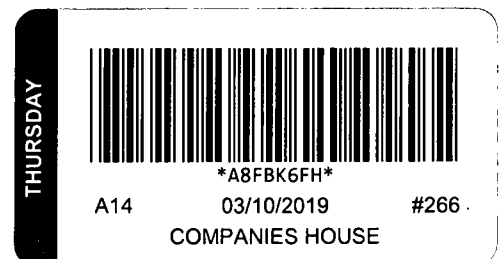


WaterAid Trading Limited
Annual Report and
Financial Statements for the Year ended
31 March 2019

Registered no: 2362892

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Directors' report

For the year ended 31 March 2019

The Directors present their Directors' report and audited financial statements for the year ended 31 March 2019.

Principal activities

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

Review of business

The Company made a profit before Deed of Covenant to the parent, WaterAid, of £1,708,936 (2018: £994,442).

The Company continues to be successful generating profits that are covenanted to the parent, WaterAid. Income is raised primarily from royalties and licensing contracts whereby companies pay for the use of our logo in cause related marketing initiatives. The significant partnerships in 2018-19 included Belu Water Ltd, Fujifilm Europe GmbH, Kimberly-Clark, Soaper Duper and a partnership with Decanter.

The Directors do not expect any significant changes to the type of revenue generating activities due to take place in the next financial year.

Within costs of sales is a charge of £81,759 (2018: £59,018) being the cost to the parent of utilising the parent's name and logo.

General risk management

The risk assessment process undertaken by the parent encompasses the activities of the Company and the Directors are satisfied that the general risks faced by the Company have been identified and reasonable steps taken to mitigate those risks have been put in place.

Financial risk management

The Company, in conjunction with the treasury department of its parent, has considered the financial risks the Company is exposed to and has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company of the key risks, considered to be monitoring levels of debt finance and the related finance costs. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors, are implemented by the parent's finance department on behalf of the Company. The department has procedures to manage interest rate risk, credit risk, and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk

The Company is exposed to price risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to price risk exceed any potential benefits. All significant contracts are managed through a competitive procurement process. The Directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The Company has implemented policies to manage the recoverability of debts in an optimal manner given cost limitations.

Qualifying third party indemnity provision

A qualifying third party indemnity provision was in force for the benefit of one or more Directors during the financial year.

WaterAid Trading Limited - Company registered number 2362892

Directors' report (continued)
For the year ended 31 March 2019

Liquidity risk

The Company, in association with the treasury department of its parent, has short-term debt finance that is designed to ensure that the Company has sufficient available funds for operations and any planned expansion.

Interest rate cash flow risk

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which attract floating rates of interest.

The Directors confirm they have reviewed all other major risks the Company is exposed to and have established systems to mitigate those risks.

Dividends

In line with prior years, a Deed of Covenant is in place whereby all profits generated by the Company are distributed to the parent in the form of a 'Gift Aid' payment.

Deed of Covenant

The Company will make a payment of £1,708,936 in 2019 (2018: £994,442) to its parent, WaterAid, under a Deed of Covenant.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Tim Wainwright - Chair
Paula Laird
Marcus Missen

No Director held any interests in the Company during the year or at the year end.

No dividend was paid or proposed during the year (2018: £nil).

Independent auditors

Following a tender exercise, BDO LLP have been appointed as auditor of the Company. Therefore, PricewaterhouseCoopers LLP will cease to continue in office.

Advisors

Principal bankers

Barclays Bank plc
50 Pall Mall
London SW1A 1QB

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Principal solicitors

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

Directors' report (continued)
For the year ended 31 March 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved:

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

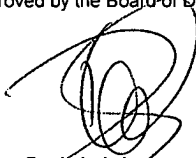
Small companies provision

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to provide a Strategic Report.

The financial statements on pages 7 to 11 were approved by the Board of Directors on 4 September 2019 and signed on its behalf by:



Marcus Missen
Director



Paula Laird
Director

Company Registered number: 2362892

Registered office and operational address: WaterAid, 47-49 Durham Street, London SE11 5JD

Report on the audit of the financial statements

Opinion

In our opinion, WaterAid Trading Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2019; the statement of income and retained earnings 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.

Independence

We remained independent of the 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 relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors 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 Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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.

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.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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

17 September 2019

**Statement of income and retained earnings
For the year ended 31 March 2019**

	Note	2019 £	2018 £
Turnover	2	1,864,976	1,100,544
Cost of sales		<u>(81,759)</u>	<u>(59,018)</u>
Gross profit		1,783,217	1,041,526
Administrative and selling expenses		<u>(100,955)</u>	<u>(58,067)</u>
Operating profit		1,682,262	983,459
Interest receivable and similar income		<u>26,674</u>	<u>10,983</u>
Profit on ordinary activities before taxation and Deed of Covenant		1,708,936	994,442
Deed of Covenant		<u>(1,708,936)</u>	<u>(994,442)</u>
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities		-	-
Result for the financial year		<u>-</u>	<u>-</u>
Retained profits at 1 April		-	-
Retained profits at 31 March		<u>-</u>	<u>-</u>

As no changes to equity arose during the year, a statement of income and retained earnings is presented in place of a statement of comprehensive income and statement of change in equity (FRS 102 6.4).

All income was derived from continuing activities.

There is no tax payable or receivable for the financial year

There is no material difference between the result on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalent.

The notes on pages 9 to 11 form part of these financial statements.

Balance sheet as at 31 March 2019

	Note	2019 £	2018 £
Current assets			
Debtors	3	186,722	272,931
Cash at bank and in hand		937,694	1,416,167
		1,124,416	1,689,098
Creditors: amounts falling due within one year	4	(1,124,414)	(1,689,096)
Net current assets		2	2
Net assets		2	2
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account		-	-
Shareholders' funds	6	2	2

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 section 1A - small entities

The financial statements were approved by the Directors on 4 September 2019 and signed on their behalf by:


 Marcus Missen
 Director


 Paula Laird
 Director

The notes on pages 9 to 11 form part of these financial statements.

WaterAid Trading Limited - Company registered number 2362892.

WaterAid Trading Limited is a private company limited by shares, registered in England and Wales at office is 47-49 Durham Street, London SE11 5JD

**Notes to the financial statements
For the year ended 31 March 2019**

1 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, and with provisions of FRS 102 section 1A small entities. The Company has taken advantage of the small company exception, exempting it from the requirement to present a statement of comprehensive income, cash flow statement and a statement of changes in equity.

The financial statements have been prepared under the historical cost convention.

b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. As the Company is included in the publicly available consolidated financial statements of the WaterAid group, it has taken advantage of the following exemptions for qualifying entities:

- (i) Requirement to prepare a statement of cash flows
- (ii) Certain disclosure requirements of section 11 in respect of financial instruments
- (iii) Related party transactions entered into between two or more members of a group

The Company, being a wholly owned subsidiary of WaterAid, for which consolidated financial statements are publicly available has not disclosed any transactions with WaterAid.

As the Company is a wholly owned subsidiary of WaterAid it is incorporated in the consolidated financial statements that are available to the public.

c) Turnover

Turnover is recognised on a receivable basis when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy and certainty. Where income is received in advance of entitlement its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.

Turnover comprises the amounts receivable for sales, net of VAT. Turnover includes:

- licensing income (this is income from licensing the WaterAid brand);
- income from fundraising events; and
- income from the sale of Christmas Cards and other goods.

d) Expenditure

Expenditure is recognised in the year in which it is incurred on an accrual basis.

e) Cost of sales

Cost of sales includes the costs related to purchasing cards and other goods, fundraising events and the charge made by WaterAid for the use of its logo.

f) Remuneration of directors, employees and audit costs

The Directors did not receive any remuneration in respect of their services as Directors of the Company (2018: £nil). The Directors were also employees of the parent, WaterAid (a company limited by guarantee), and were remunerated as employees by that company.

The Company had no employees during the year (2018: nil) and therefore no key management personnel compensation. Administrative services were provided by the parent and an amount of £100,955 (2018: £58,067) was recharged to the Company.

Included within administrative costs is an amount of £9,226.80 (2018: £8,958) for the audit of the Company. The auditors provided no other services to the Company.

WaterAid Trading Limited - Company registered number 2362892**Notes to the financial statements (continued)****For the year ended 31 March 2019****g) Debtors**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for impairment. The Company makes an estimate of the recoverable value of trade and other debtors. See note 3 for the net carrying amount of the debtors and associated impairment provision.

h) Deed of Covenant and Corporation Tax

The Company distributes its profits to its parent, WaterAid (company limited by guarantee), under a Deed of Covenant dated 16 January 1990. There is no liability for Corporation Tax because all the profits are covenanted to the parent (2018: £nil).

2 Turnover	2019	2018
	£	£
Royalty income	1,603,132	1,077,363
Income from sale of goods	12,053	5,970
Other	249,791	17,211
	1,864,976	1,100,544

3 Debtors	2019	2018
	£	£
Amounts falling due within one year:-		
Trade debtors	186,722	272,931
	186,722	272,931

4 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	979,079	1,449,612
Taxation and social security	127,527	155,526
Accruals and deferred income	9,227	83,958
Other creditors	8,581	-
	1,124,414	1,689,096

5 Called-up share capital	2019	2018
	£	£
Called up, allotted and fully paid:		
2 (2018: 2) ordinary shares of £1 each	2	2

6 Reconciliation of movements in shareholders' funds	2019	2018
	£	£
Opening shareholders' funds	2	2
Result for the financial year	-	-
Closing shareholders' funds	2	2

7 Ultimate holding company

The Company's Directors consider WaterAid (a company limited by guarantee), incorporated in Great Britain and registered in England, to be the Company's ultimate holding company and ultimate controlling party. The ultimate holding company's registered address and principal place of business is at 47-49 Durham Street, London SE11 5JD.

WaterAid Trading Limited - Company registered number 2362892

Notes to the financial statements (continued)

For the year ended 31 March 2019

8 Guarantees and other financial commitments

The Company has an annual legal obligation under Deed of Covenant to pass all taxable profits to the parent, WaterAid. While this constitutes a financial liability to the Company, future profits cannot be reliably quantified and hence have not been included as a liability in the financial statements.

9 Average number of employees

The Company has no direct employees. Employees of the parent manage the operations of the Company and recharge their time accordingly.