiene		4,166	6,683	198	821	11,868	13,100
Supporting other WaterAid federation members		290	8,206	—	178	8,674	2,329
		15,364	45,605	1,040	5,229	67,238	63,499
<i>Governance</i>		458	222	—	(680)	—	—
<i>Support costs</i>		2,684	2,683	382	(5,749)	—	—
Governance and support costs		3,142	2,905	382	(6,429)	—	—
		24,391	61,296	1,793	—	87,480	83,485

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, support costs and losses/(gains) on exchange rates were allocated as follows:

	2017 Total £000	2016 Total £000
Finance, People and Information Services	4,759	4,443
Chief Executive Office, Internal audit and Governance	680	675
Premises and facilities	1,973	1,570
Support costs	7,412	6,688
Realised and unrealised exchange gains on assets	(983)	(292)
Total of governance and support costs and exchange losses/(gains)	6,429	6,396

The exchange rate loss described in the Trustees' Annual Report is the net of the operational losses incurred in delivering our services funded in GBP in local currencies and the gains made on asset values held in other currencies than GBP.

The gross exchange rate loss on expenditure was £5,043,000 and the gross exchange rate gain on assets was £983,000, giving a total net loss of £4,060,000.



## 7. Staff costs and numbers

Staff costs for the charity and group were as follows:

	2017 Total £000	2016 Total £000
Wages and salaries	21,056	19,762
Social security costs	1,313	1,088
Other pension costs	2,022	1,630
	<b>24,391</b>	<b>22,480</b>

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

	2017 No.	2016 No.
Fundraising staff (cost of generating funds)	133	125
Staff delivering charitable activities	543	587
Support staff	57	50
Governance	6	6
	<b>739</b>	<b>768</b>

The increase in staff costs is 12.8% (2016: 7.0%) per full time equivalent employee. This was due to a reward review in all the countries where we work as well as the weakening of sterling increasing the sterling cost of salaries paid in local currencies.

The average monthly headcount was 764 staff (2016: 818). The total number of WaterAid employees at 31 March 2017 was 775 (2016: 860). The decrease in total number of WaterAid employees is due to WaterAid India becoming an independent organisation on 1 April 2016, and six country programmes undergoing staff restructuring that took effect in the second half of the year.

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 pension costs)	2017 No.	2017 Total pension contribution £	2016 No.	2016 Total pension contribution £
£60,000 – £69,999	9	51,417	9	56,897
£70,000 – £79,999	10	89,313	6	42,111
£80,000 – £89,999	4	45,634	2	18,482
£90,000 – £99,999	3	29,078	2	18,923
£100,000 – £109,999	1	9,097	1	10,772
£130,000 – £140,000	1	15,614	1	16,737
	<b>28</b>	<b>240,152</b>	<b>21</b>	<b>163,922</b>

The weakening of sterling against most African and Asian currencies by 15% following the Brexit vote automatically increased the sterling cost of salaries paid in local currencies, leading more staff to be paid above £60k per annum equivalent.

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind of £136,040 (2016: £132,080) and pension contributions of £15,614 (2016: £16,737). The Chief Executive's time was approximately spent 75% on WaterAid and 25% on WaterAid international, until the appointment of a dedicated Executive Director to WaterAid international on 16 January 2017. The Trustees' Annual Report provides information on how remuneration is set.

In the UK, WaterAid makes contributions for its employees to two defined contribution schemes operated by Aegon and Scottish Equitable. Pension contributions due to the Scottish Equitable and Aegon schemes as at 31 March 2017 were £140,090 (2016: £132,124).

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Directors' Team. The total employee benefits of the key management personnel of the group was £662,214 (2016: £638,473). The key management roles in WaterAid Trading Limited and WaterAid international were fulfilled by members of the key management personnel of the charity.

During the year, the charity paid termination payments totalling £297,505 (2016: £34,344). The increase on 2016 level is due to the need to restructure staff in six countries in order to deliver their new strategies.

## 8. Charitable activities expenditure by location

	Unrestricted £000	Restricted £000	2017 Total £000	2016 Total £000
<b>West Africa</b>				
Burkina Faso	422	2,133	2,555	2,469
Ghana	525	1,947	2,472	1,761
Liberia	825	178	1,003	729
Mali	926	1,947	2,873	2,136
Niger	510	208	718	617
Nigeria	833	1,349	2,182	2,573
Sierra Leone	594	191	785	1,088
Regional management and support costs	917	214	1,131	980
	<b>5,552</b>	<b>8,167</b>	<b>13,719</b>	<b>12,353</b>
<b>East Africa</b>				
Ethiopia	1,385	1,842	3,227	3,013
Kenya	119	—	119	97
Rwanda	562	249	811	765
Tanzania	509	1,528	2,037	1,975
Uganda	1,281	572	1,853	1,880
Regional management and support costs	793	10	803	558
	<b>4,649</b>	<b>4,201</b>	<b>8,850</b>	<b>8,288</b>
<b>Southern Africa</b>				
Lesotho	253	—	253	150
Madagascar	559	1,432	1,991	2,379
Malawi	535	1,174	1,709	2,089
Mozambique	860	2,544	3,404	2,437
Swaziland	228	—	228	123
Zambia	764	1,741	2,505	1,584
Regional management and support costs	710	40	750	511
	<b>3,909</b>	<b>6,931</b>	<b>10,840</b>	<b>9,273</b>
<b>Asia</b>				
Bangladesh	2,423	3,619	6,042	7,079
India	104	—	104	5,309
Nepal	639	1,779	2,418	2,555
Pakistan	1,080	2,092	3,172	3,413
Regional management and support costs	406	226	632	816
	<b>4,652</b>	<b>7,716</b>	<b>12,368</b>	<b>19,172</b>
<b>UK</b>				
Supporting other WaterAid federation members	6,498	1,998	8,496	2,155
Other UK direct international programme support costs (including technical and programme effectiveness)	3,654	766	4,420	3,309
UK-based policy, campaigns and education costs	2,968	349	3,317	3,620
Allocated UK support costs to charitable activities	6,200	11	6,211	5,621
Exchange (gains)/losses	(922)	(61)	(983)	(292)
<b>Total</b>	<b>37,160</b>	<b>30,078</b>	<b>67,238</b>	<b>63,499</b>

The total cost of supporting partners to deliver water, sanitation and hygiene was £46.7m (2016: £48.1m) and the cost of influencing policy in water, sanitation and hygiene was £11.9m (2016: £13.1m) – see note 6 for further details.

9. Payments to partner organisations

WaterAid has made grants to 225 partners with a total value of £16.8m for the year ended 31 March 2017. For the year ended 31 March 2016, payments were made to 294 partners with a total value of £23.1m.

	2017 No.	2016 No.
£0 – £49,999	141	174
£50,000 – £99,999	26	51
£100,000 – £149,999	20	29
£150,000 – £199,999	15	11
£200,000 – £249,999	6	6
£250,000 and over	17	23
	225	294

The top 20 financial grant recipients in 2016–17 are listed below. These grants are included in the charitable expenditure outlined in notes 6 and 8.

	Name of partner	£000	Country
1	Nepal Water For Health	749	Nepal
2	SKS Foundation	546	Bangladesh
3	National Rural Support Program	461	Pakistan
4	Dushtha Shasthya Kendra (DSK)	451	Bangladesh
5	Rupantar	387	Bangladesh
6	Association DAKUPA (DAKUPA)	377	Burkina Faso
7	Association for Gender Awareness and Human Empowerment	368	Pakistan
8	Sukaar Foundation	326	Pakistan
9	Karnali Integrated Rural Development and Research Centre	323	Nepal
10	AMEPPE-Association Malienne pour l'Education du Public et la Protection de l'Environnement	310	Mali
11	ALPHALOG-Association Libre pour l'Habitat et le Logement	309	Mali
12	African Evangelistic Enterprise	293	Uganda
13	ARAFD-Association de Recherche Action Femmes et Développement	289	Mali
14	Muslim Aid	269	Pakistan
15	Eco-Social Development Organisation (ESDO)	266	Bangladesh
16	Mohideb Jubo Samaj Kallyan Somity (MJSKS)	265	Bangladesh
17	Association les Mains Unies du Sahel (AMUS)	254	Burkina Faso
18	ONG pour la Valorisation des Ressources Naturelles (VARENA ASSO)	249	Burkina Faso
19	Jerusalem Children and Community Development Organisation	240	Ethiopia
20	Les Compagnons Fontaniers du Rwanda	226	Rwanda
	Total of top 20 recipients' grants	6,958	

10. Fixed assets

The group and charity

	Intangible assets	Tangible assets		
	Software £000	Motor vehicles £000	Equipment and furniture £000	Total £000
Cost				
At 1 April 2016	4,100	3,159	4,920	12,179
Additions in year	1,405	486	462	2,353
Disposals in year	(242)	(165)	(292)	(699)
At 31 March 2017	5,263	3,480	5,090	13,833
Accumulated amortisation/depreciation				
At 1 April 2016	1,744	2,805	4,105	8,654
Charge for the year	832	381	580	1,793
Disposals in year	—	(165)	(248)	(413)
At 31 March 2017	2,576	3,021	4,437	10,034
Net book value				
At 31 March 2017	2,687	459	653	3,799
At 31 March 2016	2,356	354	815	3,525

11. Debtors

Amounts due within one year:

	The group		The charity	
	2017 £000	2016 £000	2017 £000	2016 £000
Amount owed by WaterAid Trading Limited and WaterAid international	—	—	955	1,267
Grant debtors	3,758	5,835	3,758	5,837
Other debtors	795	2,008	239	1,900
Gift Aid tax recoverable	3,968	592	3,968	592
Prepayments	740	921	740	921
Other accrued income	1,034	735	1,460	603
	10,295	10,091	11,120	11,120

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

12. Investments

WaterAid holds shares which are considered illiquid and have a historical cost of £172 (2016: £172).

13. Fixed asset investments

The company has an unlisted investment with a historical cost of £2 representing its 100% shareholding in WaterAid Trading Limited. WaterAid Trading Limited generates income from licensing agreements made with a number of organisations. It also sells Christmas cards and other goods. A summary of that company's financial position is set out in note 14.



14. WaterAid Trading Limited

WaterAid Trading Limited is incorporated in England and Wales (company number: 2362892). WaterAid Trading’s registered office and operational address is: WaterAid, 47-49 Durham Street, London SE11 5JD.

a) Profit and loss account	2017 £000	2016 £000
Turnover	938	869
Cost of sales	(48)	(44)
Gross profit	890	825
Administrative expenses	(49)	(51)
Operating profit	841	774
Interest receivable	1	4
Profit on ordinary activities	842	778
Gift Aid to WaterAid under Deed of Covenant	(842)	(778)
Retained earnings	—	—
b) Balance sheet	2017 £000	2016 £000
Current assets		
Debtors	102	108
Cash at bank and in hand	870	1,219
	972	1,327
Creditors		
Amounts due within one year	(972)	(1,327)
Net assets	—	—
Represented by:		
Share capital	—	—

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2015 two £1 ordinary shares).  
A deed of covenant is in place whereby all profits generated by the Company are distributed to the parent charity in the form of a ‘Gift Aid’ payment.

15. WaterAid international

WaterAid international is incorporated in England and Wales (company number: 7238796). WaterAid international's registered office and operational address is: WaterAid, 47-49 Durham Street, London SE11 5JD.  
The accounts of WaterAid international are consolidated for 2016-17 based on the judgement that WaterAid has potential control over WaterAid international through its ability to direct and benefit from the entity’s activities.

a) Income and expenditure account	2017 £000	2016 £000
Incoming resources		
Grants	140	188
Gifts in kind	441	300
Total incoming resources	581	488
Resources expended		
Charitable activities	(650)	(489)
Total resources expended	(650)	(489)
Net surplus/(deficit) for the year	(69)	(1)
b) Balance sheet	2017 £000	2016 £000
Current assets		
Debtors	27	35
Cash at bank and in hand	110	44
	137	79
Creditors		
Amounts due within one year	(131)	(4)
Net assets	6	75
The funds of the charity		
Unrestricted funds	—	(4)
Restricted funds	6	79
Total charity funds	6	75

WaterAid international aims to have a net nil position at the year end. The deficit in 2017 arose from expenditure of brought forward reserves during the year.

16. Cash at bank and in hand

	The group		The charity	
	2017 £000	2016 £000	2017 £000	2016 £000
Cash and bank balances in UK	14,870	23,357	13,890	22,094
Cash and bank balances overseas	2,773	3,310	2,773	3,310
	17,643	26,667	16,663	25,404

The decrease in UK cash balances resulted from the planned deficit at the year-end due to investment in specific projects and the utilisation of some reserves to support activities in our country programmes as GBP decreased in value.

**17. Creditors: amounts falling due within one year**

	The group		The charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
Trade creditors	2,678	4,596	2,674	4,633
Taxation and social security	411	448	287	407
Other creditors	246	423	250	288
Accruals	1,110	1,603	1,085	1,592
Deferred income	265	269	265	260
	<b>4,710</b>	<b>7,339</b>	<b>4,561</b>	<b>7,180</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	2017	2016
	£000	£000
Deferred income at the beginning of the year	269	563
Amounts released from previous years	(269)	(563)
Incoming resources deferred in the year	265	269
<b>Deferred income at the end of the year</b>	<b>265</b>	<b>269</b>

**18. Provision for liabilities and charges**

	The group		The charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
Provisions at beginning of the year	761	867	761	867
Amount charged to statement of financial activities	1,370	1,204	1,370	1,204
Amount released to statement of financial activities	(884)	(1,310)	(884)	(1,310)
Provisions at end of the year	<b>1,247</b>	<b>761</b>	<b>1,247</b>	<b>761</b>

Provisions include end of contract provisions for staff on non-UK contracts. These end of contract provisions include lump sums paid at the end of their contract in lieu of WaterAid paying monthly amounts into a formal pension scheme and/or loyalty payments which are paid on full completion of their service. Other provisions at country level include retentions on building works.

**19. Contingent liability**

Local tax inspections were undertaken in Madagascar in 2014 and 2015. Contingent liabilities of around £35,000 relate to possible underpayment of PAYE tax for national and international staff in country. At the date of this report, local tax authorities had agreed to continue discussions.

There are some employment cases in country programmes where the former employees are not expected to be successful in their actions. Any financial impact is not expected to be material.

**20. Movements in funds**

	At 31 March 2016 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 March 2017 £000
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed assets fund	3,525	1,654	(1,380)	—	3,799
Systems projects	3,000	—	(1,574)	(500)	926
Total designated funds	6,525	1,654	(2,954)	(500)	4,725
General funds	11,764	52,571	(53,947)	408	10,796
<b>Total unrestricted funds</b>	<b>18,289</b>	<b>54,225</b>	<b>(56,901)</b>	<b>(92)</b>	<b>15,521</b>
<b>Restricted funds:</b>					
Bangladesh	630	3,357	(3,245)	—	742
Burkina Faso	860	2,289	(2,051)	—	1,098
East Africa Region	1	25	(27)	—	(1)
Ethiopia	606	1,658	(1,752)	—	512
Ghana	885	1,305	(2,018)	—	172
India	963	493	(1,457)	—	(1)
Kenya	—	—	—	—	—
Liberia	40	490	(401)	—	129
Madagascar	761	1,412	(1,562)	—	611
Malawi	359	1,641	(1,122)	—	878
Mali	679	1,979	(2,035)	—	623
Mozambique	1,354	2,489	(2,674)	—	1,169
Nepal	423	1,653	(1,824)	—	252
Niger	215	223	(212)	—	226
Nigeria	870	293	(1,211)	—	(48)
Pakistan	136	1,564	(1,831)	—	(131)
Rwanda	—	253	(249)	—	4
Sierra Leone	(2)	322	35	—	355
Southern Africa Region	37	214	(247)	—	4
South Asia Region	273	70	(78)	—	265
Tanzania	729	1,078	(1,299)	—	508
Uganda	292	883	(570)	—	605
West Africa Region	189	252	(193)	—	248
Zambia	1,242	1,037	(1,744)	—	535
UK	2,352	1,870	(2,718)	—	1,504
WaterAid international	—	2	(94)	92	—
<b>Total restricted funds</b>	<b>13,894</b>	<b>26,852</b>	<b>(30,579)</b>	<b>92</b>	<b>10,259</b>
<b>Total funds</b>	<b>32,183</b>	<b>81,077</b>	<b>(87,480)</b>	<b>—</b>	<b>25,780</b>

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £3m (2016: £1.8m). 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.

Within the restricted funds, Big Lottery Fund income has been recognised for Zambia £132,210 (2016: £142,711), Pakistan £107,890 (2016: £187,309), Madagascar £232,340 (2016: £101,690) and Nepal £149,550 (2016: £177,713).



20. Movements in funds (continued)

The US\$25m HSBC Water Programme has completed the final year of the five year project working in Pakistan, Nepal, India, Bangladesh, Ghana and Nigeria. £2.2m was received in the year ended 31 March 2017 (2016: £2.9m). On 31 March 2016 WaterAid India's restricted fund balance was £963,000. These funds, and income raised for India in 2016–17, were transferred during the year to WaterAid India under its new status as a WaterAid federation member.

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

Designated funds

The Fixed Asset Fund of £3.8m (2016: £3.5m) represents the net book value of WaterAid's intangible and tangible fixed assets. The fund balance will reduce as depreciation is charged and increase with the acquisition of new fixed assets.

A number of change projects were undertaken under the enabling framework of the 2015-20 global strategy. Of the £3m of unrestricted funds designated for this purpose, £1.6m were spent in 2016/17 and £0.5m were released to general funds.

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 median operational reserve targeted for 2016-17 was £11m. The balance at 31 March 2017 was £10.8m (2016: £11.8m).

Restricted funds

Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified 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. The negative balance which arose on the WaterAid international restricted fund on consolidation has been brought to nil with a transfer of £92,000 from general funds.

21. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	Total funds £000
Restricted funds	—	10,259	10,259
Designated funds	3,799	926	4,725
General funds	—	10,796	10,796
<b>Total funds as at 31 March 2017</b>	<b>3,799</b>	<b>21,981</b>	<b>25,780</b>

22. 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 (2016: nil).

23. Company limited by guarantee

The liability of 45 members (2016: 48) of the Charity is limited by guarantee to £1 each.

24. Operating lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings	
	2017 £000	2016 £000
Within one year	1,361	1,263
1 – 2 years	1,395	1,263
2 – 5 years	1,985	3,209
More than 5 years	—	—
	<b>4,741</b>	<b>5,735</b>

25. Net movement in funds/Net income for the year

This is stated after charging:

	2017 £000	2016 £000
Amortisation and depreciation	1,793	1,499
Trustees' indemnity insurance	7	7
Trustees' reimbursed expenses	13	15
Auditors' remuneration:		
Audit – company	32	36
Audit – subsidiary company	7	7
Audit – WaterAid international	4	4
Audit – gift in kind	25	25
Audit – country programmes	174	174
Exchange (gain)	(983)	(292)
UK operating lease rentals – buildings	1,263	521

Trustees of WaterAid do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. 8 Trustees were reimbursed for expenses incurred during the year (2016: 9 Trustees). Trustee indemnity insurance covers Trustees against personal liability in certain circumstances if legal claims were to be made against them. WaterAid paid £217,000 in audit fees in the year ended 31 March 2017 (2016: £221,000). This figure includes £43,000 for the consolidated statutory audit provided by PricewaterhouseCoopers LLP (2016: £47,000). PricewaterhouseCoopers LLP provide audit services as a gift in kind with a value of £25,000 (2016: £25,000). Other audit fees relate to overseas country office external audits, project audits and donor grant audits as required by conditions of contracts.

26. Related party transactions

WaterAid UK, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden and WaterAid India (Jal Seva Charitable Foundation) are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. WaterAid Japan is not a member country but also operates under licence from WaterAid international to use the name WaterAid. It is expected that WaterAid Japan will become a member country in the future. 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. WaterAid international gives grants to support WaterAid Japan.

On 1 April 2016, WaterAid India initiated the transfer of its business and operations to Jal Seva Charitable Foundation, a not for profit company registered in India, which is an associate member of the WaterAid international federation. It is the exclusive holder of the WaterAid brand in India and continues to operate in India under the name WaterAid.

The Chairs of all WaterAid federation members sit on the Board of WaterAid international together with Rosemary Carr (since December 2015), a Trustee of WaterAid.

Transactions between WaterAid and other member countries of WaterAid international and WaterAid Japan (which is not yet a member country) were as follows:

	Received from:		Paid to:	
	2017 £000	2016 £000	2017 £000	2016 £000
WaterAid America	4,153	3,147	1,347	374
WaterAid Australia	715	1,059	1,324	1,333
WaterAid Canada	2,251	96	863	139
WaterAid Japan	5	33	94	75
WaterAid Sweden	3,749	3,741	—	—
WaterAid India	—	—	4,639	—
	10,873	8,076	8,267	1,921

Income received by WaterAid international from member countries of WaterAid international was as follows:

	2017 £000	2016 £000
WaterAid UK	480	432
WaterAid America	26	11
WaterAid Australia	33	24
WaterAid Canada	9	4
WaterAid Sweden	30	17
WaterAid India	3	—
	581	488

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 and offspring.

Rachel Westcott, the Director of People and Organisational Development, is a Director of Water & Sanitation for the Urban Poor (WSUP). During 2016-17, WaterAid paid £10,000 to WSUP (2016: £10,000) and WaterAid received no funding from WSUP (2016: £167,547) and at the year end there was no grant debtor balance (2016: £26,659).

Margaret Batty, the Director of Policy and Campaigns, was a Trustee of the International Broadcasting Trust (IBT) until April 2017. WaterAid paid £5,000 to IBT (2016: £5,000) for annual membership.

Tim Clark, the Chair of The Board of Trustees is a Director of Big Yellow Group Plc. During the year, WaterAid paid £704 (2016: £645) to Big Yellow Plc for storage.

During the year, the Group received donations without conditions from individual related parties totalling £6,917 (2016: £11,148).

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

27. Events after the balance sheet date

On 1 April 2017, the management of the Myanmar country programme, previously run by WaterAid Australia, was transferred to WaterAid UK.

28. Financial instruments

	2017 £000	2016 £000
<strong>Financial assets</strong>		
Cash and bank	17,643	26,667
Grant receivables	3,758	5,835
Other receivables	5,503	3,521
Other accrued income	1,034	735
	27,938	36,758
<strong>Financial liabilities</strong>		
Trade creditors	2,678	4,596
Other creditors	657	871
Accruals	1,110	1,603
Deferred income	265	269
	4,710	7,339

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 amount.





WaterAid/Abir Abdullah



WaterAid



WaterAid/Abbie Traylor-Smith



WaterAid/Basile Quedraogo



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Registered charity numbers 288701  
(England and Wales) and SCO39479 (Scotland)

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