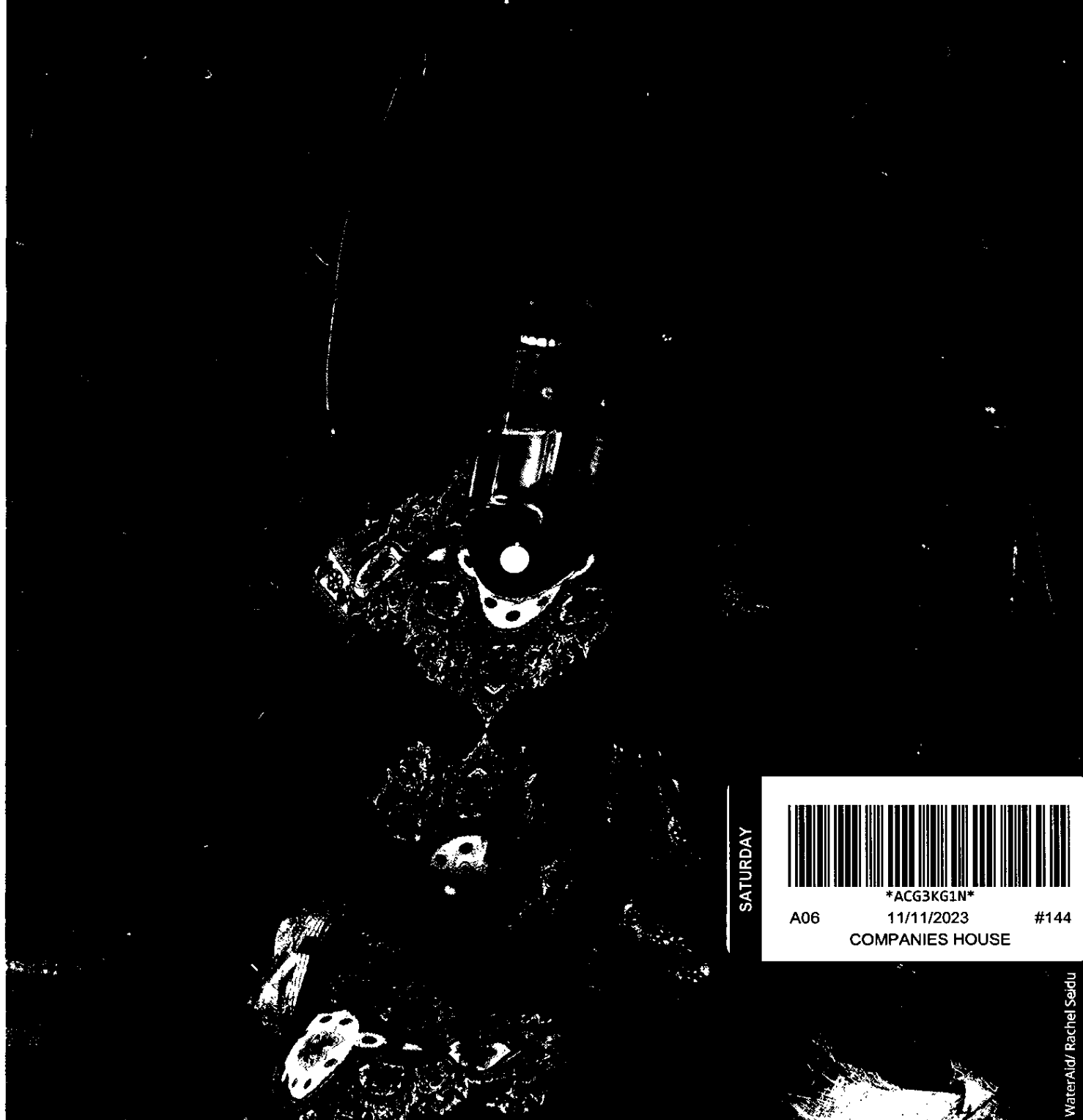




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WaterAid/ Rachel Seidu

Our impact

UK annual report
2022-23



Case study Dinke Atnaw, Ethiopia

► Dinke Atnaw filling a bucket with clean water from a tap in her compound, Chibah village, North Mecha District, West Gojjam Zone, Amhara Regional State, Ethiopia. October 2022.

Community voices in Ethiopia

Dinke Atnaw lives in Chibah, a village in the Amhara region of north Ethiopia. Like most women in her village, Dinke is responsible for managing the household chores for her family, including collecting water.

Around the world, millions of women and girls like Dinke walk long distances to collect water, often from unsafe sources like rivers, ponds and holes in the ground. This leaves them little time for an education, paid work or free time.

Dinke lived with the worry of giving her baby water that she knew was unsafe:

"It was very difficult to live without accessing water. We used to spend most of our time waiting for our turn to get water and the water was not clean."



Thanks to funding from our supporters, we worked with Dinke's community and partners to improve water and sanitation at five local schools reaching 10,000 students, and five healthcare facilities reaching 125,000 people. We have also set up a successful Water User Association where elected local voices listen to community needs, make decisions and strengthen local government capacity to maintain services in partnership with the local community going forward.



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▼ Kung Y, 64, and her granddaughter Nita, 8, at their home in Tbaeng Kpos Commune, Sammeaki Meanchey district, Kampong Chhnang Province, Cambodia, Feb 2023.



▲ Mary Chitundu holding a glass of clean drinking water at her home in Kazungula District, Zambia, June 2022.

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

 /wateraid  /wateraidUK  /wateraid

On the cover: Mastewal Gebremichael drinks water from a glass, Ambomesk, Ethiopia, April 2023.



WaterAid



WaterAid/ Katie McCraw

Working in turbulent times

WaterAid weathered many different storms last year and reached impressive results, thanks to your unwavering support. It is truly humbling that despite a difficult economic environment, you continued to give so generously, ensuring we could fully deliver on our promises in 2022-23 and commit to the future. Thank you.

Like so many, our teams faced unprecedented challenges, from the shockwaves of the war in Ukraine, to recovering from the disruption caused by the COVID-19 pandemic and extreme weather events.

Financial hardship defined the year for everyone committed to bringing clean water, decent toilets and good hygiene to all.

Leading by example

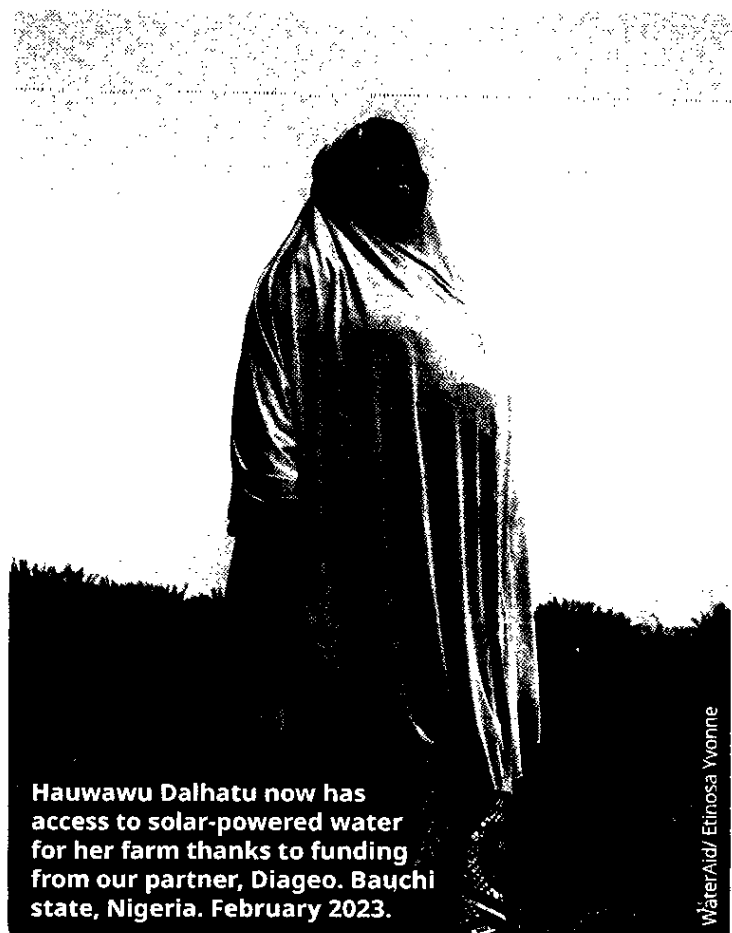
As ever, last year we used the success of our work to influence change far beyond the boundaries of our projects. In 2022-23, as we transitioned to our new ten-year Global Strategy, we strengthened that approach and created sustainable projects that can be scaled up in order to reach more people.

The development of our strategy was led by the expertise of our country programme teams and the partners they work alongside.

We know what works because of our long track record in ensuring long-lasting and inclusive clean water, decent toilet and good hygiene facilities for households, schools, clinics, hospitals and businesses. This know-how, together with our achievements, are what give us a seat at the table.



▲ Olivia, 8, standing in front of the sanitation block at her school in Antsakambahiny village, Manjakandriana commune, Madagascar. January 2023.



Hauwawu Dalhatu now has access to solar-powered water for her farm thanks to funding from our partner, Diageo. Bauchi state, Nigeria. February 2023.

WaterAid/ Etinosa Yvonne

From local to global

When we engaged with decision-makers last year, we drew on our expertise to push water, sanitation and hygiene higher up the agenda and to shape action plans.

At the United Nations (UN) 2023 Water Conference, the first of its kind in nearly 50 years, we joined with governments, civil society, the private sector and UN agencies to discuss how to accelerate progress to meet Sustainable Development Goal 6: water and sanitation for all by 2030.

From local to global, we have the plans in place to help drive massive change. Last year, we began to ramp up our work in healthcare and climate adaptation. Both are key in protecting communities from the impacts of climate change and the outbreak of disease.

The transformative power of clean water, decent toilets and good hygiene is a highly cost-effective lever to solve many of our most

pressing global challenges. Governments and the private sector must now demonstrate their commitment by opening up the investment taps.

People power

We would like to dedicate this report to our staff, partners and volunteers in the UK and across the world. Their effort and endeavour last year was truly remarkable, especially in such trying circumstances.

We also remember colleagues and friends who sadly passed away in 2022-23 and will be deeply missed across WaterAid.

And, we say a huge thank you to Paula Laird, Executive Director of Finance and Information Technology (left in August), and Olga Ghazaryan, Executive Director of International Programmes (left in June), for their many years of outstanding service and vision in taking our work to the next level.

We now turn to the year ahead, where the challenges we faced last year look set to continue. As high inflation persists, we and our partners will need to meet our promises with declining purchasing power.

Thanks to your support, we have the financial resilience to cope in a volatile environment and our executive team will monitor developments carefully.

Despite these difficult times, our optimism remains undimmed because we know we can count on your steadfast commitment to our cause.

We look forward to working with you to deliver another year of real and lasting change through clean water, decent toilets and good hygiene. Thank you.

Tim Wainwright
Chief Executive

Andy Green CBE
Chair of Trustees

Our impact

Working in partnership

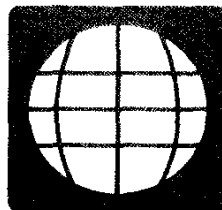
In 2022–23, WaterAid worked with **232 partner organisations** on **240 projects**. Our partners included:

100 governmental bodies and **105 non-governmental organisations** from the local to the global.

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

68 rural and urban authorities, including **8 utilities**.

► WaterAid representatives Wanji Wambari-Kairu, Timothy Ingram and Rachel Sewell holding a giant postcard addressed to the Prime Minister as part of a petition hand in to demand urgent action from the Government at COP27 to prioritise clean water for people living with the effects of climate change. London, UK. November 2022.



Influencing

In 2022–23, WaterAid helped secure changes to **9 national policies**, strategies or standards to benefit people living without clean water, decent toilets or good hygiene.



◀ Aerial view of women and children filling buckets and waiting for their turn at a borehole, Chisi Island, Zomba, Malawi, October 2020.



Our direct reach

Since 1981, WaterAid have directly reached:



28.5 million
people with clean water



29 million
people with decent
toilets



27.8 million
people with good
hygiene¹

▼ Mulala Construction workers pull materials onto a slab for a new maternity wing at Siakasipa rural healthcentre, Kazungula District, Zambia. June 2022.

Delivering services directly

Below we report on people we 'directly reached'³ in 2022–23:



WaterAid/ Chileshe Chanda

Number of people we reached directly with	Communities (in or near people's homes)	Schools	Healthcare facilities	Public facilities
Clean water	338,434	96,304	2,048,410	155,760
Decent toilets	117,560	110,015	1,424,064	73,173
Good hygiene through better facilities	269,425	326,712	1,598,909	93,296
Good hygiene through behaviour change activities	1,420,049	386,022	214,949	n/a

Wider Scale

Below are the people we reached through direct influencing and capacity strengthening in 13 of the countries we worked in.

Number of people we reached directly with	Communities (in or near people's homes)	Schools	Healthcare facilities	Public facilities
Clean water	362,065	2,643	50,573	43,330
Decent toilets	24,183	6,902	52,142	57,640
Good hygiene through better facilities	n/a	11,078	24,088	48,330
Good hygiene through behaviour change activities	774,517	16,111	17,500	n/a

▼ L-R: Lassina, Amadou, Aminata, Yacouba and Nana, all members of the school hygiene club, holding a meeting, Bla district, Segou region, Mali. October 2019.



WaterAid/ Basile Ouedraogo



◀ Ireen Mwangala, nurse in charge at Lusu rural healthcentre. Sesheke District, Zambia. June 2022.

WaterAid/ Chileshe Chanda

Modelling services

Our number one priority is to scale up progress so that more people have clean water, decent toilets and good hygiene. We use our projects to demonstrate how to provide sustainable and equitable water and sanitation services and effect changes in hygiene behaviour. By working with local partners to show what works, we can strengthen capacity and influence others.

To ensure sustainability, we work with local communities and institutions to develop reliable water, sanitation and hygiene services that are accessible to everyone, adapted to the local context and resilient to the impacts of climate change.

Positioning water, sanitation and hygiene at the heart of healthcare in Zambia

In partnership with On Call Africa and thanks to funds from The Leona M. and Harry B. Helmsley Charitable Trust, we constructed 39 piped water networks in healthcare facilities, benefiting over 380,000 people in the Monze, Kazungula, Mwandi and Sesheke districts. With our local partner, we also completed 14 improved maternity wards, with waste management areas. Together, this work lowers the risk of maternal and neonatal deaths and improves the quality of care in what are vital facilities for local communities. Speaking on behalf of the government at the handover ceremony, Republican Vice President, Her Honor, Mrs. W.K Mutale Nalumango MP said: "This level of investment and infrastructure is transformative for the community here in Sesheke and will enhance access to services at the healthcare facility, and ensure our mothers and sisters have safe deliveries."



◀ Rasheeda collects stagnant flood water to wash clothes with. She has been living in a tent with her husband and seven children at a roadside camp after devastating monsoon floods submerged their village in Johi Tehsil, District Dadu, Sindh, Pakistan. October 2022.

WaterAid

Promoting good hygiene in the wake of COVID-19

Over the past year, we successfully implemented the second phase of our COVID-19 hygiene response programme, funded by the UK Foreign, Commonwealth and Development Office and Unilever under the Hygiene and Behaviour Change Coalition 2 Initiative. Working in Ethiopia, Nepal, Nigeria and Zambia, we reached more than 59 million people with key information about hygiene behaviours including through TV, radio and digital channels. We led the design of community-based hygiene training packs, which reached 2 million people. We built 58 new and restored 291 handwashing facilities across healthcare settings, schools and other public places. We delivered extensive training to ensure that these facilities are maintained going forward and last well into the future.

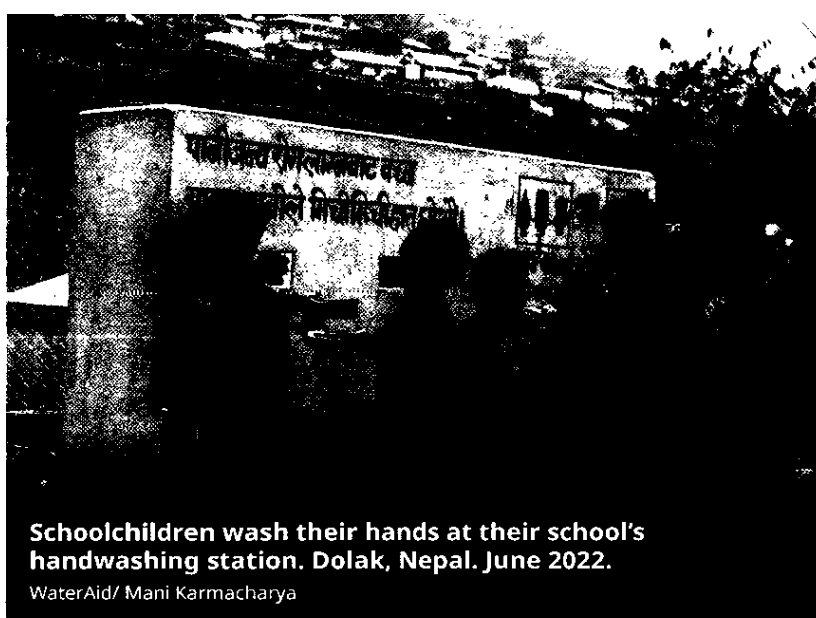
Pakistan emergency flood response

We are not an emergency response organisation. However, when a disaster directly affects the communities we work with, we take action to ensure people have clean water, decent toilets and good hygiene. During the devastating floods in Pakistan in 2022, thanks to donations to our Pakistan floods appeal and Zakat funding, we worked in partnership with eight local NGOs to:

- Reach **63,058** people with clean drinking water.
- Construct **305** emergency toilets.
- Distribute **9,240** hygiene kits, including menstrual hygiene products.
- Deliver **1,614** hygiene awareness sessions, reaching over **35,000** people.
- Rehabilitate water, sanitation and hygiene facilities at **50** schools and **three** healthcare facilities.

Young water, sanitation and hygiene Ambassadors in Bangladesh

Together with key partner IDEA, we delivered an in-depth training programme to empower 27 adolescent girls from tea-picking communities in Sreemangal, in Bangladesh, to become water, sanitation and hygiene 'Ambassadors' in their communities. Funded by Simavi, the training



Schoolchildren wash their hands at their school's handwashing station. Dolak, Nepal. June 2022.

WaterAid/ Mani Karmacharya

covered a range of topics including how to manage their periods safely and with dignity, how to advocate for their rights with local government, and leadership on safeguarding. We also worked with 54 groups of adolescent girls in Shyamnagar, training them to help combat stigma around menstrual health.

Tiger worm toilets in Liberia

Tiger worm toilets are an innovative technology that use tiger worms to process human waste. Thanks to funding generated by staff and supply chain partners at Wessex Water we built 11 gender-inclusive toilet blocks with tiger worm bio-digesters, improving toilets for 3,520 people in eight communities in Monrovia over three years. And, alongside our partner World Hope International, in the Peace Island community of the city, we installed three water kiosks reaching 2,240 people with clean water. To ensure the sustainability of these services, we also enhanced the capacity of community leaders to improve the governance, management and operation of the community facilities.



Kenney Kiazolu is a tiger worm toilet contractor involved in the general construction and plumbing of these toilets. West Point, Monrovia, Liberia. September 2016.

WaterAid/ Ahmed Ali

► Tigalana Fidah, Senior Nursing Officer, collects safe drinking water from a water purifier, provided by WaterAid, located at a busy children's immunisation centre, Ndejje Health Centre IV, Wakiso district, Uganda. May 2020.



WaterAid/ James Kyimba

Building the capacity of communities, partners and governments

Strong institutions are fundamental to the expansion and operation of sustainable and safe water, sanitation and hygiene. We work with many different types of institutions – from government ministries to community groups – to strengthen their capacity, tailoring our support to meet their specific needs. Together, we work to identify and address key challenges across the whole water, sanitation and hygiene system.

Our commitment to capacity strengthening, combined with strategic partnerships, continues to drive long-term improvements in water, sanitation and hygiene services by empowering others.



WaterAid/ Ernest Randriamalala

▲ Teliniaina Ranavoarisoa, Supervisor in charge at JIRAMA, stands near the upper lake in Andranofotsy, Analamanga region, Madagascar. November 2021.

Repairing dams in Madagascar

We worked with JIRAMA, Madagascar's national water supply company, to repair old, leaking dams at Andranofotsy lakes, which were jeopardising water supply and amplifying flooding risk in rainy season and during cyclones. In partnership, we renovated the dams, ensuring a more resilient water service for nine villages. To ensure the project met local community needs, we facilitated dialogues between the local communities and JIRAMA to establish a sufficient water supply for crops.

We also supported JIRAMA to install 200 subsidised private water connections, benefiting 2,636 people with clean and reliable water. Following the completion of construction, we initiated a gradual handover process, transferring both the infrastructure and management responsibilities to JIRAMA to help ensure sustainability.



◀ Alemu Ademe, Burie Town Water Utility Manager, in the water utility store, Amhara Regional State, Ethiopia. February 2022.

City-to-city mentorship in Uganda

Through our SusWASH Programme, funded by the H&M Foundation, WaterAid Uganda played a vital role in a city-to-city mentorship between four municipal authorities – Makindye Ssabagabo, Mukono, Kira and Entebbe – and the Kampala Capital City Authority to develop investment plans which will guide future planning and prioritisation of water, sanitation and hygiene services. We equipped village health teams with the necessary knowledge and skills to collect data on people's access to these services using electronic tools, such as mWater, which enables external stakeholders to analyse information thereby promoting transparency and sustainability. These insights will be key in ongoing monitoring and maintenance of the services to help ensure sustainability.

More powerful data collection in Mali

In collaboration with partners, and with funding from Conrad N. Hilton Foundation and One Drop Foundation, we supported two municipalities in Mali to develop an innovative data collection system for monitoring and planning water, sanitation and hygiene services. We conducted training sessions for six municipal staff members from Touna and Samabogo, and two coordinators from our partners APROFEM and ALPHALOG, on utilising the cloud-based data collection software, mWater. With our assistance, the municipalities successfully conducted a comprehensive inventory of their water points at the local level for the first time. According to the Secretary General of the Municipality Gaoussou Coulibaly, this initiative unearthed the extent of the waterpoint functionality challenges and our ability to provide sustainable, equitable

services. The findings are being used to engage all development partners to help direct investments for lasting services where they are needed the most. It is already being used by the Government as the main reference for annual development planning.

During a consultation in March 2023, the database was shared with other municipalities, sparking significant interest in expanding the scope of the initiative to the sub-regional level.

Customer boost for Ethiopia's water utilities

With funding generated by staff and supply chain partners of Yorkshire Water, we worked in the Amhara region with four water utilities, providing tailored capacity building support, including training, mentorship, equipment, material support and micro-grants. Throughout the year, the operational efficiency of these utilities improved, resulting in an average increase of 8.4% in customer numbers and a decrease of 4.7% in 'non-revenue' water, which is water that is lost before it reaches the customer. Also, the utilities conducted satellite mapping to enhance their water resources management, prepared water safety plans and monitored water quality – all contributing to safer and more sustainable clean water for local communities.



◀ A rain gauge used by Bina Coulibaly to monitor rainfall in the village of Bougoula, commune of Touna, district of Bla, Mali. February 2019.

Influencing policies

Influencing change on a larger scale is an increasingly important aspect of our approach. We work at the local, national and international levels, empowering communities and civil society organisations to call on decision-makers to prioritise investments in clean water, decent toilets and good hygiene.

By maintaining strong relationships with governments and other key sector actors, we can use our learning and evidence to influence policies, practices and resource allocation. We focus on promoting clean water, decent toilets and good hygiene for all, highlighting aspects that may receive less attention, such as menstrual health and hygiene management. Our influence takes various forms, from making recommendations to decision-makers to leveraging major events like the World Cup to amplify our advocacy efforts.



▲ “I never heard anyone, even the headmaster, talk about their period before the project intervened. So, if you unexpectedly got your period, you’d tell the headmaster that you were ill and go home to protect yourself and change.” – Alimata Zongo, 45, teacher at Basgana’s school, Commune of Manga, Zoundweogo Province, Centre-Sud Region, Burkina Faso. May 2023.



▲ Khadija Akhter works as the Hygiene Promoter in her community. Khadija walks around the streets playing a hygiene song from her megaphone. People of all ages, especially women and girls, reach out to her for help and information on the importance of good hygiene. Sattar Mollah Slum, Dhaka, Bangladesh. November, 2021.

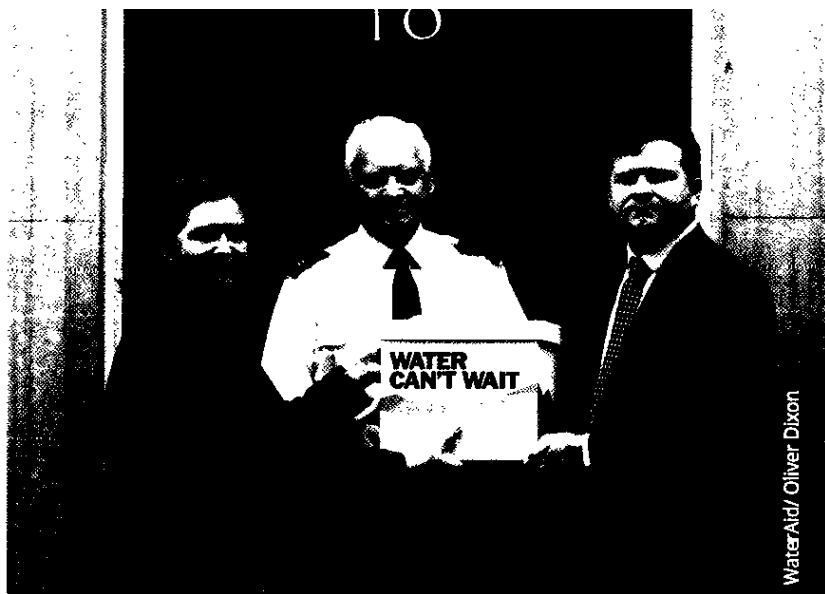
#ChangeTheScore sanitation campaign in West Africa

WaterAid West Africa harnessed public excitement around the FIFA World Cup Qatar 2022 to promote their #ChangeTheScore sanitation campaign, raising awareness of the 256 million people in West Africa living without decent toilets. We reached over 19 million people, with over 3,000 people getting involved, creating a community of changemakers across the region who can demand more political action on sanitation.

Improving menstrual health and hygiene in Liberia

In Liberia, we worked with partners to enable civil society to campaign for improved policy on menstrual health and hygiene. We worked with

► WaterAid representatives MP Fleur Anderson (left) and Timothy Ingram (right) outside 10 Downing Street holding a box containing a selection of climate messages from the UK public to the Prime Minister. London, UK. November 2022.



WaterAid/ Oliver Dixon

the Ministry of Health to jointly launch a national campaign on International Day for Menstrual Hygiene. The campaign aimed to unite support from sexual and reproductive health and rights civil society organisations now and for the future. We also supported the Ministry of Education's School Health Division to develop menstrual health and hygiene management guidelines, which have been implemented in all schools within the Tewor and Commonwealth Districts.

Influencing city-wide inclusive sanitation in Nepal

Working with the Asian Development Bank and using our expertise as a key player in urban sanitation in Nepal, we conducted city-wide inclusive sanitation assessments in four towns. As a result of this, one municipality has developed a sanitation roadmap and guidelines for inclusive water, sanitation and hygiene in schools, and their experiences have been shared among key sector stakeholders at the national level including the government and the City-Wide Inclusive Sanitation Alliance of

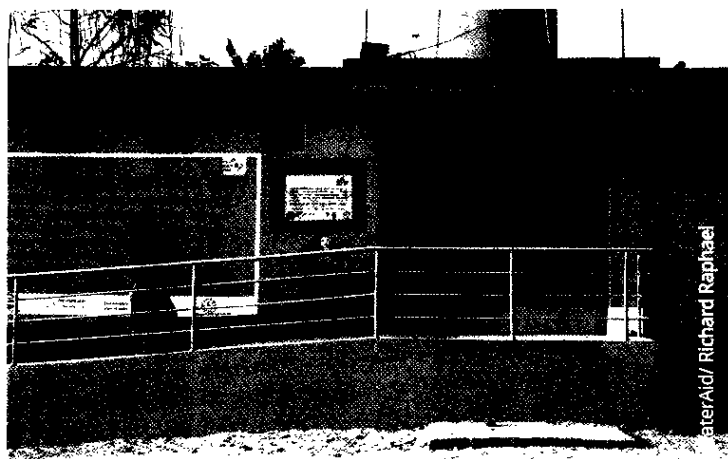
Nepal (CIWISAN), of which WaterAid Nepal is a member.

The findings from the four assessments are now being incorporated into sanitation plans in other municipalities, and the school-focused guidelines have since been adapted by local partners for use across the country.

#OurClimateFight campaign and COP27

Our #OurClimateFight campaign advocates for governments to prioritise investment in clean water, decent toilets and good hygiene to help people withstand the effects of climate change. Ahead of the UN Climate Change Conference in November – COP27 – we mobilised more than 26,000 actions, culminating in a hand-in at Number 10 Downing Street to the UK Prime Minister. We pushed the UK Government to raise its political ambition on water and adaptation at COP27 and were delighted to have the UK Foreign Secretary as the keynote speaker for our flagship Resilient Water Accelerator (RWA) at the event.

For the first time, the final declaration of a COP meeting explicitly mentioned water. The Government of Egypt, which hosted COP27, launched the Adaptation Agenda, which lists 30 climate adaptation targets for 2030, two of which are focused on water and sanitation services. Egypt also launched the Action for Water Adaptation and Resilience (AWARe) initiative designed to make integrated water and climate action standard practice in action towards the Sustainable Development Goals and meeting the commitments of the Paris Climate Agreement.



WaterAid/ Richard Raphael

▲ Asha Devi Pasman makes her way to the newly completed toilet facility at Baluwatole, Lahan-5, Nepal. April 2023.

National climate plans

We have been working with national governments to understand and respond to climate and water threats. Our East and West Africa Regional Teams commissioned research analysing how water, sanitation and hygiene can be fully integrated into a country's climate change plans. Many of our country programme teams across South Asia, Africa and Asia Pacific are working with their respective national partners to ensure that their plans are implemented so that climate-affected communities have clean water, decent toilets and good hygiene no matter what.

Resilient Water Accelerator

The RWA is our innovative financing approach currently working in two countries, Nigeria and Bangladesh, which aims to secure a diverse source of funding, including private and climate finance, to tackle the huge climate vulnerabilities and pressure on water resources, with ongoing plans to work in more countries including Ethiopia and Mozambique. At the UN 2023 Water Conference in March, the UK Government committed both initial seed funding of £270,000 to the RWA and to a much larger future funding pot of £38 million for water programming – of which the RWA will be eligible. During the conference, the Netherlands Government also backed the initiative with €200,000. The accelerator is backed by partners including the Bank of America, African Development Bank and Arup.

Hygiene for Health campaign

Our #Hygiene4Health campaign urges governments to invest in water, sanitation and hygiene to enhance health, protect against infectious diseases and shield communities from future health crises. Three key highlights from the campaign last year include:

- WaterAid Ethiopia collaborated with the Ministry of Health to create and unveil a costed Hand Hygiene for All national roadmap addressing existing gaps in hand hygiene and supporting progress towards national and global commitments.



▲ Dhanpata Gudiya with her newborn baby at the maternity unit of Bardiya Hospital, Bardiya, Nepal. May 2019.

- WaterAid Tanzania worked with the government to increase funding for water, sanitation and hygiene in healthcare facilities. The Ministry of Health committed to work with the President's Office, Regional Administration and Local Government (PO-RALG) to allocate 5–10% of all health sector funds within comprehensive council health plans (CCHP), directly to water, sanitation and hygiene in healthcare facilities. Consequently, 369 healthcare facilities have seen improvements by the end of June 2023.
- WaterAid UK supported an inquiry by the Water, Sanitation and Hygiene All-Party Parliamentary Group, investigating the connection between antibiotic resistance and the lack of water, sanitation and hygiene in healthcare facilities in least developed countries. The launch of the report titled *Prevention First: Why clean water and hygiene are the best medicine against the spread of drug-resistant infections* welcomed over 70 attendees, including 12 MPs and two members of the House of Lords in their parliamentary role. A month later, the UK Government announced a new initiative, WASH Systems for Health, with a budget of £18.5 million.

Working together in Nepal

Pabi Maya is the Chairperson of her local water supply scheme in Kalinchowk, a municipality of the Dolakha district in rural Nepal.

Before we started working in Dolakha, members of the community, like Pabi, would build their own, fragile pipelines to get water from a nearby stream to their homes.

In 2022, together with the local community, we completed work on a new water supply scheme, reaching 160 households and two schools with clean water. In addition, we supported the local water committee so they have the power, knowledge and funds to keep the taps running.

"The best thing about this project is my boosted confidence. In the beginning I was doubtful about my own capabilities. I am proud to say that the leadership by a female member like me has been successful."

More broadly, we also worked with local governments in Shailung and Kalinchowk to finalise their water, sanitation and hygiene plans, establishing timeframes for providing clean water to all residents in their municipalities. To support this, we offered technical training to 14 local government officials and staff. Building on our project, the local government in Shailung has already implemented and financed another water supply scheme, bringing clean water to an additional community.

▲ Pabi Maya Thami, chairperson of the Shilaphare Water Supply Scheme, Lapilang, Kalinchowk Rural Municipality-5, Dolakha, Nepal, September 2022.



Our wonderful supporters

During challenging economic times, we have been overwhelmed by the generosity of our supporters. Without you, we cannot achieve our vision of a world where everyone, everywhere has clean water, decent toilets and good hygiene. We want to say a special thank you to everyone who has supported us over the past year. Here are just a few examples of the incredible contributions our supporters have made.

People's Postcode Lottery

Players of People's Postcode Lottery have supported our work since 2013. Over the last year, players raised an incredible £3,000,000 towards our work in 2022–23. This level of support has helped so many people lead more dignified, healthy and fulfilled lives. Thank you to every player of People's Postcode Lottery. Together, we are creating lasting change for millions of people worldwide.

Carrying Life: Motherhood and Water in Malawi

In March 2023, with award-winning photographer Laura El Tantawy, we launched *Carrying Life: Motherhood and Water in Malawi*, a multimedia exhibition in London about the nearly one in four healthcare facilities in Malawi that are without clean water on site, leaving mothers and babies at risk of deadly infections. Thanks to the Wimbledon Foundation, we have now provided these essentials in four clinics in Ntchisi district, as part of our ongoing collaboration to bring water, sanitation and hygiene to healthcare facilities and communities in Ethiopia, Madagascar, Malawi, Mali, Myanmar and Nepal.

Carrying Life
exhibition at
More London
Riverside.
London, UK.
March 2023.



Boosting Business Reports

Funded by Diageo, Gap Inc., HSBC, Twinings and ekaterra, we conducted a pioneering research project to show the business benefits of investing in water, sanitation and hygiene, and to encourage more companies to invest directly in these essentials and leverage their influence to persuade suppliers to act. We collected data from tea estates in India and Kenya, apparel and leather supply chains in Bangladesh and India, and agricultural smallholder farms in Tanzania.

Tetra Laval

Tetra Laval is generously supporting our work to reach 6,000 school children across 30 schools in Karachi, Pakistan with clean water, decent toilets and good hygiene. Across Karachi, Pakistan, 91% of water sources are not safe for human consumption, hugely impacting schools in the area. In addition to this, 71% of schools lack inclusive toilets resulting in thousands of children, especially girls, dropping out of school or not even enrolling. Thanks to the support of Tetra Laval, over the next three years we will be able to support young girls to achieve an education whilst providing a blueprint for water, sanitation and hygiene intervention in schools elsewhere in the country.

From boy to Ironman!

Eight-year-old Mu'awwiz has taken on a number of incredible challenges to support communities around the world. From cycling events to a Half Ironman Triathlon, Mu'awwiz's boundless energy and updates on his JustGiving page have raised thousands for our work and inspired others.

"It is sad to think many people around the world still don't have access to clean water or decent toilets. We have to help!"

Ray Heslop: 40 years of dedication

Ray Heslop, water engineer and WaterAid volunteer, dedicated his life – and legacy – to clean water. Ray played a crucial role in shaping our early days in the 1980s as a volunteer with his local WaterAid committee. After retirement, Ray worked first as a technical advisor to provide clean water in Sierra Leone, and then alongside communities worldwide, as well as regularly speaking at industry events.

Even at 80, he travelled weekly from north-east England to WaterAid HQ in London, to answer technical queries from students, engineers and other organisations.

Sadly, Ray passed away this year and will be sorely missed by the WaterAid family. We are deeply honoured that so many people, like Ray, choose to add WaterAid to their wills. These gifts are vital in helping to reach everyone, everywhere. Ray's legacy means his lifelong commitment to clean water will continue to help future generations thrive.

Bagging munros for our vital work

Scottish Water took part in the WaterAid Munro Challenge last summer, where hundreds of people conquered 35 of Scotland's highest peaks – 'munros' – in just one day to raise an incredible £35,000 for communities in Malawi. Inspired by the event, Andrew Walker, Head of Communications at Scottish Water, also took on a personal challenge to 'bag' 40 munros for WaterAid, raising a further £2,470.

"Fundraising by doing things like climbing and hiking can make a real difference in countries where people have to walk long distances to access clean water."



WaterAid/ Brendon Foster

Ray received the WaterAid President's Award in 2018, for his outstanding contribution and lifelong work helping communities to get clean water. Pictured with Tim Wainwright (left), WaterAid's Chief Executive, and Tim Clark (right), then-Chair.

Speaking up for WaterAid

Our volunteer speakers delivered 629 talks and workshops to over 36,000 people the UK and around the world. We are hugely grateful to people like Perminder Balu who have been spreading the word about the importance of clean water, decent toilets and good hygiene.

"As a child of Indian immigrant parents, I witnessed the stark contrast between developed countries' strong economies and the lack of opportunities for girls without access to toilets and clean water. My mother, like many, never attended school but instead carried water. I strive for a future where children won't face the same challenges."

The White Horse Challenge Team

In 2004, Fergal and friends climbed Kilimanjaro in Africa and witnessed the urgent need for clean water and sanitation. They organised their first cycling event, Ride the Ridgeway, which evolved into the White Horse Challenge by 2007. This year, the Challenge raised £7,500, bringing their group's total fundraising to an incredible £160,000.

Our people

We are committed to supporting our staff to reach their fullest potential, prioritising both their physical and mental wellbeing. At the same time, we focus on identifying, developing and recruiting the skills essential to delivering our new Global Strategy. This commitment to growth extends to our organisation as a whole, as we strive to become an ever-more diverse and inclusive global team.

Responding to our employees

In last year's global employee engagement survey, of 1,178 staff responders, 91% would recommend WaterAid as a good place to work and 95% felt proud to work here. We remained focused on improving how we collaborate and work more effectively as a global organisation, ensuring that decisions are made by those best placed to make them; and developing our leaders to further empower our staff.

The value of courage

Our annual week to celebrate and recognise our values last year focused on courage. Through the lens of our 2022–2032 Global Strategy, we explored why courage is so crucial to our mission and recognised 43 individuals and teams across 34 countries for demonstrating our values in their work by awarding them a Global Value Award.

A diverse team, united in our mission

Our new Global People and Culture Strategy, developed in collaboration with staff from across the federation, aims to create an inclusive organisation that prioritises the wellbeing of our diverse and talented staff. We emphasise global unity, personal growth and collective efforts to end the water, sanitation and hygiene crisis.

Wellbeing and good mental health for all

WaterAid UK prioritised wellbeing and good mental health with its second annual Wellbeing Day. Staff engaged in webinars, local activities and heard personal stories from senior leaders. During the year, line managers undertook eLearning courses on supporting teams and their own wellbeing. Psychosocial support services were established for mental health access in WaterAid UK regions. A new series of our 'Let's Talk' podcasts expanded to address diverse topics, reducing stigma and raising awareness of mental health issues.

Responding to rapid increases in the cost of living

We supported staff during global economic turbulence caused by COVID-19 and the war in Ukraine. Nine countries triggered the economic turmoil policy, including Pakistan which experienced high inflation due to political unrest.

Keeping our people safe

We prioritise the safety of our staff, partners and the communities we work in. Regional working groups addressed topical risk management, such as election contingency planning in West Africa. A proactive risk-led programming approach was implemented in high security-risk areas.



◀ WaterAid volunteers at the WaterAid stand shop, Glastonbury, England. June 2023.

Resourcing our strategy

To deliver our ambitious new Global Strategy, we need the right people, with the right skills, in the right places, at the right time. Last year, we conducted a comprehensive people planning exercise across all teams and countries. We identified existing talent and recognised the need to develop skills in advocacy, influencing and climate change. We mapped where the talent is that we need, aiming to build talent pools in required areas. We also strengthened our arrangements to manage global secondments and access talent in countries where we are not registered, ensuring flexibility in employing staff where needed.

Accelerating towards 2030

The Accelerate to 2030 leadership development programme was redesigned to align with the new strategy, focusing on agility, empowerment and decisiveness. A virtual retreat experience called Accelerate Connections fostered better connections, learning and collaboration among senior leaders.

Building a culture of respect and inclusion

We established the global Power and Diversity Steering Group to lead our journey to strengthen our diversity and inclusiveness and address power imbalances. The group drives the One WaterAid programme of five priority areas for change: diversity and inclusion; culture and change; organisational structure; decision autonomy; and resource allocation. Commitments to diversity, equity and empowerment were developed alongside virtual workshops and e-learning to deepen awareness and allyship. An internal e-magazine called *Belonging* was launched to amplify voices, share updates and promote wellness through a diversity and inclusion lens.

Looking forward to 2023–24

This year (2023–24) is the second and final year of transition to our ambitious Global Strategy (2022–2032).

Our priorities for the coming year combine efforts that continue to accelerate work in two strategic areas with strengthening and adapting key foundational factors:

Priority 1: Embed and grow our work building communities' resilience to the impacts of climate change through sustainable and safe water, sanitation and hygiene. To do this, we will:

- Work with communities to design and build context-specific, climate resilient water, sanitation and hygiene services, paying particular attention to the needs of people living with marginalisation and exclusion.
- Use evidence from these projects to inform our advocacy efforts, influencing governments, multi-lateral institutions and the private sector to prioritise water, sanitation and hygiene in climate adaptation plans.
- Continue to develop the RWA: an ambitious initiative bringing together governments, the private sector, development banks and civil society to reach 50 million people with clean water, decent toilets and good hygiene in water-stressed areas in a decade. Specifically, we will focus on our pathfinder countries of Nigeria and Bangladesh.

Priority 2: Accelerate progress on the prioritisation of water, sanitation and hygiene in healthcare settings and among the health sector more broadly. To do this, we will:

- Work with communities and partners in the health sector to design and deliver inclusive services in healthcare settings.
- Develop and run effective hygiene behaviour

change campaigns, defining the link between hygiene behaviour change for public health and building these into existing public health programmes, for example immunisations and maternal health.

- Work with governments to give water, sanitation and hygiene the funding required within health plans and budgets.

Priority 3: Embed our new Global Measurement Framework for assessing progress against our strategy. This will enable us to see and understand the impact we are having at national and global levels, capture key achievements and learnings, and continue to innovate with communities, partners and governments as we strive towards our mission.

Priority 4: Invest in growing our income in the most cost-effective way to increase the overall funding for our work. To do this, we will:

- Operationalise our new five-year fundraising strategy including the development of innovative and new fundraising products and prioritising high potential audiences.
- Launch our new approach to communications including our new *Representation in communications policy* to ensure inclusive communications, and increased focus on advocacy and influencing.

Priority 5: Continue to prioritise our people and support our staff to be their best. To do this, we will:

- Ensure we have skills in place to deliver our strategy – deepening our expertise to achieve our ambitious goals and strengthening diversity.
- Deliver our commitments to diversity, equity and addressing power imbalances that are obstacles to our mission.



▲ Anjali, who has a visual disability, washing her hands with soap and water at her school's handwashing station, May 2022.

Thank you

Your support is the lifeblood of our organisation. The passion of individuals and organisations for our vision of clean water, decent toilets and good hygiene for everyone, everywhere, drives everything we do.

There is not enough space to thank everyone, but please know that our heartfelt gratitude extends to all those who supported WaterAid last year.

COMPANIES AND PARTNERS

Apex
 Belu
 Diageo
 Canary Wharf Group
 DP World
 Eversheds Sutherland
 GAMA Healthcare
 Giorgio Armani Beauty
 Glastonbury Festival
 Halma plc
 HEINEKEN Africa Foundation
 Kimberly-Clark
 Sulzer
 The Wimbledon Foundation
 Unilever
 Yondr Group

▼ Tefy, Satriniaina and Salohy wash their faces at the handwashing station in their school, Madagascar. January 2023.



UK WATER INDUSTRY STAFF, SUPPLY CHAIN AND CUSTOMERS

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

PHILANTHROPISTS, TRUSTS AND FOUNDATIONS

Fondation Prince Albert II de Monaco
Lord Howard Leigh
Matt and Amy B
Michael Pugh
Players of People's Postcode Lottery
Shareglt
Stiftung Drittes Millennium
Tetra Laval
The Alchemy Foundation
The Constance Travis Charitable Trust
The Dinswade Trust
The Reo Stakis Charitable Foundation
The Waterloo Foundation
The Zochonis Charitable Trust

LEGACY GIVERS

All the individuals who kindly left a gift in their will.

Patricia Hobbs

INDIVIDUAL AND COMMUNITY SUPPORTERS

Arnab Chakraborty
David Fortune
DON'T WALK Charity Fashion Show
Mary-Anne Dyer
Mu'awwiz Anwar
New English School
Ripon Grammar School
Rotary Clubs of Great Britain and Ireland

Sing for Water choirs
White Horse Challenge fundraisers
All of our wonderful volunteers

INSTITUTIONAL FUNDRAISING

African Population and Health Research Centre
Burnet Institute
Cowater International
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
Dutch WASH Alliance/Simavi
European Commission
Foreign, Commonwealth and Development Office (FCDO)
Global Challenges Research Fund
India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund)
Irish Aid
Japanese International Cooperation Agency
KFW Development Bank
London School of Hygiene and Tropical Medicine – Sustainable Climate Impact Fund
Osprey Foundation
Punjab Rural Municipality Services Company
Riksinnsamlingen Världens Barn
Solidagro
Swiss Agency for Development and Cooperation
Swedish International Development Agency
Swedish Operakällaren
Swedish Postcode Lottery
Swedish Radio Appeal Board
Swiss Water Partnership
UNICEF
United Nations Development Programme (UNDP)

Logo of the People's Postcode Lottery

Logo of the Postcode Global Trust



Scottish Government
Riaghaltas na h-Alba
gov.scot



Foreign, Commonwealth
& Development Office

Financial summary

Income

Total income in 2023 was 3% higher compared to the prior year, driven by increased income from legacy gifts, fundraising events and grant funding for specific activities. This offset the drop in donations from individual givers, major donors and trusts that were all negatively affected by uncertainty in the economic environment. Unrestricted grant income from other members also fell due to changes in government and their approach to international aid.

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

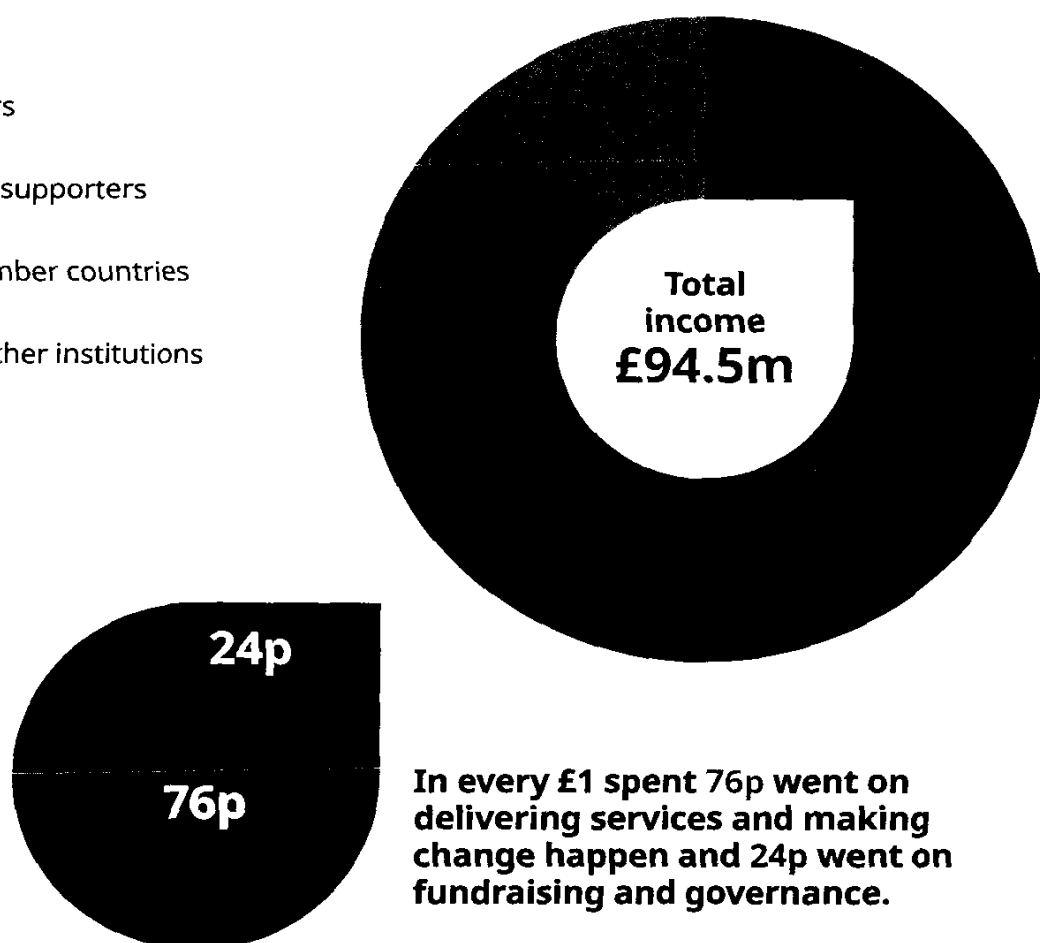
- Individual supporters
£53.8m
- Corporate and trust supporters
£13.9m
- Other WaterAid member countries
£15.9m
- Governments and other institutions
£10.4m
- Other income
£0.7m

Unrestricted funds

We ended the year with an unrestricted deficit of £1 million which reduced our operational reserves at the end of March 2023 to £23 million (2022: £24 million). This is above the target minimum range of £13-17 million which we will draw on to manage future risks associated with the current economic environment and to invest in our strategic priorities. More detail on our reserves policy can be found on p32.

Restricted funds

Restricted funds of £13.6 million represent funds that have a specified purpose as expressed by the donor. Expenditure is charged to the specific fund in line with the terms of the donor contract. The trustees have no discretion to allocate the funds to any other use.



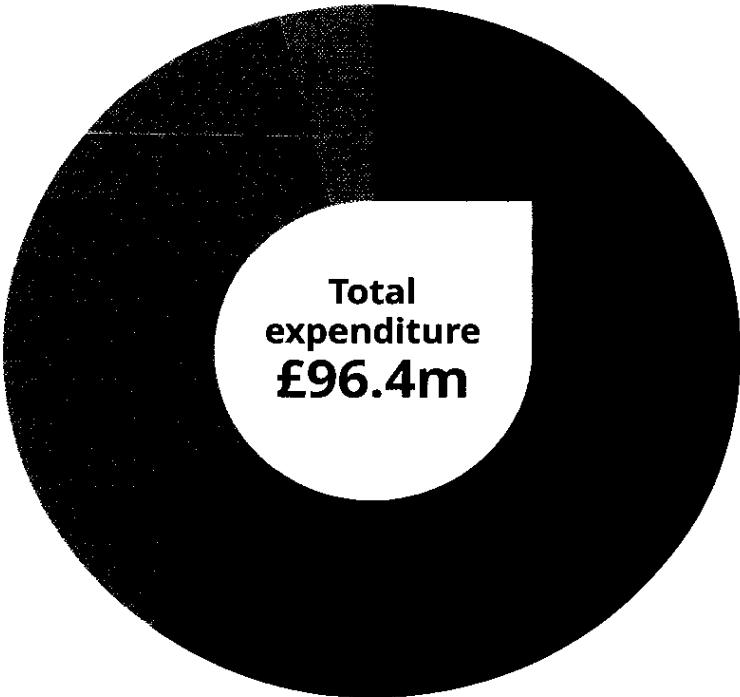
Expenditure

Total expenditure increased by 14% on the previous year. Spending against already secured funds increased as project delivery activities in communities returned to pre-lockdown. The expenditure includes costs for transition to the new Global Strategy and country programmes improved their spend compare to previous year. Going into 2023–24, the challenging environment to deliver sustainable and quality programmes of work continues, political instability and insecurity in some countries, war in Ukraine affecting critical supply of goods (especially to Africa) and weakening global economics contributing to rapidly rising inflation.

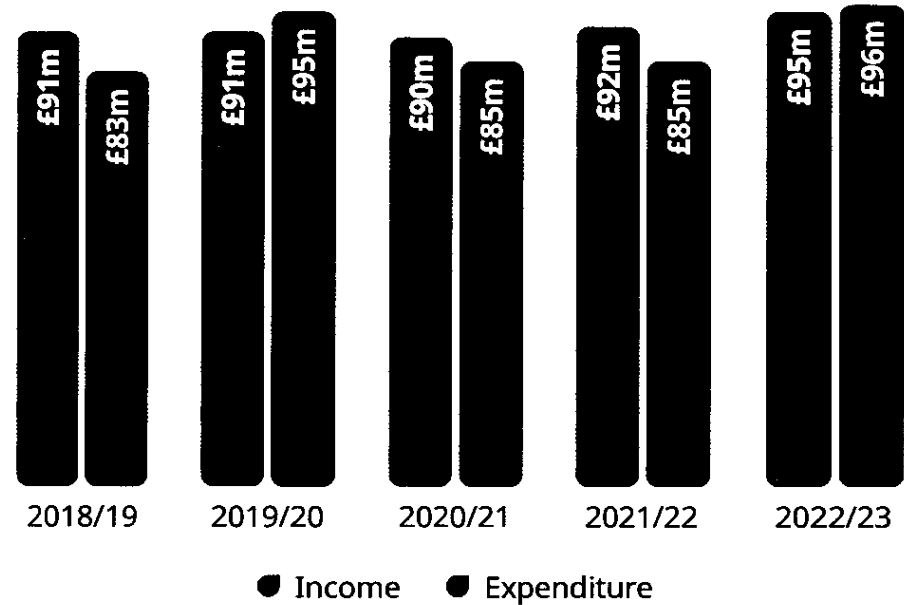
- Fundraising 24%
- Supporting partners to deliver water, sanitation and hygiene 36%
- Strengthening national and local capacity to deliver services 23%
- Influencing policy in water, sanitation and hygiene 13%
- Supporting WaterAid globally 10%

Reserves

We had planned to end the year with a small surplus but ended the year with an unrestricted deficit of £1 million reducing our operational reserve. However, our operational reserve at the end of March 2023 was £23 million (2022: £24 million) above the target minimum range of £13–17 million. We will draw upon this excess to manage future risks associated with the current economic environment and to invest in implementing our Global Strategy.

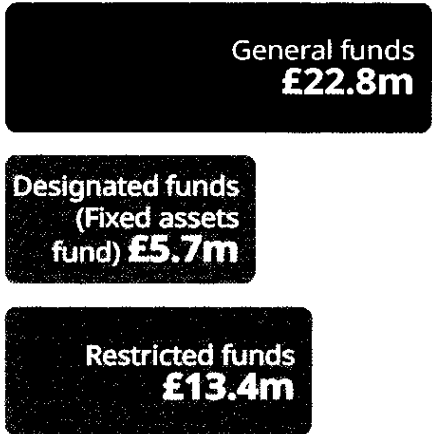


Income and expenditure 2018–2023



Fund balances

As at the end of March 2023, the closing total charity funds were £42 million, made up of the following:





Safeguarding

Our commitment

We are committed to the safeguarding and wellbeing of all individuals, including the people in communities in which we work, staff, volunteers, contractors and partners.

We have zero tolerance for the abuse of power, privilege or trust, or any form of inappropriate behaviour, discrimination, abuse, harassment or exploitation of any kind.

All representatives of WaterAid – including staff, volunteers, external contractors and partners – are required to commit to our Global Code of Conduct (wateraid.org/uk/publications/global-code-of-conduct), which sets out our high standards of expected behaviour, and explains what will happen if these standards are not met.

Safeguarding activity

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

During 2022–23, our Global Safeguarding Team received reports of 28 safeguarding concerns from across the WaterAid federation. Of the 28 global safeguarding cases raised 20 related to WaterAid UK directly. When reporting safeguarding cases, we report data from across the WaterAid federation due to the transferable risk that safeguarding issues potentially expose all members. All cases are managed centrally by a federation wide professional safeguarding team.

We resolved seven cases following an initial safeguarding review and 21 cases led to a safeguarding investigation. Of the 21, one case relating to organisational misconduct by a staff member, and two incidents of physical abuse against WaterAid volunteers, were reported to the Charity Commission, who were satisfied with our investigations and recommendations.

12 cases were found to be unsubstantiated or unfounded due to insufficient evidence; and no reports were found to be malicious.

The outcome of the findings led to the following actions:

Two staff members were dismissed.

One member of our contractor staff received a written warning.

One visit from our Global Safeguarding Team for additional training and support.

One thorough learning review with improvements to how we classify, define and respond to safeguarding incidents.

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

The number of cases reported this year is higher than the previous year and we believe this is a positive reflection of increased confidence to report. However, given the scale of our operations and partnerships, and the challenging contexts in which we work, we recognise there is likely to be a degree of underreporting. We remain committed to improving and strengthening our safeguarding reporting and responses with the partners and communities we work with.

Governance

Each WaterAid federation member has appointed a safeguarding trustee who ensures WaterAid Boards achieve their safeguarding responsibilities.

Our Global Head of Safeguarding provides written reports to all WaterAid Boards, attends the WaterAid UK Board meetings, and liaises regularly with our safeguarding trustees.

A federation-wide safeguarding audit this year confirmed that safeguarding is adequately controlled. An internal audit found the whole federation, including WaterAid UK, has taken a robust and effective approach to safeguarding, supported by senior management and the WaterAid Boards.

Training and awareness

We have a global network of over 30 Safeguarding Focal Points, who have engaged with communities via local radio, created safeguarding champions within communities and community water, sanitation and hygiene committees, and helped to contextualise safeguarding by working with communities on reporting mechanisms and campaigns.

Strengthening the sector

We were actively involved in the development of InterAction's Core Standards for Survivor-centred Support of Sexual Exploitation, Abuse and Harassment and we have updated our policies to reflect these standards.

We actively shared our experiences of safeguarding at global conferences and within local safeguarding networks in many of the countries where we work.

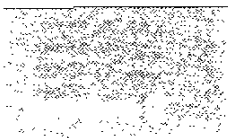
For more information, please see our Safeguarding page at wateraid.org/us/safeguarding-at-wateraid

Our full Modern Slavery statement is available at wateraid.org/uk/modern-slavery-statement. It outlines our commitment and coordinated action in relation to the Modern Slavery Act 2015 in respect of our policies for staff and partners, and our operations and supply chains. During the year, we updated the Global Ethical Standards and Policy, which explicitly references modern slavery and human trafficking. Any concerns around modern slavery or trafficking are reported, recorded and dealt with through safeguarding procedures. During 2022-23, no safeguarding concerns about modern slavery were reported.

Everything we do is guided by our values of respect, collaboration, accountability, innovation, courage and integrity. We treat everyone with dignity and respect, and champion the rights and contributions of all to achieve a fairer world. We are passionately committed to being an organisation where everyone is welcome, respected, included and empowered to be their best.

We represent and celebrate the diversity of our staff, partners and everyone we work with, and seek to create a culture where everyone can reach their full potential and bring their unique and valuable contribution. We act with honesty and conviction and our actions are consistent with openness, equality and human rights.

We have policies in place to ensure we give candidates, existing staff and volunteers equal opportunities to succeed, and we are registered as a Disability Confident employer in the UK. We support flexible working and encourage staff to develop to match their circumstances and aspirations. We are dedicated to achieving the highest standards of diversity, equity and inclusion and welcome people of all backgrounds, beliefs, customs, traditions and ways of life to work with us. This includes, but is not limited to, race, gender, disability, age, sexual orientation, religion, national or social origin, health status, and economic or social situation.



Managing risk

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

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

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

Risk registers that capture the risks identified across WaterAid by individual departments, including prioritisation based on likelihood and materiality as well as controls and future mitigating actions to be taken.

An annual risk management plan which is produced by the Directors team for review and approval by the Board of Trustees.

A risk management review is carried out by the Audit Committee twice a year.

An annual emerging risk session with Directors and Board of Trustees.

Regular audits are carried out by our Internal Audit team and reported to the Audit Committee.

Multi-year planning and budgeting which focuses on milestones linked to delivering the Global Strategy.

Financial reporting which compares results with the budget on a monthly, quarterly and yearly basis.

Value for money principles which guide when and where we source goods and services, how we benchmark salaries, and our policies on investment and reserves.

The high risk areas we identified in our business planning and operations were related to the effects of unstable global politics and severe economic challenges, as the war in Ukraine intensified, drawing attention away from sustainable development objectives.

Global economy: The war in Ukraine and continued recovery from the impact of COVID-19 caused major disruption to the global economy, with significant risk of global recession. High inflation rates increased the cost of delivering programmes as well as impacting individuals' spending choices and affecting corporate and institutional decision-making.

Delays and disturbances to programme delivery: Disruption and delays to delivering on programme commitments, due to political instability and security issues as well as the impact of extreme weather events.

Safeguarding and security: Risk of harm to people due to a safeguarding or security incident continued to be an elevated risk. Global leads for safeguarding and security were in place along with safeguarding and security focal persons in country programmes and UK departments. There was regular staff training, with additional training in high-risk countries.

Global economy: Inflationary pressures are affecting our ability to deliver planned work to agreed budgets. This relates to UK and overseas purchased goods and services as well as pay costs. The increased cost of living is also negatively impacting the number of new regular givers we can attract, putting future unrestricted income growth under pressure.

Staff retention and critical skills shortage: We operate in a highly competitive job market so there is a risk that we cannot retain staff and find it difficult to recruit the talent required to deliver the strategy. We continue to retain staff through a good working environment and regularly benchmark our pay. We recently launched a staff representation forum, which will help us better understand reasons for any staff dissatisfaction and if staff retention drops.

Safeguarding and security: Risk of harm to people due to a safeguarding or security incident continues to be an elevated risk. Global leads for safeguarding and security are in place along with trained safeguarding and security focal persons in all countries. The security environment is worsening in some WaterAid countries, which impacts our ability to deliver in some districts where we work. Staff in high-risk countries receive additional training including insecurity sensitive programming training, which is focused on West Africa.

Systems and cyber security: As demonstrated by the recently detected hack of the UK electoral register, cyber security breaches are still a high risk to any organisation. We have invested in several new technologies that are monitored 24/7 including Multi Factor Authentication. We have also been boosting our staff and training awareness program focusing particularly on Phishing and Ransomware. WaterAid are Cyber Essentials Certified and we remain committed to continuing to improve our security posture to ensure our staff and stakeholders operate safely.

Ability to operate: Challenges to register as an NGO/INGO or strict admin/programme spend requirements make compliance to

country-specific regulations challenging. There is increased reputational risk for INGOs within some of the countries where we deliver our work.

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

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

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

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



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

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

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

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

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

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

Whenever a partner fundraises on our behalf, we put in place data sharing agreements to ensure the security and fair processing of personal data in accordance with the General Data Protection Regulation (GDPR). When considering a new partner who would process personal data, we also conduct a Data Protection Impact Assessment to identify and mitigate any potential risks to that data.

We are members of the Chartered Institute of Fundraising and the Direct Marketing Association and endorse the formation of best practice standards and guidelines for the sector, which we also help to define. We take privacy

seriously and are committed to protecting our supporters' personal information. You can read our Privacy Policy on our website at wateraid.org/uk/privacy-policy

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

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

During 2022–23, we made 4,734,961 contacts using email, mail, telephone and SMS.

We received 146 complaints about our fundraising, 0.003% of the total contacts we made. These were 78% of all complaints received. Our Supporter Care team investigates every complaint, responding within three working days. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work. The key causes were direct mail (58%), television advertising (14%) and online activity (14%).

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

We adhere to the principles of the UK GDPR and have the structures in place to support them. We maintain high standards but acknowledge that compliance is a continual journey and we always strive to make improvements wherever we identify opportunities.

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

- Data protection policies and guidance.

- Simple processes allowing our supporters to easily exercise their UK GDPR rights.

- Appropriate internal governance arrangements to support data security and management.

- Contracts with all of our data processors (e.g., our mailing house) to ensure they adhere to the same data protection standards that we do.

- New starter and bespoke training programmes to ensure our staff get relevant and helpful guidance on their data protection responsibilities.

- Data Protection Impact Assessments whenever we embark on a new fundraising initiative, ensuring data protection is at the centre of everything we do.

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



Managing our finances

Our reserves policy seeks to retain a level of readily accessible funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target for the operational reserve is reviewed on an annual basis and for 2022-23 the minimum target range was £13-17 million. The operational reserve at the end of March 2023 was above this range, at £23 million. We expect a deficit in the current year, due to the lower income projections, inflationary pressures on expenditure and also investments we want to make in our strategic priorities. We expect these factors will bring reserve levels closer to the target range.

The majority of our unrestricted income is generously donated by individuals through regular gifts, legacies or fundraising events. Throughout the year, cost of living pressures continued to challenge our fundraising ambitions. At the same time, high levels of inflation in most countries where we work put pressure on our ability to deliver our programmes within budget. We had planned to end the year with a small surplus of £0.2 million but ended the year with an unrestricted deficit of £1 million primarily due to more restricted and less unrestricted income from other members than planned.

Total funds at 31 March 2023 were £42 million, of which £13 million was in restricted funds. Restricted funds are received from governments, trusts, foundations, corporations and individuals – the restrictions that these partners place on the funds they give us can range from a focus on a region, theme or country to a high degree of restriction, such as a specific project in a particular country. These monies are dedicated to specific programmes and the Trustees have no discretion to reallocate them to other uses. Restricted funds received in one year are carried forward into future

years where the criteria for applying them to particular programmes have yet to be met for compliance with the funder's conditions.

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

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

Our cash balances were similar to the previous year, but due to increases in the interest rate in the UK, investment income increased to £379,000 in 2022-23 (2022: £20,000); we expect improved rates of return on cash balances to continue in 2023-24.

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of at least 12 months following the signing of these accounts, so the period to at least the end of November 2024.

Our annual budget and plan, approved by the Board in March 2023, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base for the years to 31 March 2024 and 31 March 2025.

This budget forms the base case for our going concern assessment. In addition, we have undertaken scenario modelling to understand the impact of various income downsides and

cost pressures on our future expenditure both at a UK and country programme level. We have modelled several scenarios that when compared to the budget assumptions reflect lower income and a higher cost base.

We have also prepared an acute or 'worst case' scenario, which combines high inflation with a prolonged cost of living crisis affecting stock and property prices, a material reduction in regular giving and no continued funding received from Peoples Postcode Lottery.

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

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

The Group will maintain its investment and cash reserves within its target range of £13–17 million. As at 31 March 2023, the Group had managed cash and investments of £23 million, well above the target minimum liquidity that the Trustees have set in order to remain in a financially stable position.

Taking into account our current position and our principal risks, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 12 months after the approval of these financial statements, namely the period to November 2024 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

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



How we operate

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

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

WaterAid is a company limited by guarantee, under which the members each undertake to contribute £1 in the event of the company being wound up. At 31 March 2023, there were 44 company members. WaterAid UK is a member of the WaterAid federation. WaterAid International was formed in 2010 and is the secretariat for the federation, holding the WaterAid trademarks and licensing members of the federation to use those marks. WaterAid International accounts do not require consolidation into WaterAid UK accounts as WaterAid UK does not exercise control or significant influence over WaterAid International.

The principal activity of WaterAid Trading Limited ("the Company") is identifying and undertaking commercial licensing deals. WaterAid Trading Ltd made a net profit of £310,894 on a gross turnover of £439,000. A deed of covenant is in place whereby all profits generated by the company are gift aided to the parent charity. This trading company is wholly owned by WaterAid which primarily operates the sub-licensing agreements that WaterAid enters into but also sells goods.

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

As of 31 March 2023, WaterAid had offices, registered as branches of the UK company, in 22 countries in Asia and Africa.

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

The annual quantity of energy we have consumed is 213,958 kWh and the amount of carbon dioxide we have emitted is 41,375 kg. These quantities have been calculated using our office online energy portal, which links to our on-floor energy meters. Our intensity ratio was 118.89 kg – CO2/staff member

^{iv} xxxxxxxxxx

(41,375 kg CO2/348 staff) compared to 125.69 kg last year. The reduction in carbon output is marginal but reflects the ongoing underoccupancy of our office space as we migrate to a new hybrid way of working. The intensity ratio has reduced from 2020 (base year) by 37%. As we further develop our approach to hybrid working, we continue to assess how to maximise the use of our office space while limiting our carbon impact.

Two of four of our 2023–2032 Global Strategy aims directly target the environment: increase climate change resilience, and scale-up universal, sustainable and safe water, sanitation and hygiene in focused geographic areas to influence wider change.

Led by WaterAid Sweden, we embarked on a new sustainability journey to maximise benefits for climate adaptation and mitigation, water security and environmental protection, and to actively measure and address any adverse impacts. During Q4 of 2022–23, the Global Executive board approved a Global Environmental Statement committing WaterAid to establish an integrated global sustainability policy and reporting framework to guide our 2023–2032 Global Strategy implementation.

To support this, we conducted a context-based Global Environmental Assessment to serve as the basis for further integrating environment-focused action into our operations and programmes. The assessment identified opportunities for positive environmental impact through our work, and risks for negative environmental impact affecting or affected by our work, including, risks related to environmental degradation, climate change and loss of biodiversity affecting environmental sustainability.

The assessment gave recommendations to guide our strategic transformation process during 2023–24 towards environmental safeguarding and global disclosure. The process is facilitated by a Global Sustainability Lead, who will be conducting an in depth due-diligence and materiality analysis to set-up priorities for addressing environmental impact across the federation, and set-up new sustainability performance measurement framework. In turn, this will help us understand how we can maximise benefits

and address risks, and will give us credible evidence that will form the basis for our global sustainability disclosure.

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

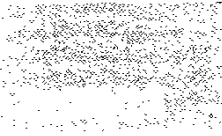
We are committed to the highest standards of governance and seek to make continuous improvements in line with the principles set out in the Charity Governance Code. Overall, we meet all applicable areas of key compliance of the Charity Governance Code. In December 2020, the code was updated to include a new principle on Equality, Diversity and Inclusion, and in the same month the Board of Trustees committed to delivering on a new antiracism and diversity framework. In the framework, we commit to being an antiracist organisation where diversity is celebrated.

In 2021, a Trustee was assigned to lead on equity, diversity and inclusion, ensuring an effective approach throughout the organisation and in its own practice as a Board. Managing safeguarding and security risks are also priorities for the Board of Trustees.

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

The Board of Trustees has four sub-committees:

1. The Audit Committee promotes and safeguards the highest standards of integrity, financial reporting and internal control. It also oversees the organisation's risk management



processes, IT and communications systems, capital spend projects, office occupancy strategy and internal and external audit.

2. The Nominations and Governance Committee ensures that candidates of the highest calibre are put forward for election to the Board of Trustees to achieve an appropriate and diverse mix of skills and experience across the Board as a whole.
3. The People Committee reviews the development of our people management policies and practices including our salary policy, with a particular focus on executive remuneration.
4. The Communications and Fundraising Committee oversees and monitors fundraising procedures, policies and activities. It also provides advice on activities that may pose financial, regulatory or reputational risk.

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

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

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

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

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

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

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

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

The impact of the company's operations on the community and the environment:

At WaterAid, we believe everyone has equal rights, regardless of who they are, or where they live. It is vital that our communications are authentic and do not distort reality. It is also important that these campaigns, and their representations of the people we work with, are respectful, accurate and consensual. To further strengthen this area, Trustees have supported the development of a new policy and guidance.

The reputation for a high standard of business conduct:

We are the world's leading non-governmental organisation in the water, sanitation and hygiene sector; working with partners and alliances is central to our vision of clean water, decent toilets and good hygiene for everyone, everywhere. The Board of Trustees has paid particular attention this year to the update of the Global Ethical Standards, which ensures that we form financial and non-financial partnerships that align with our values and do not undermine the achievement of our mission or lead to loss of support and credibility through risks to our reputation.

The interests of the company's employees:

The People Committee review our work on reward across all WaterAid UK countries and endorse proposed pay awards, which are factored into budgets. In this economically challenging year, attention was paid to pay awards that provide competitive salaries but are balanced by our need for affordability. While we do not aim to match inflation and cost of living rises, Trustees responded by considering the impact on staff from the rapidly market movement, particularly at junior grades this year.

The need to foster the company's business relationships with suppliers, customers and others:

An update to the Global Ethical Standards Policy was published in December 2022, which details an ethical checks process for key funders and suppliers to ensure we are working with organisations that align with our values and commitments.

The need to act fairly between members of the company:

During the year the Staff Representation Group was launched. The purpose of the group is to

- give staff a voice on the matters that are important to them,
- to show behind the curtain of leadership thinking and decision making,
- to represent staff in formal consultations and key decisions that affect staff,
- to make WaterAid an even better place to work

The likely consequences of any decision in the long-term:

In September the Board attended a seminar to reflect on what the new strategy will require of them and therefore the skills, perspectives and ways of working needed on the Board during the next 5-10 years. Specifically the Board discussed, key decisions that could come to the Board in the next few years, the skill sets required to provide good governance during this period any changes the Board needs to make to meet our commitment in the new Global Strategy on diversity and representation. As a result the governance manual has been updated to reflect the skills required on the current Board to drive Trustee recruitment.



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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable

them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

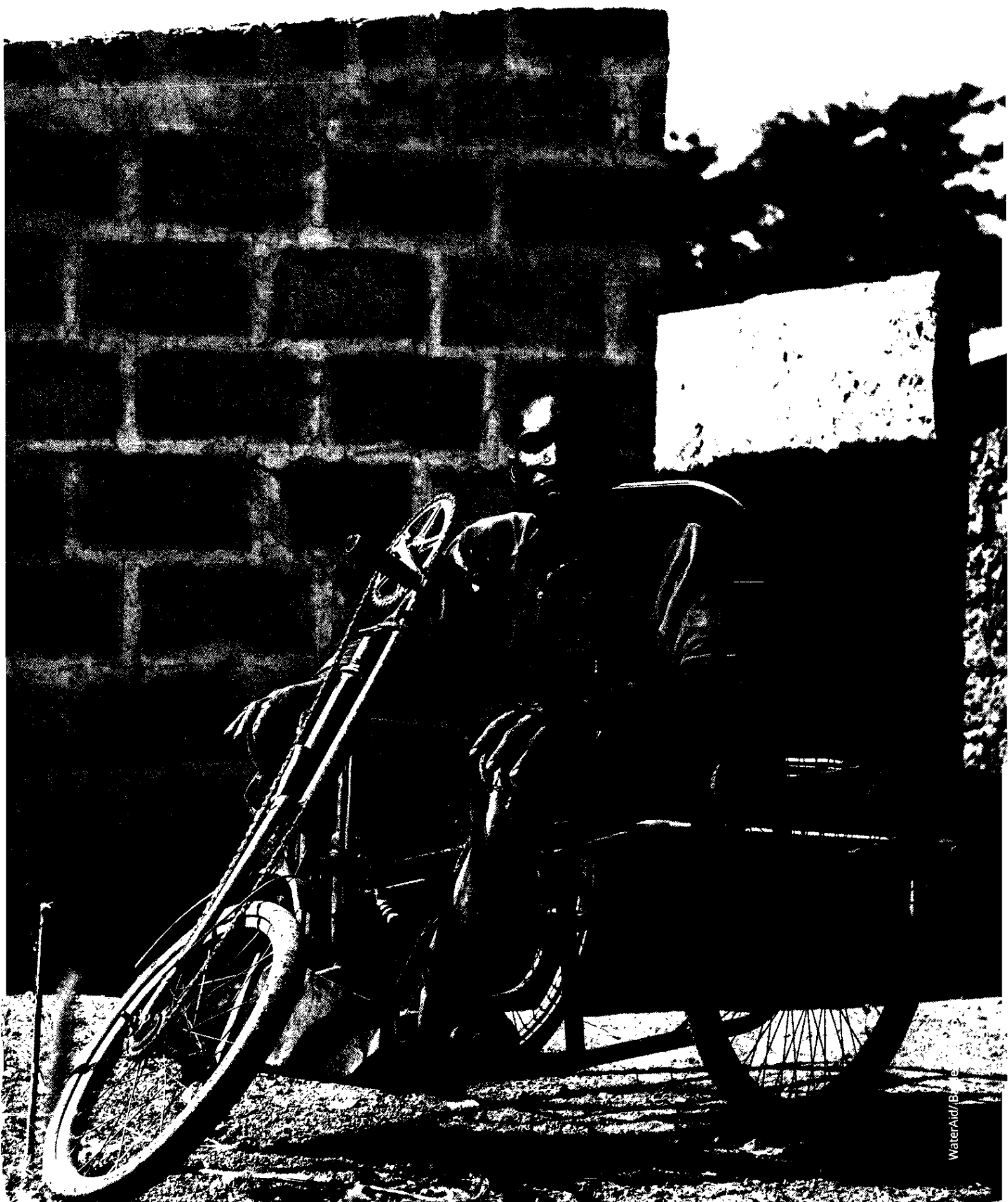
- (a) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees on
17 October 2023. Signed on its behalf by:

19 October 2023

Andy Green CBE
Chair of the Board of Trustees

▼ Dramane Traore, 36, next to his latrine, in the village of Kangoura, commune of Loumana, region of Cascades, Burkina Faso, December 2020.





Our leadership team

The former Prince of Wales^{ix}

The Rt Hon Baroness Chalker of Wallasey^{ix}

Zaid Al-Qassab,
Chair of the Communications and Fundraising
Committee (until March 2023)^{vii, viii}

Manuel Alvarinho

Alyson Clark^{vi}

Harpinder Collacott (until September 2022)

Andy Green CBE^{vi, vii, viii}

Chair of the Board of Trustees

Heidi Mottram OBE^{vii}

Mala Rao OBE^{vi, vii}

Vice Chair

Guido Schmidt-Traub

Peter Simpson^v

Heather Skilling^v

Matthew Tweedie^v
Treasurer

Hilary Wild^v

Chair of Audit Committee

Nina Jasinski^{viii} Chair of the Communications and
Fundraising Committee (from July 2023)

Sanjay Nair,^v incoming Treasurer (Trustee from
July 2023 and Treasurer from November 2023)

Simi Kamal (from July 2023)

Ashvin Dayal (from July 2023)

Mamadou Biteye OBE (from July 2023)

Tim Wainwright

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

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

Jennie York,
Executive Director of Communications and
Fundraising

Sol Oyuela,
Executive Director of Policy and Campaigns

Rachel Westcott,
Executive Director of People and Organisational
Development

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

PricewaterhouseCoopers LLP, 1 Embankment
Place, London WC2N 6RH

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

1787329

288701 (England and Wales)
SC039479 (Scotland)

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

^v Audit Committee member

^{vi} Nominations and Governance Committee member

^{vii} People Committee member

^{viii} Communications and Fundraising Committee member

^{ix} Honorary positions

Independent auditors' report to the members and Trustees of WaterAid

Opinion

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

give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and charity balance sheets as at 31 March 2023; the consolidated statement of financial activities (including consolidated income and expenditure account), the charity statement of financial activities (including an income and expenditure account) and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

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



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

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including

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

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

Responsibilities for the financial statements and the audit

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Based on our understanding of the group and parent charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts

(Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed included:

- enquiring of management and the Board of Trustees, including consideration of known or suspected instances of fraud, and non-compliance with laws and regulations;
- reading minutes of meetings of the Board of Trustees and Board subcommittees, including the Audit and Risk Committee;
- reviewing the terms and conditions of significant contracts;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating the group's control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- assessing the reasonableness of key accounting judgements and estimates including over grant income and accrued legacy income; and
- assessing financial statements disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the



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

risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, *forgery or intentional misrepresentations*, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

we have not obtained all the information and explanations we require for our audit; or
adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit

have not been received from branches not visited by us; or
certain disclosures of trustees' remuneration specified by law are not made; or
the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Daniel Chan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

19 October 2023

Consolidated statement of financial activities

(including consolidated income and expenditure account)

For the year ended 31 March 2023

	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
Income from:						
<i>Donations and legacies</i>						
Donations	54,933	4,096	59,029	54,179	4,348	58,527
Grants of a general nature	4,179	-	4,179	6,316	-	6,316
Gifts in kind	276	-	276	264	-	264
<i>Charitable activities</i>						
Grant funding for specific activities	-	29,599	29,599	-	25,855	25,855
<i>Other trading activities</i>	992	88	1,080	931	-	931
<i>Investment income</i>	379	-	379	20	-	20
Total income	60,759	33,783	94,542	61,710	30,203	91,913
Expenditure on:						
<i>Raising funds</i>						
Expenditure on raising grants, donations and legacies	23,007	391	23,398	21,349	316	21,665
Expenditure on other trading activities	142	-	142	38	-	38
<i>Charitable activities</i>						
Supporting partners to deliver water, sanitation and hygiene	11,891	22,731	34,622	9,702	16,500	26,202
Strengthening national and local capacity to deliver services	12,609	9,291	21,900	11,678	8,524	20,202
Influencing policy in water, sanitation and hygiene	10,595	1,803	12,398	10,075	2,049	12,124
Supporting WaterAid globally	3,475	462	3,937	3,263	1,002	4,265
Total expenditure	61,719	34,678	96,397	56,105	28,391	84,496
Net (expenditure)/income	(960)	(895)	(1,855)	5,605	1,812	7,417
Transfers	-	-	-	828	(828)	-
RECONCILIATION OF FUNDS						
Net movement in funds	(960)	(895)	(1,855)	6,433	984	7,417
Funds brought forward at 1 April	29,555	14,290	43,845	23,122	13,306	36,428
Total funds carried forward at 31 March	28,595	13,395	41,990	29,555	14,290	43,845

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

There is no material difference between the net movement in funds stated above and its historical cost equivalent.

Charity statement of financial activities

(including an income and expenditure account)

For the year ended 31 March 2023

	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
Income from:						
<i>Donations and legacies</i>						
Donations	54,933	4,096	59,029	54,179	4,348	58,527
Grants of a general nature	4,179	-	4,179	6,316	-	6,316
Gifts in kind	276	-	276	264	-	264
<i>Charitable activities</i>						
Grant funding for specific activities	-	29,599	29,599	-	25,855	25,855
Other trading activities	627	-	627	543	-	543
Other income*	223	88	311	350	-	350
Investment income	379	-	379	20	-	20
Total income	60,617	33,783	94,400	61,672	30,203	91,875
Expenditure on:						
<i>Raising funds</i>						
Expenditure on raising grants, donations and legacies	23,007	391	23,398	21,349	316	21,665
<i>Charitable activities</i>						
Supporting partners to deliver water, sanitation and hygiene	11,891	22,731	34,622	9,702	16,500	26,202
Sector strengthening and capacity building to deliver water, sanitation and hygiene	12,609	9,291	21,900	11,678	8,524	20,202
Influencing policy in water, sanitation and hygiene	10,595	1,803	12,398	10,075	2,049	12,124
Supporting WaterAid globally	3,475	462	3,937	3,263	1,002	4,265
Total expenditure	61,577	34,678	96,255	56,067	28,391	84,458
Net (expenditure)/income	(960)	(895)	(1,855)	5,605	1,812	7,417
Transfers	-	-	-	828	(828)	-
RECONCILIATION OF FUNDS						
Net movement in funds	(960)	(895)	(1,855)	6,433	984	7,417
Funds brought forward at 1 April	29,555	14,290	43,845	23,122	13,306	36,428
Total funds carried forward at 31 March	28,595	13,395	41,990	29,555	14,290	43,845

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

There is no material difference between the net movement in funds stated above and its historical cost equivalent.

*Other income is made up of a gift aid donation by virtue of the Deed of Covenant and licence fee paid by WaterAid Trading.

These are both eliminated on consolidation.

Group and charity balance sheets

At 31 March 2023

Company number: 01787329

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
<i>Fixed assets</i>				
Intangible assets	2,279	1,792	2,279	1,792
Fixed Asset Investments	100	82	-	-
Tangible assets	3,371	3,323	3,371	3,323
Total fixed assets	5,750	5,197	5,650	5,115
<i>Current assets</i>				
Debtors	9,075	10,560	9,981	11,387
Cash at bank and in hand	34,352	29,998	33,085	28,907
Short term deposits	3,000	7,000	3,000	7,000
Total current assets	46,427	47,558	46,066	47,294
<i>Liabilities</i>				
Creditors: amounts falling due within one year	(8,586)	(7,380)	(8,444)	(7,353)
Provision for liabilities and charges	(1,444)	(1,425)	(1,125)	(1,106)
Total Liabilities	(10,030)	(8,805)	(9,569)	(8,459)
Net current assets	36,397	38,753	36,497	38,835
Provision falling due over one year	(157)	(105)	(157)	(105)
Net assets	41,990	43,845	41,990	43,845
<i>The funds of the charity</i>				
Unrestricted income funds				
Designated funds	5,748	5,195	5,748	5,195
General income funds	22,847	24,360	22,847	24,360
Total unrestricted income funds	28,595	29,555	28,595	29,555
Restricted income funds	13,395	14,290	13,395	14,475
Total charity funds	41,990	43,845	41,990	43,845

The financial statements on pages 45 to 71 were approved by the Board of Trustees on 17 October 2023 and signed on its behalf by:



Andy Green
Chair



Matthew Tweedie
Treasurer

Section 3

Consolidated cash flow statement

For the year ended 31 March 2023

	2023 £000	2022 £000
Net (expenditure)/income for the year	(1,855)	7,417
Interest receivable	(379)	(20)
Amortisation of intangible assets	496	388
Depreciation of tangible assets	864	857
Asset Impairment	82	-
Decrease in debtors	1,486	(1,904)
Decrease in short term creditors	1,207	233
Decrease in long-term creditors	52	105
Decrease in provisions	18	188
Cash generated from operating activities	1,971	6,798
Bank interest received	379	20
Payments to acquire tangible fixed assets	(913)	(526)
Payments to acquire intangible fixed assets	(983)	1,248
Purchase of fixed asset investment	(100)	(82)
Cash flows expended in investing activities	(1,617)	(1,836)
Increase in cash in the year	354	4,962
Analysis of cash as shown in the balance sheet	2023 £000	2022 £000
Balance at beginning of the year	36,998	32,036
Net cash inflow	354	4,962
Balance at the end of the year	37,352	36,998

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

The cash balances were held in the following locations:

	2023 £000	2022 £000
UK	32,870	33,553
Overseas	4,482	3,445
Balance at 31 March	37,352	36,998

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

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

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

a) Basis of preparation

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

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

b) Basis of consolidation

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

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

c) Foreign exchange

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

d) Income

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

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

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

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

- **Grants of a General Nature** Income from grants of a general nature is from grant-making or public institutions and have no specific restrictions placed upon their use. Grants of a general nature are credited to unrestricted income within the SOFA on an entitlement basis and disclosed in Note 3 if their value is above £150,000 and the donor has not requested to remain anonymous.

- **Donations** Individual donations are recognised in the period in which they are received.

- **Pecuniary and residuary legacy income and in memoria donations** Legacy income is recognised when three criteria are met when entitlement is established, receipt of the income is probable and it can be reliably measured:

Entitlement is established when we receive notification of an interest in an estate and probate is granted.

Receipt is probable and the estate is reliably measurable when the final estate accounts has been received.

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

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

Residuary legacies are accrued once the estate accounts have been issued or an interim payment has been confirmed.

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

e) Expenditure

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

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

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

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

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

f) Fund accounting

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

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

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

g) Fixed assets and depreciation

Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. For both tangible and intangible assets, costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. For intangible assets, subsequent expenditure is only capitalised where it provides a material enhancement of the economic benefits of the asset, such as further development or customisation of software. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation periods in use on a straight line basis are as follows:

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

1 Accounting policies (continued)

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

h) Investment Policy

Our investment in an associated company is measured at cost less impairment. If there is any indication of impairment then the carrying amount will be tested and adjusted accordingly.

i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are listed in Table 7 of the Charities SORP and are initially recognised at transaction value and subsequently measured at their settlement value (note 24).

j) Investments

The investment in the subsidiaries is valued at cost.

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

k) Cash at bank and in hand

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

l) Pension cost

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

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

m) Operating leases

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

n) Provisions

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

o) Critical accounting judgements and estimation uncertainty

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

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

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

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

Pecuniary legacies are a fixed value and WaterAid accrues all open gifts, where a letter from executors has been received.

Residuary legacies often involve the sale of assets and therefore the value is only estimated at the point of notification. WaterAid maintains a policy of only recognising the income from these legacies once final estate accounts have been issued. This is when the value is known with a high degree of probability and is a prudent interpretation of the SORP 2019. This interpretation is considered to be appropriate by the trustees in the context of WaterAid and has been consistently applied year on year. Future residuary legacy income is based on a calculated estimate of the average value of a residuary gift. Those residuary legacies that do not meet recognition criteria are disclosed as part of the legacy pipeline as per note 3.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

1. Accounting policies (continued)

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

The estimated cost for dilapidations work to be completed at the end of the lease period for the UK office building is recorded annually as a provision.

The Charity has through its trading company a 20% shareholding in WEAREGOODGIVING, a new payroll giving company. The Charity does not have the power to significantly influence financial and reporting decisions made by WEAREGOODGIVING, therefore, the share capital has been classified as an investment in the accounts (note 13).

Where WaterAid staff members are involved in more than one activity between raising funds, delivery of charitable activities or support and governance an estimate of their time spent on each is made and costs allocated accordingly. WaterAid also makes a judgement that support and governance costs are most fairly allocated to raising funds and charitable activities in proportion to the respective levels of expenditure (note 6).

Going concern assumptions

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on a period of at least 12 months following the signing of these accounts, so the period to at least the end of November 2024.

Our annual budget and plan, approved by the Board in March 2023, represents management and the Board's best forecast of the fundraising targets and key income streams, alongside the expected cost base for the years to 31 March 2024 and 31 March 2025.

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

We have also prepared an acute or 'worst case' scenario, which combines high inflation with a prolonged cost of living crisis affecting stock and property prices, a material reduction in regular giving and no continued funding received from Peoples Postcode Lottery.

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

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

The Group will maintain its investment and cash reserves within its target range of £13-17m. As at 31 March 2023, the Group had managed cash and investments of £23m, well above the target minimum liquidity that the Trustees have set in order to remain in a financially stable position.

Taking into account our current position and our principal risks, the Trustees have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the medium term. Accordingly, the Group expects to continue to have access to sufficient liquid resources to meet its obligations for a period of at least 12 months after the approval of these financial statements, namely the period to November 2024 and the Board therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

2 Prior year consolidated statement of financial activities

	Unrestricted £000	Restricted £000	2022 Total £000
Income from:			
<i>Donations and legacies</i>			
Donations	54,179	4,348	58,527
Grants of a general nature	6,316	-	6,316
Gifts in kind	264	-	264
<i>Charitable activities</i>			
Grant funding for specific activities	-	25,855	25,855
<i>Other trading activities</i>	931	-	931
<i>Investment income</i>	20	-	20
Total income	61,710	30,203	91,913
Expenditure on:			
<i>Raising funds</i>			
Expenditure on raising grants, donations and legacies	21,349	316	21,665
Expenditure on other trading activities	38	-	38
<i>Charitable activities</i>			
Supporting partners to deliver water, sanitation and hygiene	9,702	16,500	26,202
Strengthening national and local capacity to deliver services	11,678	8,524	20,202
Influencing policy in water, sanitation and hygiene	10,075	2,049	12,124
Supporting WaterAid globally	3,263	1,002	4,265
Total expenditure	56,105	28,391	84,496
Net income/ (expenditure)	5,605	1,812	7,417
Transfers	828	(828)	-
Net movement in funds or net deficit for the year	6,433	984	7,417
Reconciliation of funds			
Total funds brought forward at 1 April	23,122	13,306	36,428
Total funds carried forward at 31 March	29,555	14,290	43,845

Notes to the financial statements

For the year ended 31 March 2023 (continued)

3. Income from donations and legacies

	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
<i>Donations</i>						
Regular giving, donations and appeals	40,920	1,862	42,782	41,905	2,362	44,267
Legacies and in memoria donations	11,978	865	12,843	10,683	850	11,533
Fundraising events	2,035	1,369	3,404	1,591	1,136	2,727
Total	54,933	4,096	59,029	54,179	4,348	58,527
<i>Grants of a general nature</i>						
Other WaterAid member countries	1,029	-	1,029	2,743	-	2,743
The Waterloo Foundation	150	-	150	300	-	300
Peoples Postcode Lottery	3,000	-	3,000	3,269	-	3,269
Coronavirus Job Retention Scheme (CJRS)	-	-	-	4	-	4
Total	4,179	-	4,179	6,316	-	6,316
<i>Gifts in kind</i>						
Water Industry Partnerships	117	-	117	147	-	147
Customer appeal	115	-	115	112	-	112
Audit Fees	43	-	43	-	-	-
Rent	1	-	1	5	-	5
Total	276	-	276	264	-	264
Total	59,388	4,096	63,484	60,759	4,348	65,107

At 31 March 2023, WaterAid had been notified it will benefit from a number of legacies from estates whereby the value of the gift can only be estimated and timing of receipt of funds is uncertain. In addition to £2.1m (2022: £1.6m) of legacy income accrued in the financial statements as per our policy in note 1 (d) we estimate a further £13.9m (2022: £13.7m) of future legacy income. This pipeline value has not been recognised as income during the financial year as the majority of asset values relate to investments or properties which are uncertain and timing between notification and receipt of funds can be significant. Conditional or contingent legacy income is not included in the pipeline where the conditions are unknown. Contentious legacies are excluded from the pipeline until entitlement is legally established.

Gifts in Kind provided by our Water Industry Partners relate to support for fundraising events, appeals and delivery of charitable activities. The auditors remuneration was £77k (2022: £nil) and they also provided donated services of £43k (2022: £nil). See Note 22 for detail information.

The Coronavirus Job Retention Scheme grant from UK government for prior year has been disclosed as unrestricted income in note 3 in line with government requirements. The grant was spent on pay costs for staff on temporary leave ('furlough').

4. Other trading activities

	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
Lotteries	628	-	628	543	-	543
Trading company	364	88	452	203	185	388
Total	992	88	1,080	746	185	931

Notes to the financial statements

For the year ended 31 March 2023 (continued)

5 Income from charitable activities

Grant funding for specific activities	2023 Total £000	2022 Total £000
Other WaterAid member countries	14,855	10,909
Unilever*	1,700	359
Kimberley-Clark	1,579	1,248
European Commission	1,198	1,176
Unicef	995	1,705
Heineken Africa Foundation	974	1,371
Swedish International Development Cooperation Agency	875	1,388
Japan International Cooperation Agency	847	1,274
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	776	562
Giorgio Armani Acqua for Life	683	417
CowaterSogema International	635	535
The Foreign, Commonwealth and Development Office (FCDO)**	514	845
Sustainable Safe WASH in Eastern Province	498	-
The Wimbledon Foundation	488	415
Scottish Government	477	440
Irish Aid	281	-
Coca Cola	222	-
Diageo	216	329
DP World Income	200	-
LIFT Fund	174	53
Other grants	1,412	2,829
Total	29,599	25,855
*Hygiene Behaviour Change Coalition – received through Unilever	1,700	359
Other	-	475
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	1,700	834
**the Foreign, Commonwealth and Development Office (FCDO), formerly stated as the Department for International Development (DFID)		
Match Funding - Untapped	-	845
Match Funding - UK Aid Match - Promoting a gender responsive, climate resilient WASH in drought-prone communities in Ethiopia	393	-
One WASH	121	-
UK Aid received directly from the Foreign, Commonwealth and Development Office (FCDO)	514	845
Total UK Aid received from the Foreign, Commonwealth and Development Office (FCDO)	2,214	1,679

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

Additional information on transactions with WaterAid other member countries can be found in note 23.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

6. Expenditure

	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2023 Total £000	2022 Total £000
<i>Raising funds</i>						
Expenditure on raising grants, donations and legacies	7,187	13,933	318	1,960	23,398	21,665
Expenditure on other trading activities	25	117	-	-	142	38
	7,212	14,050	318	1,960	23,540	21,703
<i>Charitable activities</i>						
Supporting partners to deliver water, sanitation and hygiene	9,540	21,916	431	2,735	34,622	26,202
Sector strengthening and capacity building to deliver water, sanitation and hygiene	7,231	10,379	149	4,141	21,900	20,202
Influencing policy in water, sanitation and hygiene	4,660	5,936	122	1,680	12,398	12,124
Supporting WaterAid globally	11	3,838	-	88	3,937	4,265
	21,442	42,069	702	8,644	72,857	62,793
Governance	959	119	-	(1,078)	-	-
Support costs	4,156	5,030	340	(9,526)	-	-
Governance and support costs	5,115	5,149	340	(10,604)	-	-
	33,769	61,268	1,360	-	96,397	84,496

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

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

	2023 Total £000	2022 Total £000
Finance, People and Information Services	7,092	6,049
Chief Executive Office, Internal audit and Governance	1,078	817
Premises and facilities	1,760	1,795
Strategy transition	1,433	-
Gift in kind	127	140
Support costs	11,490	8,801
Realised and unrealised exchange (gains)/losses on assets	(886)	(925)
Total of governance and support costs and exchange (gains)/ losses	10,604	7,876

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

Prior year expenditure

	Staff costs £000	Other direct costs £000	Amortisation and depreciation £000	Allocation of support and governance costs £000	2022 Total £000
<i>Raising funds</i>					
Expenditure on raising grants, donations and legacies	6,869	13,058	292	1,446	21,665
Expenditure on other trading activities	25	13	-	-	38
	6,894	13,071	292	1,446	21,703
<i>Charitable activities</i>					
Supporting partners to deliver water, sanitation and hygiene	8,059	15,660	367	2,116	26,202
Sector strengthening and capacity building to deliver water, sanitation and hygiene	6,899	10,602	152	2,549	20,202
Influencing policy in water, sanitation and hygiene	4,193	6,109	122	1,700	12,124
Supporting WaterAid globally	15	4,185	-	65	4,265
	19,166	36,556	641	6,430	62,793
Governance	748	69	-	(817)	-
Support costs	3,579	3,170	310	(7,059)	-
Governance and support costs	4,327	3,239	310	(7,876)	-
	30,387	52,866	1,243	-	84,496

Section 3

7. Staff costs and numbers

Staff costs for the charity and group were as follows:

	2023 £000	2022 £000
Wages and salaries	29,246	26,420
Social security costs	1,512	1,336
Other pension costs	3,011	2,631
	33,769	30,387

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

	2023 No.	2022 No.
Fundraising staff (cost of generating funds)	150	146
Staff delivering charitable activities	653	643
Support staff	77	71
Governance	12	9
	892	869

During the year, there was an increase in staff costs of 8.2% (2022: increase of 2.7%) per full time equivalent employee.

The average monthly headcount was 906 staff (2022: 897). The total number of WaterAid employees at 31 March 2023 was 909 (2022: 912).

The charity paid termination payments totalling £206k (2022: £18k). The majority relates to the closure of programmes in the Kingdom of Eswatini, Myanmar and Sierra Leone.

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

	2023 No.	2022 No.
£60,000 - £69,999	29	21
£70,000 - £79,999	17	14
£80,000 - £89,999	8	7
£90,000 - £99,999	6	3
£100,000 - £109,999	3	2
£110,000 - £119,999	2	3
£120,000 - £129,999	4	1
	69	51

The total employee benefits paid to the Chief Executive were salary and taxable benefits in kind (including employer national insurance contributions) of £134,067 (2022: £128,048) and pension contributions of £14,035 (2022: £13,526). The Chief Executive's salary is shown in the table above net of employer national insurance contributions of £12,281 (2022: £10,957).

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

The key management personnel of the charity comprise the Trustees, the Chief Executive and the Directors' Team. The total employee salary and benefits (including employer national insurance contributions but excluding pension), of the key management personnel of the group was £708k (2022: £608k). The number of key management personnel was six (2022: four). The lower cost in 2022 reflects vacancies during the year.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

8 Charitable activities: expenditure by location

	Unrestricted £000	Restricted £000	2023 Total £000	Unrestricted £000	Restricted £000	2022 Total £000
West Africa						
Burkina Faso	876	2,558	3,434	721	3,061	3,782
Ghana	470	607	1,077	574	713	1,287
Liberia	574	609	1,183	481	651	1,132
Mali	1,017	2,180	3,197	883	2,054	2,937
Niger	315	487	802	358	863	1,221
Nigeria	1,134	1,875	3,009	838	848	1,686
Sierra Leone	297	419	716	259	480	739
Regional management and support costs	991	79	1,070	928	84	1,012
	5,674	8,814	14,488	5,042	8,754	13,796
East Africa						
Ethiopia	946	2,989	3,935	549	1,656	2,205
Rwanda	731	1,459	2,190	863	1,055	1,918
Tanzania	1,414	1,010	2,424	1,074	567	1,641
Uganda	668	1,128	1,796	658	435	1,093
Regional management and support costs	1,197	49	1,246	1,182	26	1,208
	4,956	6,635	11,591	4,326	3,739	8,065
Southern Africa						
Kingdom of eSwatini (previously Swaziland)	569	639	1,208	542	323	865
Madagascar	907	1,598	2,505	466	1,842	2,308
Malawi	683	1,911	2,594	634	1,402	2,036
Mozambique	1,335	478	1,813	1,181	1,062	2,243
Zambia	550	4,444	4,994	616	1,153	1,769
Regional management and support costs	858	760	1,618	707	557	1,264
	4,902	9,830	14,732	4,146	6,339	10,485
Asia						
Bangladesh	1,011	2,566	3,577	1,309	3,185	4,494
Myanmar	454	941	1,395	475	1,070	1,545
Nepal	338	2,249	2,587	915	1,356	2,271
Pakistan	941	891	1,832	573	827	1,400
Regional management and support costs	492	61	553	436	46	482
	3,236	6,708	9,944	3,708	6,484	10,192
UK and Other						
Supporting WaterAid globally	3,395	454	3,849	3,204	995	4,199
Other UK direct international programme support costs (including technical and programme effectiveness)	3,578	1,243	4,821	3,619	1,146	4,765
UK-based policy, campaigns and education costs	4,293	498	4,791	4,285	578	4,863
Allocated UK support costs to charitable activities	9,436	21	9,457	7,184	-	7,184
Exchange (gains)/losses	(902)	86	(816)	(796)	40	(756)
	19,800	2,302	22,102	17,496	2,759	20,255
Total	38,568	34,289	72,857	34,718	28,075	62,793

The total spend on charitable activities, as per the consolidated statement of financial activities, was £56.5m on delivery of water, sanitation and hygiene, including sector strengthening (2022: £46.4m) and £12.4m on influencing policy in water, sanitation and hygiene (2022: £12.1m).

Notes to the financial statements

For the year ended 31 March 2023 (continued)

9. Payments to partner organisations

WaterAid has transferred a total of £10.5m to partners for the delivery of some of our programmatic work for the year ended 31 March 2023. Funding was provided to 104 different partners under separate partnership agreements. For the year ended 31 March 2022, payments were made to 102 partners with a total value of £10.2m.

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

	2023 No.	2022 No.
£0- £49,999	56	55
£50,000 – £99,999	14	13
£100,000 – £149,999	13	7
£150,000 – £199,999	6	7
£200,000 – £249,999	3	9
£250,000 and over	12	11
	104	102

The top 20 financial implementing partners recipients during the year ended 31 March 2023 are listed below. The implementation costs are included in the charitable expenditure outlined in notes 6 and 8.

Name of partner	Country	2023 £000	2022 £000
1 ON CALL AFRICA	Zambia	1,365	230
2 Tsogang Water and Sanitation	South Africa	548	250
3 COFORWA - Compagnons Fontainiers du Rwanda	Rwanda	423	481
4 Association les Mains Unies du Sahel (AMUS)	Burkina Faso	419	295
5 Bagmati Welfare Society Nepal	Nepal	370	153
6 Rupantar	Bangladesh	343	322
7 ALPHALOG	Mali	322	198
8 Association Pour la Promotion de la Femme et de l'Enfant au Mali	Mali	311	226
9 Bauchi Ruwassa	Nigeria	297	122
10 AYATEKE Star Company LTD	Rwanda	291	-
11 EAU VIVVE	Burkina Faso	287	477
12 Dushtha Shasthya Kendra - DSK	Bangladesh	269	507
13 Sajida Foundation	Bangladesh	237	453
14 Doaba Foundation	Pakistan	235	7
15 AMREF Health Africa	Malawi	200	208
16 SKS Foundation	Bangladesh	193	317
17 Association Malienne pour la Sauvegarde du Bien Etre Familial	Mali	185	244
18 DEMI-I 6RD00 OURNO & 6NF00 HAMZARI	Niger	178	137
19 Dalit Janakalyan Yuwa Club	Nepal	172	246
20 Nabolok	Bangladesh	156	212
Other partners		3,654	5,155
Total payments to implementing partners		10,455	10,240

Notes to the financial statements

For the year ended 31 March 2023 (continued)

Intangible assets

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

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

11. Debtors

Amounts due within one year:

	The group		The charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts owed by WaterAid Trading	-	-	1,255	900
Grant debtors	3,224	4,549	3,224	4,549
Other debtors	1,580	988	1,256	920
Gift Aid tax recoverable	784	2,005	784	2,005
Prepayments	1,069	1,062	1,069	1,062
Accrued income	2,418	1,956	2,393	1,951
	9,075	10,560	9,981	11,387

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

12 Group companies

WATERAID TRADING LIMITED Company number 02362892

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

a) Profit and loss account	2023	2022
	£000	£000
Turnover	439	383
Cost of sales	(24)	(20)
Gross profit	415	363
Administrative expenses	(34)	(38)
Impairment Charge	(82)	-
Operating profit	299	325
Interest receivable	12	5
Profit on ordinary activities	311	330
Gift Aid to WaterAid under Deed of Covenant	(311)	(330)
Retained earnings	-	-
b) Balance Sheet	2023	2022
	£000	£000
Non-Current assets:		
Investment in associated companies:		
WeAreGoodGiving Ltd.	100	82
	100	82
Current Assets:		
Debtors	353	77
Cash at bank and in hand	947	771
	1,300	848
Creditors		
Amounts due within one year	(1,400)	(930)
Net assets	-	-
Represented by:		
Share capital	-	-

Section 3

WaterAid Trading Limited has a share capital of two £1 ordinary shares (2022: two £1 ordinary shares)

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

Other wholly owned subsidiaries

WATERAID (WASH AND CLIMATE CHANGE) LIMITED Company number 12508772

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

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

13. Fixed Asset Investment

Wateraid Trading Ltd invested £82k in March 2022 for a 20% shareholding in a new payroll giving company: WEAREGOODGIVING Ltd with registered company number 13256341. The other equal shareholders are four other charities. The new company was set up with an independent Managing Director and three Non-Executive Directors nominated from the charities. In addition to the articles of association the company governance is established by the Subscription and Shareholding Agreement. The original fixed asset investment has been adjusted for impairment during the year and an additional £100k invested in February 2023. The carrying value is £100k (see table) below.

Cost	2023 £000	2022 £000
At 1 April 2022	82	-
Investment in Year	100	82
Asset Impairment	(82)	-
Net book value At 31 March 2023	100	82

14. Cash at bank and in hand

	The group		The charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Cash and bank balances in UK	29,870	26,553	28,603	25,462
Cash and bank balances overseas	4,482	3,445	4,482	3,445
Short term deposits UK	3,000	7,000	3,000	7,000
	37,352	36,998	36,085	35,907

Notes to the financial statements

For the year ended 31 March 2023 (continued)

15 Creditors amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	4,041	3,555	4,041	3,555
Taxation and social security	746	731	636	713
Other creditors	376	274	356	274
Accruals	3,194	2,638	3,182	2,629
Deferred income	229	182	229	182
	8,586	7,380	8,444	7,353

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

The movements in deferred income are analysed as follows

Group and charity	2023	2022
	£000	£000
Deferred income at the beginning of the year	182	12
Amounts released from previous years	(182)	(12)
Income deferred in the year	229	182
Deferred income at the end of the year	229	182

16 Provision for liabilities and charges

	The group		The charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Provision falling due under one year				
Provisions at beginning of the year	1,425	1,237	1,106	1,237
Amount charged to statement of financial activities	1,509	1,329	1,509	1,010
Amount released to statement of financial activities	(1,490)	(1,141)	(1,490)	(1,141)
Provisions at the end of the year	1,444	1,425	1,125	1,106
Provision falling due more than one year				
Dilapidation Provision	157	105	157	105
	157	105	157	105

Provisions include end of contract provisions for staff on non-UK contracts. These provisions include lump sums paid at the end of contract, similar to a pension scheme and/or loyalty payment which is paid on full completion of service. Other provisions include dilapidation charge for the WaterAid office in the UK and contract retention amounts on programme construction works.

Section 3

17. Movements in funds

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

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

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

Section 3

17 Movements in funds for prior year

	At 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	At 31 March 2022 £000
Unrestricted funds:					
Designated funds:					
Fixed assets fund	4,585	30	580	-	5,195
Property project	-	-	29	(29)	-
Total Designated funds	4,585	30	609	(29)	5,195
General funds	18,537	61,680	(56,714)	857	24,360
Total unrestricted funds	23,122	61,710	(56,105)	828	29,555
Restricted funds					
Bangladesh	1,958	2,460	(3,296)	-	1,122
Burkina Faso	2,004	1,998	(3,096)	-	906
East Africa Region	35	11	(26)	-	20
Ethiopia	1,005	1,771	(1,721)	-	1,055
Ghana	498	856	(727)	-	627
Kingdom of eSwatini	207	495	(365)	-	337
Liberia	139	386	(665)	-	(140)
Madagascar	318	1,777	(1,880)	-	215
Malawi	399	1,629	(1,444)	-	584
Mali	440	2,124	(2,062)	-	502
Mozambique	(44)	1,101	(1,087)	-	(30)
Myanmar	528	1,023	(1,116)	-	435
Nepal	925	2,638	(1,427)	-	2,136
Niger	(461)	1,244	(876)	-	(93)
Nigeria	(23)	1,554	(871)	-	660
Pakistan	383	539	(827)	-	95
Rwanda	140	1,352	(1,086)	-	406
Sierra Leone	(172)	563	(481)	-	(90)
Southern Africa Region	115	885	(574)	-	426
South Asia Region	40	35	(24)	-	51
Tanzania	263	692	(566)	-	389
Uganda	780	488	(439)	-	829
West Africa Region	64	3	(83)	-	(16)
Zambia	1,444	2,557	(1,170)	-	2,831
UK	2,321	2,022	(2,482)	(828)	1,033
Total restricted funds	13,306	30,203	(28,391)	(828)	14,290
Total funds	36,428	91,913	(84,496)	-	43,845

The table above is presented at an aggregate country programme level. Included in these balances are funds in deficit which total £2.4m (2021: £2.7m). These arise due to the timing differences between the income due under individual funding contracts still to be claimed and the actual project expenditure already incurred.

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

Designated funds

Designated funds currently consist of the Fixed Asset Fund of £5.7m (2022: £5.2m) which represents the net book value of the charity's intangible and tangible fixed assets.

General funds

The Board of Trustees has set a target operational reserve within the general funds to enable WaterAid to meet the potential costs related to any corporate risks materialising. The rationale for these reserves is discussed in the Trustees' Annual Report and the operational reserve targeted for 2022-23 was a range of £13m-£17m. The balance at 31 March 2023 was £22.8m (2022: £24.3m).

Restricted funds

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

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

18. Analysis of group net assets between funds

	Fixed assets £000	Net current assets £000	2023 Total funds £000	Fixed assets £000	Net current assets £000	2022 Total funds £000
Restricted income funds	-	13,395	13,395	-	14,290	14,290
Designated funds	5,748	-	5,748	5,195	-	5,195
General income funds	-	22,847	22,847	-	24,360	24,360
Total funds as at 31 March 2023	5,748	36,242	41,990	5,195	38,650	43,845

19. Taxation and charitable status

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary WaterAid Trading Limited pays available profits to the charity through Gift Aid under deed of covenant. Its charge for corporation tax in the year was £nil (2022: £nil).

20. Company limited by guarantee

The liability of 37 members (2022: 40) of the charity is limited by guarantee to £1 each.

21. Operating lease commitments

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

	Land & Buildings	
	2022 £000	2022 £000
Within one year	977	680
1 – 2 years	1,023	906
2 – 5 years	3,156	2,921
More than 5 years	1,804	3,866
	6,960	8,373

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

Notes to the financial statements

For the year ended 31 March 2023 (continued)

22 First movement in funds or net income for the year

This is stated after charging/(crediting):

	2023 £000	2022 £000
Amortisation and depreciation	1,360	1,245
Trustees' indemnity insurance	6	6
Trustees' reimbursed expenses	5	-
Auditors' remuneration – PwC and its affiliates:		
Audit – WaterAid UK	65	-
Audit – WaterAid Trading Limited	12	-
Audit – country programmes	3	-
Audit Gift in Kind	43	-
Auditors' remuneration – BDO and its affiliates:		
Audit – WaterAid UK	-	53
Audit – WaterAid Trading Limited	-	8
Audit – country programmes	25	30
Auditors' remuneration - Other audit firms	62	81
Exchange (gain)/loss	(886)	(925)
UK operating lease rentals – buildings	902	601

Trustees of the charity do not receive remuneration for their services but are reimbursed for travel and accommodation expenses. Five Trustees were reimbursed for expenses incurred during the year £5,237 (2022: £nil).

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

The group paid £167K in audit fees in the year ended 31 March 2023 (2022: £172K). This figure includes £77K (2022: £61K by BDO) for the consolidated statutory audit provided by PwC UK, who also provided audit services as a gift in kind with a value of £43K, but excludes country programme audits carried out separately by PwC. Other audit fees relate to services provided by firms other than PwC and BDO for overseas country office external audits, project audits and donor grant audits as required by the conditions of funding contracts.

Notes to the financial statements

For the year ended 31 March 2023 (continued)

23. Related party transactions

WaterAid, WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Sweden, WaterAid India (Jal Seva Charitable Foundation) and WaterAid Japan are members of WaterAid international, operating under licence from WaterAid international to use the name WaterAid. All these organisations share the same objectives and vision. WaterAid receives funding for its charitable objectives from WaterAid America, WaterAid Australia, WaterAid Canada, WaterAid Japan and WaterAid Sweden. WaterAid has provided grants to support WaterAid America and WaterAid India in 2023 for programmatic, fundraising and organisational development.

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

	Received from:		Paid to:	
	2023 £000	2022 £000	2023 £000	2022 £000
WaterAid America	10,472	7,868	2,010	1,536
WaterAid Australia	551	456	-	-
WaterAid Canada	1,549	861	-	-
WaterAid Japan	18	51	-	-
WaterAid Sweden	3,178	3,955	-	-
WaterAid India	-	-	1,309	1,967
WaterAid International	115	-	529	-
	15,883	13,191	3,848	3,503

During the year WaterAid did not contribute to the WaterAid international investment fund (2022: £nil) and paid expenses on behalf of WaterAid international of £168K (2022: £141K). At 31st March the outstanding debtor balance with WaterAid international and other members was £225K (2022: £166K) which is due to be settled early in the 2023/24 financial year. WaterAid donated services as a gift in kind to WaterAid international in the form of office space and staff costs during the year. The donated services were valued at £664K (2022: £712K).

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

Harpinder Collacott, a trustee of WaterAid, was a former executive director and shareholder of Development Initiatives International. During the year WaterAid made no payments to Development Initiatives International (2022: £nil). She is also a trustee of Bond to which WaterAid made payments of £51,811 in 2023 (2022: £60,711). Harpinder is also an executive director with Mercy Corps. During the year WaterAid received £403,195 from Mercy Corp.

Andy Green was appointed chair of WaterAid in October 2020. He was a trustee of WWF to which WaterAid made payments of £6,213.99 in 2023 (2022: £13,000).

Guido Schmidt-Traub is an employee of Systemiq Limited. During the year Wateraid made no payments to Systemiq Limited in 2023 (2022: £106,749).

Heidi Mottram is a trustee and CEO of Northumbrian Water Group. During the year WaterAid received £76,122 from Northumbrian Water Group Ltd (2022 £38,775). Heidi also personally donated £5,000 in 2023 (2022: £5,000).

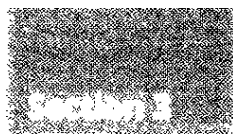
Alyson Clark is a trustee of WaterAid and personally donated £120 in 2023 (2022: £120).

Peter Simpson is a trustee and CEO of Anglian Water. During the year WaterAid received £843,216.35 from Anglian Water Services Limited (2022: £679,000) and £80 from AWG Corporate Services Limited (2022: £160). Peter also personally donated £5,520 in 2023 (2022: £3,630).

Rachel Westcott, an executive Director of People and Organisational Development, was a Director of of Water & Sanitation for the Urban Poor (WSUP). During the year, WaterAid made no payments to WSUP (2022: £nil).

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

Heather Skilling, a trustee of WaterAid, is a consultant to The World Bank. During the year WaterAid received £30,711.22 (2022: £nil) from The World Bank.



Notes to the financial statements

For the year ended 31 March 2023 (continued)

Transactions between WaterAid UK and WaterAid Trading	Net income to charity £'000	Balance owed to charity at 31 March 2023 £'000	Net income to charity £'000	Balance owed to charity at 31 March 2022 £'000
Trademark – Logo	21	-	19	-
Deed of Covenant	(311)	-	(330)	-
Admin expenses	32	-	34	-
Group undertaking	-	1,255	-	900
Other income	-	-	(5)	-

	2023 £000	2022 £000
Financial assets		
Cash at bank and in hand	37,352	36,998
Grant debtors	3,224	4,549
Other debtors	2,364	2,827
Accrued income	2,418	1,956
	45,358	46,330
Financial liabilities		
Trade creditors	4,041	3,555
Other creditors	1,122	1,005
Accruals	3,194	2,638
	8,357	7,198

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

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

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

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



WaterAid/ Fabeha Monir

▲ Roushan outside the new water, sanitation and hygiene facilities at the Mohammad Nagar Darrus Salam Madrasa. Kaliganj, Satkhira, Bangladesh. December 2022.



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

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

