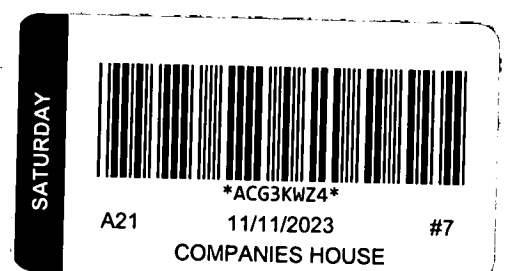


WaterAid Trading Limited
Annual Report and
Financial Statements for the Year ended
31 March 2023

Registered no: 2362892



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**Directors' report
For the year ended 31 March 2023**

The Directors present their Directors' report and audited financial statements for the year ended 31 March 2023.

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 of £310,894 (2022: £330,354).

The Company will make this Gift Aid donation to its parent, WaterAid, by virtue of the Deed of Covenant of their profits. Income is raised primarily from royalties and licensing contracts whereby companies pay for the use of our logo in cause related marketing or co-branded initiatives. The Trading partnerships in 2023 included Armani, Belu Water Ltd and Paperchase. The impact of the pandemic continues to affect income levels, most significantly from our hospitality industry partner. Belu Water Ltd income increased by £175k compared to 2022 due to hospitality sector revival after the pandemic.

Within costs of sales is a charge of £21,943 (2022: £19,178) being the cost to the parent of utilising the parent's name and logo.

The company invested a further £100,000 in March 2023 in 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 Chief Executive and two Non-Executive Directors nominated from the charities as well as two independent Non-Executive Directors. In addition to the articles of association the company governance is established by the Subscription and Shareholding Agreement.

Going concern assumptions

The Directors do not expect any significant changes to the type of revenue-generating activities due to take place in the next financial year, however we are forecasting increasing income based on the continued post-pandemic recovery of a number of corporate partners. We also forecast GoodPAYE (WeAreGoodGiving Ltd) to start generating income over the coming years.

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 of key risks on the financial performance of the Company. The Company does not use derivative financial instruments to manage risk, so no hedge accounting is applied.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk 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 in 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 equity investments.

Credit risk

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

Liquidity risk

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

Interest rate cash flow risk

The Company has interest bearing assets in the form of 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.

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 2023

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 £310,894 in 2023 (2022: £330,354) 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:

Timothy Wainwright
Paula Laird
Jennie York - Chair

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 (2022: £nil).

Advisors

Principal banker

Barclays Bank plc
1 Churchill Place
London E14 5HP

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Principal solicitor

Bates Wells
10 Queens Street Place
London EC4R 1BE

Directors' report (continued)
For the year ended 31 March 2023

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 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.

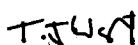
Small companies provision

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 8 to 12 were approved by the Board of Directors on **05 September 2023** and signed on its behalf by:



Jennie York
Director



Tim Wainwright
Director

Company Registered number: 2362892

Registered office and operational address: 6th floor, 20 Canada Square, London E14 5NN

**Independent auditors' report to the
members of WaterAid Trading Limited
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 2023 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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: Balance sheet as at 31 March 2023; 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

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern.

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

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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 Statement of directors' responsibilities, 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.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiry of management and the board of directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the board of directors;
- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts, and understanding and evaluating any significant transactions outside the normal course of business;
- assessing financial statement 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 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.

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 obtained 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: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

DChan

Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 October 2023

Statement of income and retained earnings
For the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	2	439,056	382,644
Cost of sales		(23,864)	(19,631)
Gross profit		415,192	363,013
Administrative expenses		(34,342)	(37,952)
Impairment Charge	3	(82,000)	-
Operating profit		298,850	325,061
Interest receivable and similar income		12,044	5,293
Profit before taxation and Deed of Covenant		310,894	330,354
Qualifying charitable donation (under Deed of Covenant)		(310,894)	(330,354)
Result before taxation		-	-
Tax on result		-	-
Result for the financial year		-	-
Retained earnings at beginning of the financial year		-	-
Retained earnings at end of the financial year		-	-

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 10 to 12 form part of these financial statements.

Balance sheet as at 31 March 2023

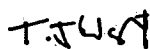
	Note	2023 £	2022 £
Non-Current assets			
Investment in associated companies: WeAreGoodGiving Ltd.	3	100,000	82,000
		100,000	82,000
Current assets			
Debtors	4	353,201	76,843
Cash at bank and in hand		946,982	771,000
		1,300,183	847,843
Creditors: amounts falling due within one year	5	(1,400,181)	(929,841)
Net current liabilities		(99,998)	(81,998)
Net assets		2	2
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account		-	-
Total Shareholders' funds	7	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 **05 September 2023** and signed on their behalf by:



Jennie York
Director



Tim Wainwright
Director

The notes on pages 10 to 12 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 6th floor, 20 Canada Square, London E14 5NN

**Notes to the financial statements
For the year ended 31 March 2023**

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 have elected to present a combined statement of income and retained earnings.

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. Salary recharges are based on estimated hours spent on WaterAid Trading activities by fundraising and support staff employed by WaterAid. It is the opinion of the Directors that there are no other 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.

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

Going concern assumption

The Directors do not expect any significant changes to the type of revenue-generating activities due to take place in the next financial year. There is an assumption of continued growth next year from the partners affected by recent events negatively affecting the economic environment. The directors have reviewed the cash flow forecasts which include the impact of inflation, and are comfortable that no material uncertainty exists. Despite the forecast drop in income compared to recent historic levels, the going concern risk is considered low as the majority of operating costs are charges by the parent for the use of its name and logo and are proportionate to income. Scenario modelling with lower levels of income than planned for the next cycle, the company remains in a sustainable financial position. The Deed of Covenant liability will be paid before the end of 2023 and the cash position is forecast to remain in surplus.

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 on the WaterAid website.

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 the sale of merchandise 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 merchandise 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 (2022: £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 (2022: nil) and therefore no key management personnel compensation. Administrative services were provided by the parent and an amount of £34,342 (2022: £37,952) was recharged to the Company.

Included within administrative costs is an amount of £12,000 (2022: £9,204) for the audit of the Company. The auditors provided no other services to the Company.

g) Fixed Asset Investment

Investments in associates are accounted for under the cost method less any accumulated impairment. Dividends and other distributions received from the investment are recognised as income. FRS 102 Section 27 requires an assessment at each reporting date of whether there is any indication that an asset within its scope may be impaired. It is only when there is such an indication that the entity is required to estimate the asset's recoverable amount. Impairment losses are recognised in the Statement of income and retained earnings.

h) 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 4 for the net carrying amount of the debtors and associated impairment provision.

i) Deed of Covenant and Corporation Tax

Under a Deed of Covenant dated 16 January 1990, the company is able to make a distribution of its profits, as measured through its profit and loss account, to its parent, WaterAid (charitable company limited by guarantee). There is no liability for Corporation Tax because all the profits are covenanted to the parent as per the terms of the Deed (2022: £nil).

For the year ended 31 March 2023

2 Turnover

	2023 £	2022 £
Royalty income	414,444	351,546
Income from sale of goods	23,333	27,276
Other	1,279	3,822
	439,056	382,644

3 Investment in associated companies

The company has significant influence but not control of WeAreGoodGiving Ltd and therefore recognises its share as an investment in an associate. It has elected to use the cost method, due to the fact that WaterAid Trading Limited is not a parent company, FRS 102 allows the use of cost less impairment as the basis of accounting. A further £100,000 has been invested in the associate company during the year. There were no distributions in the financial year, however an impairment charge of £82,000 was made in 2023 based on management judgement that they will continue to be loss-making during the year.

4 Debtors: amounts falling due within one year

	2023 £	2022 £
Trade debtors	325,316	68,041
Taxation and social security	2,885	2,885
Prepayments and accrued income	25,000	5,917
	353,201	76,843

5 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	1,254,911	899,860
Taxation and social security	133,270	20,777
Accruals and deferred income	12,000	9,204
	1,400,181	929,841

6 Called up share capital

	2023 £	2022 £
Called up, allotted and fully paid: 2 (2023: 2) ordinary shares of £1 each	2	2

7 Reconciliation of movements in shareholders' funds

	2023 £	2022 £
Opening shareholders' funds	2	2
Result for the financial year	-	-
Closing shareholders' funds	2	2

WaterAid Trading Limited - Company registered number 2362892

Notes to the financial statements (continued)

For the year ended 31 March 2023

8 Ultimate holding company

The company's Directors consider WaterAid (a charitable company limited by guarantee), incorporated in Great Britain and registered in England, Wales and Scotland 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 6th floor, 20 Canada Square, London, E14 5NN

9 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.

10 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.