



Water & Sanitation for the Urban Poor
Report and Consolidated Financial Statements

For the year ended

31 March 2020

Company number 05419428

(a company limited by guarantee and not having share capital)

**WATER & SANITATION FOR THE URBAN POOR
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

Constitution A not-for-profit company registered in England and Wales and limited by guarantee

Company Number 05419428 Incorporated 9 April 2005

Registered Office 10 Queen Street Place, London, EC4R 1BE

Operating Address Fleet House, 8-12 New Bridge Street, London EC4V 6AL

Website www.wsup.com

Directors	Lord Boateng (Chair)	Independent
	Andy Wales	Independent
	David Scott	Independent
	David Birch	Independent
	Robin Bresser	Borealis and Borouge
	Peter Lochery	CARE International UK
	Prof Tim Hess	Cranfield University
	Karl Simons	Thames Water Ltd
	Rebecca Marmot	Unilever plc
Rachel Westcott	WaterAid (until 16 July 2020)	

Company Secretary Anzo Francis

Key Management Personnel	Neil Jeffery	Chief Executive
	Jeremy Horner	Director of Programmes
	Guy Norman	Director of Evaluation & Research (until 31 March 2020)
	Sam Drabble	Acting Head of Research, Evaluation & Learning (from 1 April 2020)
	Yaver Abidi	Managing Director of WSUP Advisory CIC
	Alicia Walters	Head of People & Support
	Steve Metcalfe	Head of Partnerships & Communications
	Chris Wilde	Director of Finance (until 31 March 2020)
	Anzo Francis	Director of Finance (from 1 April 2020)

Members of Board Sub Committees:

Finance and Audit Committee

David Scott (Chair)
Edward Finch
Allison Guatama Bernal

Risk Committee

Allison Guatama Bernal (Chair)
Rachel Westcott (until 16 July 2020)
Karl Simons

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Advisors:

Bankers

Barclays Bank plc
50 Pall Mall, London SW1A 1QA

Solicitors

Bates Wells LLP
10 Queen Street Place, London EC4R 1BE

Auditor

Crowe U.K. LLP, Chartered Accountants and Statutory Auditor
55 Ludgate Hill, London EC4M 7JW

Subsidiaries

WSUP Advisory CIC
Registered in England
Company number 9461206
Registered office: 10 Queen Street Place, London EC4R 1BE

WSUP Advisory India Private Limited
Registered in India
Company number U90009DL2015PTC287912
Registered office: 105, Chaudhary Complex, 9, V.S. Block, Madhuban Road,
Shakarpur, Delhi 110092 India

Water and Sanitation for the Urban Poor Zambia Limited
Registered in Zambia
Company number. 120150135640
Registered office: 2nd Floor, South Wing, Shreeji House,
Plot 1209 Addis Ababa Drive, P.O. Box 32526, Lusaka, Zambia

WSUP India Limited
Registered in India
Company number U90009KA2006NPL039701
Registered office: NGEF Lane, 2nd Floor, Indiranagar, Bangalore, Karnataka,
India 560 038

Clean Team Ghana
Registered in Ghana
Company number CA-99,926
Registered office: Plt 20, Block E, Nyiaeso, Near Moro Market
P. O. Box KS 16459 Kumasi, Ghana

The WSUP Charity
Registered in England
Charity number 1170651
Company number 09832183
Registered office: 10 Queen Street Place, London EC4R 1BE

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FOR THE YEAR ENDED 31 MARCH 2020**

The Directors present their report and the audited financial statements for the year ended 31 March 2020 (FY19/20). The references and administrative information set out on pages 1-2 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. Although the company is not a registered charity, the Directors consider that reporting in the format of the Charity SORP presents the most appropriate view of the group's affairs.

BACKGROUND

Water, Sanitation and Hygiene: A Critical Issue for Cities

Water and sanitation are essential for healthy lives. People need water and sanitation to live, work and prosper. Yet today, 2.3 billion people lack access to basic sanitation, and nearly 1 billion lack access to even basic water services.

Increasingly, this is becoming an urban issue. Some 55% of the world's population lives in urban areas, and this is projected to reach 68% by 2050. The UN predicts that another 2.3 billion people will be living in cities by 2050, with almost 90% of this increase occurring in Asia and Africa.

Cities are uniquely placed to drive forward positive global change as they are hubs for innovation, creativity and growth, accounting for 85% of global Gross Domestic Product (GDP). So, getting their development right is essential to the sustainability and future prospects of the world. Water and sanitation play a vital role in the development of successful cities.

But at present, water, sanitation, and hygiene provision is far from adequate. Whilst some progress has been made to improve basic services, it has not occurred fast enough, nor at the scale that is required. Of considerable concern is the number of cities and countries that are falling significantly behind in terms of percentage of residents covered, as they struggle to deal with the pace of population growth in urban areas. An increasing number of people are living in settlements which lack the basics, like clean water or safe sanitation.

In addition, climate change is making living conditions much tougher for the poorest communities. Increased frequency of flooding is damaging infrastructure and increasing contamination of water sources. In some urban locations, droughts are exacerbating water scarcity: disrupting water resources, slowing city development and impacting on residents' health and prosperity.

As cities focus on improving their resilience to climate change, driving towards universal coverage of water and sanitation must be a critical adaptation strategy.

Sustainable Development Goals (SDGs)

The SDGs seek to promote access for all to basic services, including water and sanitation, at affordable prices. Key aspects of the SDGs include:

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- Achievement of progressive improvements in the quality of services based on the normative criteria of access to water and sanitation: accessibility, acceptability, availability, quality and affordability;
- Strengthening of local institutions and sustainability of service provision;
- Positioning of Water, Sanitation & Hygiene (WASH) at the centre stage of education and health improvements by directly relating it to higher girl-child school retention and reduction of childhood mortality and stunting; and
- Inclusion of hygiene as a priority in all settings, with specific reference made to both handwashing with soap and menstrual hygiene management.

Achieving these targets will require coordinated action and innovative approaches to address continuing systemic barriers.

The Present Challenge

Progress against targets established under SDG 6 for Clean Water and Sanitation (the achievement of universal access to safe and affordable drinking water by 2030), remains steady but not sufficient to reach the stated targets within the timeframe. Accelerating progress represents a huge challenge for all countries, not just those with low incomes. The global population using at least a basic drinking water service increased from 81% in 2000 to 89% in 2015. However, only one in five countries presently below 95% coverage is on track to achieve universal basic water services by 2030. Achieving target 6.1; 'safe and affordable drinking water', requires extending services to 844 million people who still lack even a basic water service, and progressively improving the quality of services for 2.3 billion people who lack water accessible on premises, available when needed and free from contamination i.e. safely managed drinking water. It also implies going beyond households and providing access to services in schools, healthcare facilities and other institutional settings.¹

Achieving universal access to adequate and equitable sanitation and hygiene by 2030 is a major challenge in many parts of the world. Target 6.2; 'end open defecation', aims to ensure that everyone has access to a basic toilet and to put in place systems for safe management of excreta. The global population using at least a basic sanitation service increased from 59% in 2000 to 68% in 2015. However, 2.3 billion people still lack basic services and just 1 in 10 countries below 95% coverage is on track to achieve universal coverage by 2030. Furthermore, 4.5 billion people worldwide lacked a safely managed sanitation service in 2015, where excreta were safely disposed of in-situ or treated off-site.²

In total, 2.3 billion people still do not use an improved sanitation facility: around a third of the world's population³. The elimination of open defecation (OD) is a major priority for many governments. The number of people practicing OD in sub-Saharan Africa has increased in recent years. Hundreds of millions of people still lack access to soap and water to wash their hands, preventing a basic practice that would empower them to reduce the spread of disease.

¹ Sustainable Development Goal 6 Synthesis Report on Water and Sanitation, UN Water, July 2018

² Ibid

³ <https://www.who.int/news-room/fact-sheets/detail/sanitation>

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WSUP's Response to Date

WSUP is the world's leading specialist in water and sanitation solutions for under-served urban residents. We help transform cities to benefit the millions who lack access to water and sanitation.

WSUP brings together specialists from the private sector, public sector, Non-Governmental Organisations (NGOs) and academia to promote coordinated responses that address the challenge from multiple perspectives.

After over 10 years in 25 major cities in Africa and Asia, we have demonstrated that high-quality services can be achieved for low-income city dwellers, in ways that are financially viable, socially equitable and sustainable, and enhance the functioning and resilience of the whole city.

These insights have been based on long-term, strategic engagement with utilities, municipal governments, regulators, businesses, and other institutions. We work with city institutions and other actors to improve water and sanitation access, building on-the-ground understanding of how to extend services.

We support start-up businesses and facilitate investment in water and sanitation services. Our work helps strengthen climate change adaptation by building city resilience through improved service delivery, reducing the stress on infrastructure and local water resources.

We work with local and national governments to build the enabling environment for sustainable business. We support the development of legislative, regulatory, and public finance mechanisms that ensure pro-poor inclusion.

We work alongside utilities and municipal governments to build their technical and business skills. We extend global know-how through our consulting arm, WSUP Advisory.

We deliver tools, learning and research that help to identify solutions and build the evidence base for scale-up of urban services.

22.6 million low-income urban residents have benefitted from improved water, sanitation, and hygiene services as a result of our work to date.

WSUP's strategic direction is grounded in two core principles: firstly, we are passionate believers in the transformative power of markets and innovation; enormous strides can be made by bringing the private sector into the urban WASH space and by driving business thinking in public service provision, and secondly, institutional change and deep political commitment are equally critical alongside the dynamizing power of the market.

Sustainable, at scale progress in urban WASH will only be achieved if political leaders prioritise government investment and policy change, and if WASH service providers are assisted to radically enhance their capacity to deliver effectively on that investment. In short, market thinking, and institutional change are often viewed as alternative solutions. But they are not: they are two sides of the same coin. WSUP drives change in both.

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The objectives of WSUP are:

- To relieve poverty and suffering in any part of the world through the improvements of water supplies and sanitation by researching, developing, scoping, delivering and/or monitoring sustainable and replicable water, sanitation and hygiene projects and programmes, in partnership with other organisations, that focus on achieving full service coverage for cities and mid-sized towns in developing countries with a particular focus on water and sanitation service provision at a level appropriate to the circumstances in low income areas;
- To advance education in relation to health and hygiene matters in the water and sanitation sector; and
- To do all other such beneficial things incidental or conducive to the provision of water and sanitation services and the above objects.

SUCCESS TO DATE

WSUP's Operations in 2019/20

WSUP's cumulative results to the end of FY19/20 demonstrated extremely positive progress made by the organisation in the final year of the Business Plan 2016-2020. Organisational results over the four-year period were positive, with 12 million individuals benefiting from new or improved water, sanitation, and hygiene services since the beginning of the present business plan, and \$445 million finance mobilised over the same period. Income secured for the period 2016-2020 was £51.5 million, which represents more than two and half times the income in the previous Business Plan 2012-2016 period.

Over the lifetime of the organization WSUP has improved the lives of 22.6 million people through access to new or improved water, sanitation, and hygiene services. Over the lifetime of the business, approximately 15 years, WSUP has mobilized a total of \$629 million in pro-poor WASH investments.

DFID commissioned an independent evaluation of WSUP's work from 2016-2020 to assess the impact of its financial support to WSUP over that period. The evaluation, conducted by Oxford Policy Management, includes an assessment of WSUP's contribution to urban development and water and sanitation sector functionality across multiple cities. There is additionally a detailed assessment of the capacity development of local utilities in Bangladesh, Kenya, Mozambique, and Zambia.

The findings of the evaluation were very positive, demonstrating WSUP's meaningful influence over city and utility development in our core countries of operation.

Below are some of the most interesting and illustrative excerpts from the evaluation (emphasis is ours):

Commenting on the replication of the SWEEP business model to develop faecal sludge management (FSM) services for the low-income customer segment in Bangladesh:

- "WSUP's approach is designed to bring about **lasting institutional change** and it has had **notable successes** that illustrate this. Establishing a new service that requires **development from the**

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demand and supply side is no easy task, particularly one that is generally perceived negatively, as with FSM.”

Describing capacity development of low-income units in water utilities in Kenya:

- “Senior utility and county stakeholders interviewed during this evaluation were keen to emphasise that WSUP’s added value is much more than any specific training they conduct or pro-policy measures they initiate – the additional value comes from the **flexible and supportive way** in which WSUP staff provide day-to-day and other ad hoc support to help county and utility staff achieve their goals. In this sense WSUP is viewed as a **long-term collaborator and partner for utility** and county staff and this gives WSUP **more influence and access** than other larger sector players.”

Explaining the support provided for the planned sanitation surcharge in Mozambique:

- “At the start of the 2016-2020 business plan, the WSUP team in coordination with the World Bank and others played a pivotal role in cementing formal political agreement for the surcharge, approved in 2016...there is strong evidence that the activities and support of WSUP during this business plan have **played a critical and fundamental role** in bringing the sanitation surcharge to the brink of implementation..., there are strong indications that all the **long-standing barriers to the surcharge have been overcome** and that implementation will begin in the short-term...”

Assessing the capacity development support to Southern Water & Sanitation Company (SWSC) in Livingstone, Zambia:

- “Institutional relationships built in the package have paved the way for further WSUP support to SWASCO through the recently funded utility strengthening initiative. Stakeholders report that this initiative is **providing highly valued support**... In the view of the evaluator this **long-term utility strengthening work is well-aligned with WSUP’s core value proposition and niche** in the sector as a long-term pro-poor collaborator for utilities.”

Delivery Against the Business Plan 2016-2020

WSUP has successfully completed the final year of its four-year Business Plan 2016-2020 which has demonstrated substantial and sustained advancement in the provision of WASH services for low-income consumers in emerging market cities. WSUP’s strategic approach is reflected in our five Strategic Areas, creating a holistic and integrated response to the complex challenges of improving urban WASH services.

The five Strategic Areas are:

- Strategic Area 1 (SA1): Delivering services and testing models;
- Strategic Area 2 (SA2): Developing capacity in public and private sectors;
- Strategic Area 3 (SA3): Influencing and providing technical advisory;
- Strategic Area 4 (SA4): Mobilising resources for the WASH sectors; and
- Strategic Area 5 (SA5): Carrying out research and producing evidence.

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Strategic Area 1: Delivering services and testing models

During FY19/20, WSUP was operational in more than 20 cities. WSUP continued to work closely with public and private service providers to make the case that supply-side reforms in low-income communities are a 'win-win': low-income consumers benefit from a cheaper, more reliable utility supply; the utility generates significant additional revenue from new customers, which improves their bottom line, creating additional revenue to improve services across the entire city.

WSUP continued to develop and demonstrate a range of commercially viable water service delivery options, with a focus on the following main categories: in-house, compound, and communal. WSUP continued to promote the provision of safe, sustainable, and commercially viable sanitation services. Sanitation continues to be one of the toughest challenges in the SDG period, and as a result WSUP has dedicated an increased level of attention, resources and staff time to focus on mechanisms to scale up our financially viable sanitation services in FY19/20 and beyond.

Case study: Improving water access in Kenya

During the year, WSUP came to the end of a major water and sanitation access programme in Kenya, with the Coca-Cola Foundation as lead funder. WSUP worked with city authorities to enable more than 600,000 urban residents across five cities to receive improved access to services. Highlights of the programme included extending water networks in under-served communities in Nairobi, Mombasa and Kisumu, extending sewer networks in Nairobi and Nakuru, building stronger partnerships with the private sector and ensuring that services were designed specifically to meet the needs of women and girls.

Strategic Area 2: Developing capacity in public and private sectors

WSUP, since its inception, has placed great emphasis on building the capacity of local service providers and has consistently been ahead of the curve in supporting city institutions and utilities to advance in this area. Utilities and other city actors can benefit greatly from enhanced technical and managerial capacity to take on additional business services to expand provision for low income consumers.

In FY19/20 WSUP continued to support utilities in reducing NRW, particularly through our newly developed Utility Strengthening Framework. In many cities, levels of NRW (comprised of physical losses and commercial losses) can be very high – over 50% in some cases – leading to massive inefficiencies. Reducing that figure can result in utilities having access to substantial additional revenue and water, both of which can be directed into low-income areas.

Case study: Building a stronger utility in southern Zambia

With the support of WSUP, in 2019 Southern Water & Sanitation Company (SWSC), the utility covering the southern region of Zambia, embarked on a utility strengthening programme, designed to look at all its operations. The programme was designed by WSUP and implemented by SWSC with the support of Wasser fuer Wasser. WSUP guided SWSC through the process, using its Utility Strengthening Framework and having secured buy-in from the company's leadership. As a result of the programme, SWSC was able to identify concrete initiatives to undertake which will help it improve its performance and address the increasing threats to water scarcity caused by climate change and urbanisation.

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Strategic Area 3: Influencing and providing technical advisory, supporting the enabling environment

WSUP worked to enhance the enabling environment in which service provision was developed, through reducing barriers and enhancing incentives for service providers – both public and private sector – to deliver better, more effective, and more appropriate urban services.

This work was supported and advanced through evidence-based research, studies, and publications. We worked alongside business, governments, and multilateral institutions, offering solutions and evidence to encourage them to take the measures required to promote a successful enabling environment.

Case study: Influencing national sanitation policy in Ghana

In Ghana, WSUP has supported the national government on the proposed creation of a National Sanitation Authority (NSA). Through research papers and technical assistance we helped the government to understand different ways in which the NSA could be established, as well as the benefits of creating a single body with responsibility for sanitation policy, legal frameworks, financing and other crucial issues. In December 2019, the government publicly reaffirmed its commitment to the NSA. WSUP continues to advise the Ministry of Sanitation and Water Resources on the set-up of the NSA and the accompanying National Sanitation Fund.

Strategic Area 4: Mobilising resources for the WASH sector

WSUP worked alongside households, private-sector investors, governments, and International Financial Institutions (IFIs) to leverage greater levels of investment and to enhance each to strengthen their ability to focus investments on the development of pro-poor WASH services. Increasingly we are being requested to work for tendered contracts and provide highly specialised and technical input into IFI and governmental contracts. As a result, WSUP is highly effective in bridging the conceptual gap between large scale infrastructure investment and the on-the-ground systems which serve low income residents, allowing us to add great value to the IFI and governmental operations, and increase levels of investment.

Case study: Supporting the national Madagascan water utility to access EUR 71.5m of funding

A 10-year programme of support from WSUP helped the national water utility in Madagascar, JIRAMA, to secure a EUR 71.5 million investment package from the European Investment Bank, European Union, and Government of Madagascar in 2019. The investment will enable JIRAMA to improve the drinking water supply system in the capital, Antananarivo, through investments in both water production and water distribution. WSUP provided input to the JIRAMA III Water Project at key stages, including strengthening JIRAMA's non-revenue water and leakage management and providing technical assistance in preparing the establishment of JIRAMA's Project Management Unit.

Strategic Area 5: Carrying out research and producing evidence

WSUP produced high quality evidence-based research and analysis, which was used to help our teams learn, improve our ability to achieve greater impact, and influence and promote policy change. WSUP uses organisation-wide learning to strengthen and build staff skill sets to deliver on our mission and to ensure that lessons learned are applied and integrated into all our work to improve our impact.

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Urban Sanitation Research Initiative

In FY19/20 WSUP completed the four-year Urban Sanitation Research Initiative. The Initiative was judged by external evaluators to have made genuine contributions to real policy change at the country level. Notable successes from the initiative were:

- A study of factors affecting willingness of non-poor consumers to pay sanitation surcharge on water bills in Kenya, which directly contributed to piloting of the surcharge by the Nakuru utility, NAWASSCO.
- An assessment of organisational capacity for sanitation planning, investment, and management in Bangladesh, which directly contributed to steps taken by the Rangpur City Corporation to establish a dedicated sanitation unit; and
- Research analysing faecal pathogen flows in urban environments, which provided insights into how different sanitation interventions might be expected to impact on health.

Launch of Business Plan 2020-2025

WSUP's new Business Plan 2020-2025 focuses on scaling up the impact of the organisation and bringing water and sanitation services to a greater number of low-income urban residents. The business plan formally started on 1 April 2020 and was launched in London at an event at the Museum of London on Tuesday 25 February hosted by Lord Paul Boateng, WSUP's Chair.

An important driver for the new business plan is the need to scale up and bring WASH services to a far greater number of people. The proposals in the WSUP Business Plan 2020-2025 reflect the course of action required to take our credible, proven business models that have already improved the lives of more than 22 million people, to the next stage of scale-up to make a meaningful contribution to SDG 6 over the next 5 to 10 years. This will be a continuation of WSUP's journey from plucky start-up to its current state of growing professionalism and maturity through to significant scale and impact; all conducted with a strong spirit of innovation.

The proposed changes in the business plan will mean the organisation will move from a geographically led structure to a function-led structure, creating a more resilient, flexible, and cohesive organisation, enabling greater strategic direction and oversight. The new plan is built on five new strategic goals and two internal strategic goals and will promote scaling of our successful existing operations.

Strategic Goal 1: Integrated city development

We will integrate water, sanitation, and hygiene services within wider urban development to make cities inclusive, safe, resilient, and sustainable. We will achieve this through developing partnerships that link water, sanitation, and hygiene with other areas of urban development, such as housing, drainage, and solid waste management and by connecting our work into broader urban development investment programmes.

We will achieve this goal through:

1. Building skill sets, and capacity related to urban development and city planning;

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2. Increasing skills in city services or functions that are directly related to water and sanitation such as solid waste management or urban drainage; and
3. Developing partnerships that can integrate wider urban issues, such as urban planning, basic services, or slum development, with our operations.

Strategic Goal 2: Stronger service providers

We will strengthen and expand our technical and business support to utilities, municipalities and water and sanitation enterprises. We will drive innovation in technology, service delivery models and business design, linking this to systems change and investment mechanisms to take models to citywide scale.

We will achieve this goal through:

1. Developing innovative enterprise and market-based solutions;
2. Enhancing our support to utilities; and
3. Providing targeted support to municipalities to help them build a better enabling environment.

Strategic Goal 3: Enhanced partnerships

We will seek out and build partnerships to accelerate urban water, sanitation, and hygiene provision at scale. We will prioritise building and joining partnerships that enable us to influence more effectively and mobilise financing mechanisms to drive large-scale change in urban water, sanitation, and hygiene.

We will achieve this goal through:

1. Building partnerships with non-profits, businesses, and other global institutions to develop more collaborative action;
2. Engaging with IFIs and other global financing institutions to assist them to advance citywide urban water, sanitation and hygiene investment and planning; and
3. Improving knowledge about how partnerships in urban development can achieve scale and impact.

Strategic Goal 4: Effective policies and regulations

We will drive transformation within the urban water, sanitation and hygiene sector through rigorous research, data-driven learning, dissemination and influencing. We will focus our efforts on regulatory change, policy development and other areas of the enabling environment, reflecting our experience that well-designed, evidence-based learning activities and targeted research can be a powerful driver of global change.

We will achieve this goal through:

1. Developing learning regarding market-based and enterprise solutions, and associated citywide investment portfolios;
2. Developing learning around the enabling environment;
3. Working in partnership to broaden learning and research capacity and benefit from the expertise of others; and
4. Linking learning and research to national sector change.

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Strategic Goal 5: Increased scale

We will implement a considered strategy of geographical expansion, to increase our scale and impact. We will build upon the opportunities arising from new financing mechanisms, especially those that are able to unlock service provision for the poorest residents, to increase our global footprint.

We will achieve this goal through:

1. Identifying and helping to develop financing mechanisms to support expansion into new locations;
2. Transitioning short-term projects into long-term strategic presence in target countries; and
3. Establishing partnerships that can support scale-up into new cities and countries.

Internal Strategic Goals

Develop organisation skill sets:

We will develop the skills needed to deliver the substantial growth envisioned in the 2020-2025 plan. We will grow and retain talented and committed team members across our operations, creating an environment that empowers them to perform and strive for more. Additionally, we have commenced a review of WSUP's governance to ensure that it meets the needs of our global presence and proposed expansion of operations and competencies.

Strengthen learning capabilities:

Learning will underpin the delivery of our five-year strategy, both to improve our own activities and drive sector change. We will strengthen the learning capabilities of all our teams to develop WSUP as an evidence-based implementer and influencer of high-quality urban water, sanitation, and hygiene.

Impact of COVID-19

The first months of the Business Plan 2020-2025 have been dominated by the global crisis created by the COVID-19 pandemic and its associated financial impacts. WSUP's response to the exceptional circumstances created by COVID-19 continues to be based on the principles of protecting our staff, partners, and the urban residents we work with across the world.

The WSUP Incident Management Team (IMT) played a central role in leading our institutional response to the situation, particularly in relation to guidance to staff, and risk assessments for any potential reopening of offices. The IMT contains staff with HR, finance, risk management, support services and communications expertise, making it well placed to provide advice, guidance, and recommendations to the SMT and CEO to help manage the evolving and complex situation.

As of September 2020, most of our offices globally remain closed in accordance with local government recommendations, with many staff continuing to work from home. Our decisions are being shaped by advice from the UK government, World Health Organisation, and other relevant authorities in countries where we operate. Regular guidance, in accordance with the evolving governmental and medical advice, in English, French and Portuguese continues to be sent to all our staff globally.

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We have maintained close contact with all our funders since March as the impact of the COVID-19 situation has continued to deepen. Many funders have recognised that our operations may be delayed, and our ability to achieve results may be impacted. This has led many of our funders to demonstrate considerable flexibility in terms of project and funding timelines. This flexibility has allowed us to continue to operate our programmes, even when the ability to achieve results has understandably slowed. With our staff in Africa, Asia and UK able to work remotely over the internet, we continue to be able to deliver work, particularly continued capacity building and regulatory reform work, and engage frequently with our partners, utilities, regulators and other service providers. We continue to monitor the situation and our on-going ability to achieve impact very carefully.

One consequence of COVID-19 is that we are now playing a significantly enhanced role in the global debate regarding maintenance of continuous water supply by utilities and service providers. Continuous water supply is clearly essential in securing the recommended hygiene and behaviour changes required to respond to coronavirus. Utilities operating in 'water stressed' areas may need to open up new emergency sources to augment supplies (e.g. via water bowsers or bore holes) which will need COVID-19 arrangements e.g. adopting specific operational rules and/or PPE.

Utilities may also need assistance in how best to embed complementary handwashing and water supply messages into their regular communication with customers. In this period, WSUP has been able to draw upon its long-term work to strengthen utilities to deliver sustainable water and sanitation to all urban residents, including informal settlements, to support the development of detailed analysis required by government and ministerial experts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

To distinguish its service offering from that of most NGOs, both in the perception of local partners and of donors, WSUP operates as a not-for-profit company limited by guarantee. This provides a vehicle which allows companies to become Members, although the Memorandum of Association specifically prohibits distribution of funds to the Members, other than for pre-approved direct inputs into its activities. The structure also allows the organization to qualify for a wide range of funding mechanisms, including traditional NGOs sources and those normally earmarked for private companies.

Members of the company each guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees on 31 March 2020 was six (31 March 2019: six). The Directors have no beneficial interest in the company. New Members are approved by the Directors and will be admitted, to maintain a balance between the Not-for-Profit and Private Sector Member categories.

At 31 March 2020 the Members were:

Borealis & Borouge	Borealis AG, company registered in Austria FN 269858a and Borouge Pte Ltd, company registered in Singapore 199801755H
CARE International UK	Charity registration number 292506
Cranfield University	Royal Charter company number RC000151

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Thames Water Ltd	Company number 02366623
Unilever UK Central Resources Ltd	Company number 00029140
WaterAid	Charity registration number 288701

Method of Appointment of Directors

Each member organisation appoints one of its employees to be a Director of the company. In addition, the Directors have appointed a Chair who is independent of the Members, and they may also appoint other independent Directors to bring specific skills to the Board. Induction and training of Directors is provided as required, comprising various meetings and presentations with executive staff and other Directors.

Pay and Remuneration of Senior Personnel

The Directors set the pay and remuneration of the company's chairman and key management personnel. Pay of senior personnel is reviewed annually and normally increased in accordance with UK cost of living indicators. Remuneration and expenses paid during the year are disclosed in note 8.

Organisational Structure and Decision Making

The Directors meet four times each year to decide on strategic direction, key policies, and legal requirements. At each meeting, every Director makes a declaration of conflicts of interest arising with any item on that meeting's agenda or WSUP affairs in general. The Directors set the pay and remuneration of the company's chairman and key management personnel.

The Board has a Finance and Audit Committee to provide oversight of financial and audit matters, and responsibility for staff remuneration. A report from the Committee is a standing agenda item at the Board meetings.

The Risk Committee continues to provide oversight and advice to the Board on institutional risk management issues. Meeting quarterly, the Committee has reviewed the corporate risk register and monitored and advised on risk issues arising, reporting risk assessments, and mitigating actions to the Board as a standing agenda item at the regular Board meetings. The Risk Committee works closely with Senior Management Team and the CEO, Company Secretary and Head of People & Support who regularly attend Risk Committee meetings.

Over the past year the Committee has worked to strengthen the risk management function including carrying out an assessment of risk appetite which was adopted by the Board, updating policies and carrying out a Covid-19 risk assessment in the light of the pandemic.

Branch Offices

Branch offices are registered in Bangladesh, Ghana, Kenya, Madagascar, and Mozambique. These operate under the management control of WSUP and their financial records are fully incorporated into WSUP's accounts.

**WATER & SANITATION FOR THE URBAN POOR
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

RELATED PARTIES – RELATIONSHIPS WITH OTHER ORGANISATIONS

Members

Each Member agrees to contribute a specific amount of funding annually to the company made up of cash and/or in-kind contributions.

Member organisations may contribute towards the implementation of programmes and are reimbursed at not-for-profit rates for pre-approved staff time and expenses spent on WSUP's affairs. Some of these costs are donated by the Members as contributions, and these are shown as both income and expenditure in the accounts.

The value of the financial transactions with Members is shown in note 18 to the accounts.

WSUP India

Having completed the programme of activities in India, WSUP India is no longer trading. The company's accounts have not been consolidated due to the immaterial value of the small number of transactions in the year.

Clean Team Ghana Ltd

Clean Team Ghana Ltd is a wholly owned subsidiary of WSUP, which was created in partnership with WSUP member Unilever in 2013. A business model was developed that shifts the focus for the customer away from the up-front purchase of the toilet and onto the emptying service. The company was initially funded by seed grant contributions, but a Business Plan has been developed that aims to build a self-sustaining local business. As part of this plan WSUP intends to float Clean Team Ghana Ltd into a purely commercial space by the end of FY20/21. Preparations for transition continued in FY19/20.

Clean Team Ghana incurred a loss of £83k during the year (year ended 31 March 2019: £26k profit). The results of Clean Team Ghana Ltd have been consolidated into the results of the Group for the year ended 31 March 2020.

Smartlife Ltd

The Directors of WSUP have taken the decision to close down Smartlife Ltd, a wholly owned subsidiary of WSUP. As a result, activities ceased on 30 September 2016. The process of winding up the company was initially delayed due to uncertainty over the final tax liabilities. The tax liabilities were signed off during FY19/20 and steps to close the company have commenced. Smartlife Ltd did not trade during the year.

WSUP Advisory CIC Ltd

WSUP Advisory, is incorporated as a private company limited by shares, wholly owned by WSUP, and is registered as a Community Interest Company (CIC).

Its mandate is to carry on activities which benefit the community and to:

**WATER & SANITATION FOR THE URBAN POOR
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- Provide consultancy services to agencies involved in the provision of water and sanitation services to low income urban consumers in the developing world; and
- Carry on such other activities which assist WSUP to deliver its objects for the benefit of the community or which raise funds for WSUP.

During the year WSUP Advisory CIC Ltd achieved a profit of £20k (year ended 31 March 2019: £41k loss), arising on its own activities, including inter-company income of £25k, excluding its subsidiaries and before foreign exchange gains and taxation. Further details are included in note 10 to the accounts. The results of WSUP Advisory CIC Ltd have been consolidated into the results of the Group for the year ended 31 March 2020.

WSUP Advisory India Pvt Ltd

On 28 November 2015, WSUP Advisory India Pvt Ltd was incorporated in India. It is limited by shares and is a wholly owned subsidiary of WSUP Advisory CIC. WSUP Advisory India was established for the initial purpose of implementing the USAID funded project “Technical Support to USAID/Government of India Knowledge Partnership”, which ran up to August 2018. The company ceased activities after the close of the project.

During the year ended 31 March 2020, WSUP Advisory India Pvt Ltd recorded a loss of £20k (year ended 31 March 2019: £15k surplus). Further details are included in note 10 to the accounts. The results of WSUP Advisory India Pvt Ltd have been consolidated into the results of the Group for the year ended 31 March 2020.

WSUP Zambia Ltd

WSUP Zambia Ltd was registered on 14 September 2015 as a company limited by guarantee, as a wholly owned subsidiary of WSUP, and started to trade during FY16/17.

During the year, WSUP Zambia Ltd recorded a deficit of £216k (year ended 31 March 2019: £87k deficit). Further details are included in note 10 to the accounts. The results of WSUP Zambia Ltd have been consolidated into the results of the Group for the year ended 31 March 2020.

The WSUP Charity

The WSUP Charity was registered on 14 September 2015 as a company limited by guarantee and registered with the Charity Commission of England and Wales, charity number 1107651. Its sole member is Water and Sanitation for the Urban Poor.

During the year, the WSUP Charity recorded a surplus of £9k (year ended 31 March 2019: £14k deficit). Further details are included in note 10 to the accounts. The results of the WSUP Charity have been consolidated into the results of the Group for the year ended 31 March 2020.

Funders

WSUP liaises with and reports regularly to funders on progress against plans.

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REPORT OF THE DIRECTORS
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Support to WSUP

The Directors acknowledge the invaluable contribution of their employees and volunteers in the success of WSUP. They would also like to thank funders for their continuing generous support of WSUP's work.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have considered the major risks to which WSUP is exposed and confirm that systems and controls have been established to manage those risks. The Directors recognise the risks faced by the organisation are becoming more complex as it grows and develops operations in diverse locations. There is a need to continually develop monitor and strengthen organisational risk management systems to manage these evolving issues. It is partly for this reason that the Directors previously elected to establish a Risk Committee, which has continued to significantly develop its activities and operations in FY19/20.

Whilst WSUP has continued to grow successfully over the last few years in a challenging funding environment, the Directors are aware that the company remains heavily reliant on a relatively limited, albeit growing, number of institutional funders to cover its core operating costs. The funding diversification strategy continued to achieve good results in FY19/20, broadening WSUP's portfolio of funders. WSUP has continued to invest in capacity to raise resources and develop WSUP's unique business offering. With increased awareness globally of the role of clean water and good hygiene in combatting the spread of COVID-19, WSUP is optimistic that it will be able to secure new funds to scale up its work.

The merger of the Department for International Development (DFID) with the Foreign and Commonwealth Office, the negative impact on the UK economy of the COVID-19 pandemic, and the reduction in DFID's budget for overseas development, has increased funding risk for WSUP. As a result, the organisation has ramped up its contingency planning to ensure that WSUP continues as a going concern into the foreseeable future.

During the financial year, the organisation continued improvements in internal systems, including IT, Human Resources and Finance, which have strengthened our internal controls. Several team roles were reorganised to ensure the organization is well placed to deliver against the strategic goals of the new Business Plan.

FINANCIAL REVIEW

Consolidated Statement of Financial Activities (SOFA)

The accounts reflect WSUP's overall growing level of activity, reflecting income received from two main sources: restricted grants from institutional funders and unrestricted funds. Grants were received from a growing number of organisations as set out in note 3.

Total income for the year grew to £13.8 million (year ended 31 March 2019: £10.8 million). Grant income from restricted funds increased to £10.7 million in the year (year ended 31 March 2019: £8.4 million) from a range of funders. Unrestricted grant income remained stable at £344k in the year (year ended 31 March 2019: £0.3 million) and included contributions from the Mulago Foundation and the Lucille Foundation.

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Income from other sources including WSUP Charity donors, WSUP members and WSUP Advisory increased to £2.8 million (year ended 31 March 2019: £2.1 million).

Resources expended in the year increased to £12.5 million (year ended 31 March 2019: £11.4 million) with continued strong investment in activities for the final year of the WSUP Business Plan 2016-2020.

Unrealised exchange rate movements arise from the revaluation of non-sterling bank balances during the year. The majority of this is movement on the value of US\$ balances which are used to fund projects where income has been received in US\$. During the year there were overall exchange gains of £351k (year ended 31 March 2019: gains of £265k).

The overall net increase in funds for the year was £1.7 million (year ended 31 March 2019: £302k decrease).

Note 10 to the accounts sets out in more detail the results for the subsidiaries.

Balance Sheet

The net funds of the group increased from £4.7 million at the start of the year to £6.4 million at the year end, due to the net movement on restricted and unrestricted funds, as explained above.

Fixed assets at the year-end totalled £442k (year ended 31 March 2019: £347k).

Reserves at the year-end comprise restricted and unrestricted funds. Restricted reserves are grants received for a specific purpose and which have not yet been spent. Full details of restricted funds are contained in note 16 to the accounts. At the end of the year the group held £4.5 million in restricted reserves (31 March 2019: £3.1 million).

WSUP's unrestricted reserves are the group's general funds which can be used for any of WSUP's purposes and are held to enable the Directors to manage the expansion and contraction of different programmes in various countries. At the end of the year the group held £1.9 million in unrestricted reserves (31 March 2019: £1.6 million).

The Directors, having carried out an impact assessment of possible adverse financial events, have agreed a reserves policy to protect the organisation and its programme against the risks of funding loss through income shortfalls and other unexpected financial losses, and taking into account WSUP's complex operations and diverse range of activities and funding partnerships. This establishes an appropriate target range of free reserves of between £1.2 million and £1.8 million.

In FY17/18 the Directors established a plan to build WSUP's reserves over a five-year period. The free reserves of WSUP, represented by its General Funds (as in Note 16 to the Accounts), grew from £1.4 million at 31 March 2019 to £1.7 million at 31 March 2020, and thus stood close to the top of the target range. Given the current uncertainties caused by the COVID-19 pandemic and resulting impact on economic growth and funder budgets, the Directors plan to maintain WSUP's reserves in the upper half of the target range.

**WATER & SANITATION FOR THE URBAN POOR
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

The Policy will be reviewed annually to reassess the risks, and changes in WSUP's income, financial obligations, and expenditure.

Going Concern

WSUP secured a significant proportion of its income from the UK Government's Department for International Development (DFID), who have generously provided funding for its previous and current Business Plans covering the 8 years up to 2020. Prior to the COVID-19 pandemic and the consequent negative impact on the UK economy, we were confidently expecting continued support from DFID over the 2020-2025 Business Plan period.

In addition to DFID funding, WSUP has also developed on-going support from a number of government, corporate and foundation funders. Contracts with our funders generate a vital contribution towards the central costs of the WSUP Secretariat, which delivers Strategic Planning, Management, HR, IT, Governance, Risk Management and Finance Systems to support WSUP's people, programmes, projects, stakeholders and communities globally.

By the end of the first quarter of the plan, i.e. three months from April to June 2020, WSUP had secured £12.8 million contracted income. We were expecting to secure a £15.1 million grant towards the Business Plan 2020-2025 from DFID in respect of the Urban Sanitation Business Case. WSUP was awarded bridge funding of £550k to cover the period until the Business Case was expected to be signed off on 1st July 2020.

Further to the COVID-19 pandemic, the downturn in the UK economy, the risk of a significant recession in FY20/21 and the merger of the Foreign and Commonwealth Office (FCO) and DFID, we received the news that DFID had paused decisions on new projects including the Urban Sanitation Business Case. In the context of this new reality, we developed robust contingency plans to ensure we can continue to function in a stable and sustainable way throughout the 2020-2025 Business Plan period.

The Business Plan is based on a budget of £77.3 million which includes a 'stretch budget' of £25.8 million. This means that there are several investments or 'stretch' activities that can be delayed or turned off if the funding targets are not met in full. We will seek more efficiencies in the way we operate across all key functions over the 5-year period. We will also seek more unrestricted and broadly restricted funding from new and existing sources, to ensure that the UK Secretariat core functions are funded over the Business Plan period.

Recognising that WSUP's continued ability to deliver its programme work will depend on continued forward secured funding, as we enter the new Business Plan period 2020 – 2025, the Directors have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. These factors include the following:

- The forward pipeline of secured and prospective contract and grant awards for a period of at least 2 years from the date of approval of these accounts

**WATER & SANITATION FOR THE URBAN POOR
REPORT OF THE DIRECTORS
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- The rigour of pipeline monitoring and cost controls that are in place to ensure a balanced budget in the current financial year (FY20/21) and subsequent financial year (FY21/22) while maintaining delivery of WSUP’s programmes
- Cash management and working capital controls in place to manage the potential risks of late payments by funders and ensure restricted and unrestricted assets and reserves are appropriately managed.

After considering the forecasts and projections, including the forward pipeline and costs controls, the Directors have concluded that the company has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

Glossary of Terms

AWA	Alliance for WASH Advocacy
CIC	Community Interest Company
DFID	Department for International Development
DSIP	Dhaka Sanitation Improvement Project
ERL	Evaluation Research and Learning
EPFO	Employee Provident Fund Organisation
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
FSM	Faecal Sludge Management
FY	Financial Year
IFI	International Finance Institution
ISA	International Standards Authority
JIRAMA	Jiro Sy Rano Malagasy
KPIs	Key Performance Indicators
LIA	Low Income Area
LIC	Low Income Communities
LICSU	Low Income Consumer Support Unit
MA	Municipal/Metropolitan Authorities
MSWR	Ministry of Sanitation and Water Resources
M&E	Monitoring & Evaluation
MUSDP	Mozambique Urban Sanitation and Drainage Project
MAWASCO	Nakuru Water Facility
NCWSC	Nairobi City Water and Sewerage Company
NGO	Non-Governmental Organisation
NRW	Non-Revenue Water
NSA	National Sanitation Authority
OD	Open Defecation
PPP	Public Private Partnerships
PSA	Professional Service Agreement
SA	Strategic Area
SDG	Sustainable Development Goals
SME	Small and Medium Sized Enterprises
SOFA	Statement of Financial Accounts

**WATER & SANITATION FOR THE URBAN POOR
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

SORP	Statement of Recommended Practice
SSNIT	Social Security and National Insurance Trust
SWSC	Southern Water and Sewerage Company
SWSP	Sustainable Water Services Programme
ToR	Terms of Reference
WASH	Water, Sanitation & Hygiene
WASREB	Water Services Regulatory Board
WSDP	Water and Sanitation Development Project
WSUP	Water & Sanitation for the Urban Poor
WTP	Willingness to Pay

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS

The Directors are responsible for preparing the report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and the profit or loss of the group 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 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 group will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditor is unaware. Each of the Directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditor.

**WATER & SANITATION FOR THE URBAN POOR
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

AUDITOR

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

The Report of the Directors which includes the strategic report was approved by the Directors on 12 November 2020 and signed on their behalf by:

A handwritten signature in grey ink, appearing to read 'Lord Boateng', with a stylized flourish at the end.

Lord Boateng
Chair

WATER & SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Water and Sanitation for the Urban Poor (the “parent company”) and its subsidiaries (the “group”) for the year ended 31 March 2020 which comprise consolidated statement of financial activities, the group and parent company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2020 and of the group’s result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 group’s or the parent 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 authorized for issue.

WATER & SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2020

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

WATER & SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2020

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

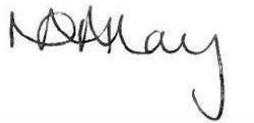
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, UK



24th December 2020

WATER & SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2020

		Group Restricted £	Group Unrestricted £	2020 Total £	2019 Total £
	Note				
INCOME AND ENDOWMENTS FROM:					
Grants	3	10,661,806	343,903	11,005,709	8,717,539
Member Contributions	18	-	119,000	119,000	169,804
Investment Income		-	23,857	23,857	11,080
WSUP Advisory Services		-	955,651	955,651	1,547,380
Other Income	4	1,308,069	385,177	1,693,246	392,641
TOTAL		11,969,875	1,827,588	13,797,463	10,838,444
EXPENDITURE ON:					
<i>Raising Funds</i>		337,865	42,000	379,865	377,560
<i>Programme Activities</i>					
Demonstrating Service Models		6,351,024	429,186	6,780,210	5,848,544
Strengthening Capacity		1,954,127	48,120	2,002,247	1,422,703
Mobilising Finance		158,032	5,440	163,472	164,343
Sectorwide influencing		233,395	1,956	235,351	335,420
Testing, Learning and Dissemination		1,794,632	121,021	1,915,653	1,666,548
WSUP Advisory Services		-	981,107	981,107	1,584,048
TOTAL		10,829,075	1,628,830	12,457,905	11,399,166
Net incoming/(outgoing) resources before transfers		1,140,800	198,758	1,339,558	(560,722)
Gross transfers between funds		-	-	-	-
Net (Outgoing)/Incoming Resources Before Other Recognised Gains and Losses		1,140,800	198,758	1,339,558	(560,722)
Unrealised Exchanges Gains/(Losses)		186,678	163,931	350,609	265,002
Taxation on profit on ordinary activities		-	(969)	(969)	(5,849)
NET MOVEMENT IN FUNDS	16	1,327,478	361,720	1,689,198	(301,569)
Total Funds Brought Forward		3,125,745	1,576,481	4,702,226	5,003,795
TOTAL FUNDS CARRIED FORWARD		4,453,223	1,938,201	6,391,424	4,702,226

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Detailed presentation of the previous year's restricted and unrestricted funds is included in Note 2.

**WATER & SANITATION FOR THE URBAN POOR
BALANCE SHEET
AS AT 31 MARCH 2020**

		Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
	Note				
FIXED ASSETS					
Tangible Fixed Assets	9	442,101	346,804	28,419	51,021
Investments	10	-	-	30,431	30,431
		442,101	346,804	58,850	81,452
CURRENT ASSETS					
Debtors	11	1,849,692	1,745,098	2,137,371	1,872,567
Cash deposits and treasury bills		241,725	-	-	-
Cash at Bank and in hand		7,733,164	5,393,189	6,345,703	3,753,526
		9,824,581	7,138,287	8,483,074	5,626,093
LIABILITIES					
Creditors: Amounts due within one year	12	(3,328,863)	(2,462,598)	(2,406,959)	(1,470,445)
NET CURRENT ASSETS					
		6,495,718	4,675,689	6,076,115	4,155,648
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors: Amounts due after one year	13	(546,395)	(320,267)	-	-
NET ASSETS					
	14,15	6,391,424	4,702,226	6,134,965	4,237,100
FUNDS					
	16				
Restricted Funds		4,453,223	3,125,747	4,248,720	2,760,789
Unrestricted Funds					
General Funds		1,736,874	1,408,076	1,834,406	1,449,153
Designated Funds		201,327	168,403	51,839	27,158
TOTAL FUNDS					
		6,391,424	4,702,226	6,134,965	4,237,100

The result for the financial year dealt with in the financial statements of the parent company was a surplus of £1,897,865 (2019: loss of £275,344).

Approved by the Directors on 12 November 2020 and signed on their behalf by:



Lord Boateng
Chair

Company Registration Number 05419428

**WATER & SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020	2019
Cash flows from operating activities:			
Net cash provided by operating activities	20	<u>2,236,677</u>	<u>212,388</u>
Cash flows from investing activities:			
Investment income		23,857	11,080
Purchase of tangible fixed assets		(255,289)	(225,540)
Purchase of investments		(241,725)	-
Transfer of assets from completed projects		-	(10,831)
Net cash used in investing activities		<u>(473,157)</u>	<u>(225,291)</u>
Cash flows from financing activities:			
Interest paid		(282)	(6)
Increase in long term creditors		226,128	320,267
Net cash from financing activities		<u>225,846</u>	<u>320,261</u>
Change in cash and cash equivalents in the year		1,989,366	307,358
Cash and cash equivalents brought forward		5,393,189	4,820,829
Change due to foreign exchange rate movements		350,609	265,002
Cash and cash equivalents carried forward	21	<u>7,733,164</u>	<u>5,393,189</u>

**WATER & SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES

a) Statutory Information

Water and Sanitation for the Urban Poor is a non-for-profit company limited by guarantee and is incorporated in England and Wales, registration number 05419428. The Registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the company and its subsidiaries Clean Team Ghana, Smartlife Kenya, WSUP Zambia WSUP Advisory CIC, WSUP Advisory India, and the WSUP Charity. WSUP India has been excluded from the consolidation as its inclusion is not material for the purpose of giving a true and fair view of WSUP's financial position. Transactions and balances between the company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The company and its subsidiaries meet the definition of a public benefit entity under FRS 102.

d) Material uncertainties

The directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Member Contributions

Member contributions are accounted for when due under Membership agreements. Contributions are settled either in-kind or in cash.

Contributions in-kind are valued at cost to the Members, as a result the cost units invoiced may vary between the different organisations.

**WATER & SANITATION FOR THE URBAN POOR
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f) Income

Income is recognised when WSUP has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when WSUP has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service or agreed activity is deferred until the series is delivered or activity is carried out. In the case of contracted income that includes a budgeted profit margin, income is recognised on the basis of actual costs incurred together with the attributable recoverable margin.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the bank.

h) Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure

Expenditure is recognised in the period in which it is incurred once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Costs of generating funds are those costs expended in preparing grant submissions and managing regular funder reporting both for WSUP and on behalf of Service Providers and partners in-country. This latter income will not be received by WSUP.

j) Allocation of support costs

Resources expended are directly allocated to the activities that they relate to. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of direct costs charged to each activity.

k) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

**WATER & SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

l) Fixed Assets

Items of equipment are capitalised at cost where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The assumed useful lives, except for land, are as follows:

Toilets	3 years
Plant and Machinery	10 years
Fixtures and Fittings	Over the life of the lease
Vehicles	4 years
Office Equipment	4 years

All assets purchased for projects that end within the year end are fully depreciated.

m) Investments in subsidiaries

Shares in subsidiary companies are shown at cost.

n) Foreign Currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate prevailing at the date of the transaction. Where advances are made to WSUP branch offices and to Member offices, the related expenditure is accounted for at the rate prevailing when the advance was made. Exchange differences are taken into account in arriving at the net incoming resources for the year.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Pensions

WSUP and WSUP Advisory CIC match employee contributions into a pension scheme of their choice subject to a maximum of 5% of gross earnings. In line with pension legislation, WSUP enrolls eligible employees in a registered stakeholder pension scheme.

WATER & SANITATION FOR THE URBAN POOR
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WSUP Bangladesh matches the employee contribution of 6% of gross salary into the Provident Fund.
WSUP Ghana pays 13.5% of basic salary into the Social Security and National Insurance Trust (SSNIT) pension scheme; employees contribute 5%.

WSUP Kenya matches employee contributions into a recognised pension scheme of their choosing subject to a maximum of 10% of gross earnings.

WSUP Madagascar contributes to the employee pension scheme via the social insurance system CNAPS.

WSUP Mozambique contributes to the social security system INSS for employee pensions.

WSUP Zambia Ltd contributes to the social security system NAPSA for employee pensions.

Clean Team Ghana pays 13.5% of basic salary into the Social Security and National Insurance Trust (SSNIT) pension scheme; employees contribute 5%.

s) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

t) Taxation

Current tax is provided at amounts expected to be paid (or received) using the tax rates and laws at the balance sheet date. Deferred tax liabilities are recognised in respect of all timing differences that are likely to result in an obligation to pay more tax in the future. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

u) Going Concern

WSUP secured a significant proportion of its income from the UK Government's Department for International Development (DFID), who have generously provided funding for its previous and current Business Plans covering the 8 years up to 2020. Prior to the COVID-19 pandemic and the consequent negative impact on the UK economy, we were confidently expecting continued support from DFID over the 2020-2025 Business Plan period.

In addition to DFID funding, WSUP has also developed on-going support from a number of government, corporate and foundation funders. Contracts with our funders generate a vital contribution towards the central costs of the WSUP Secretariat, which delivers Strategic Planning, Management, HR, IT, Governance, Risk Management and Finance Systems to support WSUP's people, programmes, projects, stakeholders and communities globally.

By the end of the first quarter of the plan, i.e. three months from April to June 2020, we had secured £12.8 million contracted income. We were expecting to secure a £15.1 million grant towards the Business Plan 2020-2025 from DFID in respect of the Urban Sanitation Business Case. WSUP was awarded bridge funding of £550k to cover the period until the Business Case was expected to be signed off on 1st July 2020.

**WATER & SANITATION FOR THE URBAN POOR
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Further to the COVID-19 pandemic, the downturn in the UK economy, the risk of a significant recession in FY20/21 and the merger of the Foreign and Commonwealth Office (FCO) and DFID, we received the news that DFID had paused decisions on new projects including the Urban Sanitation Business Case. In the context of this new reality, we developed robust contingency plans to ensure we can continue to function in a stable and sustainable way throughout the 2020-2025 Business Plan period.

The Business Plan is based on a budget of £77.3 million which includes a 'stretch budget' of £25.8 million. This means that there are several investments or 'stretch' activities that can be delayed or turned off if the funding targets are not met in full. We will seek more efficiencies in the way we operate across all key functions over the 5-year period. We will also seek more unrestricted and broadly restricted funding from new and existing sources, to ensure that the UK Secretariat core functions are funded over the Business Plan period.

Recognising that WSUP's continued ability to deliver its programme work will depend on continued forward secured funding, as we enter the new Business Plan period 2020 – 2025, the Directors have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. These factors include the following:

- The forward pipeline of secured and prospective contract and grant awards for a period of at least 2 years from the date of approval of these accounts
- The rigour of pipeline monitoring and cost controls that are in place to ensure a balanced budget in the current financial year (FY20/21) and subsequent financial year (FY21/22) while maintaining delivery of WSUP's programmes
- Cash management and working capital controls in place to manage the potential risks of late payments by funders and ensure restricted and unrestricted assets and reserves are appropriately managed.

After considering the forecasts and projections, including the forward pipeline and costs controls, the Directors have concluded that the company has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

**WATER & SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

		Restricted	Unrestricted	2019 Total
		£	£	£
	Note			
INCOME AND ENDOWMENTS FROM:				
Grants	3	8,396,313	321,226	8,717,539
Member Contributions	18	-	169,804	169,804
Investment Income		-	11,080	11,080
WSUP Advisory Services		397,935	1,149,445	1,547,380
Other Income	4	243,041	149,600	392,641
TOTAL		9,037,289	1,801,155	10,838,444
EXPENDITURE ON:				
<i>Raising Funds</i>		330,814	46,746	377,560
<i>Programme Activities</i>				
Demonstrating Service Models		5,500,928	347,616	5,848,544
Strengthening Capacity		1,398,322	24,381	1,422,703
Mobilising Finance		163,333	1,010	164,343
Sectorwide influencing		331,684	3,736	335,420
Testing, Learning and Dissemination		1,638,045	28,503	1,666,548
WSUP Advisory Services		302,382	1,281,666	1,584,048
TOTAL		9,665,508	1,733,658	11,399,166
Net incoming/(outgoing) resources before transfers		(628,219)	67,497	(560,722)
Gross transfers between funds		(147,578)	147,578	-
Net (Outgoing)/Incoming Resources Before Other Recognised Gains and Losses		(775,797)	215,075	(560,722)
Unrealised Exchanges Gains/(Losses)		164,165	100,837	265,002
Taxation on profit on ordinary activities		-	(5,849)	(5,849)
NET MOVEMENT IN FUNDS	16	(611,632)	310,063	(301,569)
Total Funds Brought Forward		3,737,379	1,266,416	5,003,795
TOTAL FUNDS CARRIED FORWARD		3,125,747	1,576,479	4,702,226

WATER & SANITATION FOR THE URBAN POOR
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3. GRANTS

	2020			2019		
	Restricted £	Unrestricted £	TOTAL £	Restricted £	Unrestricted £	TOTAL £
Aguas de Regiao de Maputo	21,392	-	21,392	-	-	-
Borealis and Borouge	165,533	-	165,533	120,709	-	120,709
Cartier Foundation	233,772	-	233,772	220,101	-	220,101
Coca Cola Foundation	1,677,994	-	1,677,994	1,353,187	-	1,353,187
Conrad N. Hilton Foundation	203,253	-	203,253	-	-	-
Conselho Municipal de Maputo	2,972	-	2,972	-	-	-
Comic Relief	377,818	-	377,818	6,411	-	6,411
Department for International Development	2,900,000	-	2,900,000	3,177,143	-	3,177,143
Dutch Government	(31,313)	-	(31,313)	421,347	-	421,347
Dubai Cares	758,098	-	758,098	96,294	-	96,294
Halcrow Foundation Limited	2,000	-	2,000	-	-	-
James Percy Foundation	198,676	-	198,676	-	-	-
LeeWrangler Asia Limited (Kontoor Brands)	24,155	-	24,155	(25,238)	-	(25,238)
Knorr-Bremse Global Care	28,425	-	28,425	-	-	-
The Lucille Foundation	-	100,000	100,000	-	100,000	100,000
The Mulago Foundation	-	243,903	243,903	-	219,951	219,951
The One Foundation	783,734	-	783,734	703,000	-	703,000
OPEC Fund for International Development	-	-	-	77,924	-	77,924
The Skoll Foundation	805,611	-	805,611	-	-	-
The Stone Family Foundation	750,000	-	750,000	750,000	-	750,000
UNICEF	54,230	-	54,230	116,453	-	116,453
Unilever	180,734	-	180,734	-	-	-
US Agency for International Development	402,231	-	402,231	259,809	-	259,809
Vitens Evides BV	64,864	-	64,864	155,983	-	155,983
Vitol Foundation	-	-	-	152,778	-	152,778
VF Corporation	(8,483)	-	(8,483)	-	-	-
Wasser Fuer Wasser	780,513	-	780,513	504,526	-	504,526
DAI Global LLC (The Wallace Project)	36,295	-	36,295	-	-	-
Waterloo Foundation	140,000	-	140,000	50,000	-	50,000
WSSCC	65,000	-	65,000	-	-	-
Other	4,303	-	4,303	255,886	1,275	257,161
Oxford University	40,000	-	40,000	-	-	-
	10,661,807	343,903	11,005,710	8,396,313	321,226	8,717,539

4. OTHER INCOME

	2020			2019		
	Restricted £	Unrestricted £	Total	Restricted £	Unrestricted £	Total
Clean Team Ghana Rentals and Sales	-	127,911	127,911	-	117,506	117,506
Clean Team Ghana - Other income including Grants	-	250,705	250,705	237,638	-	237,638
WSUP Charity income	1,304,991	2,249	1,307,240	-	25,636	25,636
Public contributions to future water and sanitation projects in Mozambique	-	-	-	5,403	-	5,403
Other Donations	3,078	4,312	7,390	-	6,458	6,458
	1,308,069	385,177	1,693,246	243,041	149,600	392,641

**WATER & SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other Costs £	Support £	2020 Total £	2019 Total £
Raising Funds	289,304	46,830	43,731	379,865	377,560
Programme Activities					
<i>Demonstrating Service Models</i>	1,933,272	4,150,493	696,445	6,780,210	5,848,544
<i>Strengthening capacity</i>	685,884	1,053,552	262,811	2,002,247	1,422,703
<i>Mobilising Finance</i>	120,516	27,357	15,599	163,472	164,343
<i>Sectorwide influencing</i>	134,539	75,552	25,260	235,351	335,420
<i>Testing Learning and Dissemination</i>	257,215	1,435,950	222,488	1,915,653	1,666,548
<i>WSUP Advisory Services</i>	417,829	563,278	-	981,107	1,584,048
Support Services	635,503	630,831	(1,266,334)	-	-
Year Ended 31 March 2020	4,474,062	7,983,843	-	12,457,905	11,399,166
Year Ended 31 March 2019	4,118,901	7,280,264	-	11,399,166	-

Governance Costs of £235,722 (2019: £229,047) are included in Support Services.

Detailed comparatives for 2019 are given below.

	Staff Costs £	Other Costs £	Support £	2019 Total £
Raising Funds	258,007	72,807	46,746	377,560
Programme Activities				
<i>Demonstrating Service Models</i>	1,506,485	3,654,964	687,095	5,848,544
<i>Strengthening capacity</i>	487,697	758,859	176,147	1,422,703
<i>Mobilising Finance</i>	75,012	68,983	20,348	164,343
<i>Sectorwide influencing</i>	164,265	129,626	41,529	335,420
<i>Testing Learning and Dissemination</i>	650,702	809,508	206,338	1,666,548
<i>WSUP Advisory Services</i>	369,794	1,214,253	-	1,584,048
Support	606,939	571,264	(1,178,203)	-
Total Resources Expended	4,118,901	7,280,264	-	11,399,166

**WATER & SANITATION FOR THE URBAN POOR
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6. NET OUTGOING/(INCOMING) RESOURCES FOR THE YEAR

This is stated after charging:

	2020	2019
	Total	Total
	£	£
Depreciation	164,045	90,495
Operating Lease rentals		
* Property	372,076	370,525
* Other	39,115	35,917
Auditors remuneration (excluding UK VAT)		
* Main audit (Crowe UK LLP)	20,125	20,000
* WSUP Advisory (Crowe UK LLP)	5,100	5,000
* Funder audits (Sayer Vincent LLP)	-	12,631
* Other services UK (Crowe UK LLP)	7,575	5,783
* WSUP Advisory India audit	773	773
* Clean Team Ghana audit	1,819	1,819
* Zambia audit	500	7,728
* WSUP Charity audit	525	500
Directors' remuneration, excluding social security costs	18,450	18,158

Directors' remuneration is the payment made to the independent Chair for his time spent on WSUP affairs.

7. OPERATING LEASE COMMITMENTS

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2020	2020	2019	2019
	Property	Equipment	Property	Equipment
	£	£	£	£
Less than one year	376,779	26,285	372,076	39,115
One to five years	143,790	19,118	85,192	53,209
	520,569	45,403	457,268	92,324

**WATER & SANITATION FOR THE URBAN POOR
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8. STAFF COSTS AND NUMBERS

	2020	2019
	Total	Total
	£	£
<u>UK Staff</u>		
Wages and Salaries	1,610,804	1,413,659
Social Security Costs	174,818	161,049
Pension Contributions ⁽¹⁾	80,191	63,909
	1,865,814	1,638,618
Casual Staff Costs	109,643	89,897
Clean Team Ghana Wages and Salaries	178,975	124,988
WSUP Advisory (excluding Casual Staff Costs)	417,829	369,794
WSUP Programme Salaries (including local employer payroll taxes) ^{(2) (3)}	1,881,991	1,876,675
Directors Remuneration including social security costs	19,810	18,929
	4,474,062	4,118,901

- (1) The company matches payments made by UK employees into their personal pension plans up to a pre-determined proportion of their salary. These costs are charged to the Statement of Financial Activities as incurred. WSUP has no liability other than payment of those contributions. Pension equivalent contributions are paid for local programme staff in accordance with employee contracts for each country.
- (2) Expenses paid on behalf of WSUP directors in 2020 totalled £5,836 (2019 - £nil).
- (3) Redundancy payments in respect of four staff totalled £9,104 (2019 - £nil).

The number of employees whose emoluments, excluding employer pensions and employer's national insurance, fell within the following bands was:

Band	2020	2019
£60,000 - £69,999	4	2
£70,000 - £79,999	3	4
£80,000 - £89,999	3	1
£90,000 - £99,999	1	1

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8. STAFF COSTS AND NUMBERS (CONTINUED)

The average monthly number of employees (full-time equivalent) during the year was as follows:

	2020	2019
	No.	No.
Office of the Chief Executive	2	2
Communications	2	1
Evaluation, Research & Learning	5	5
Fundraising	6	7
Human Resources & Office Admin	5	4
Innovation & Consumer Needs	3	2
Programmes Directorate	5	4
Secretariat Finance	7	7
Programmes	88	89
	123	121
Clean Team Ghana	41	34
WSUP Advisory	6	6
WSUP Advisory India	0	0
	170	161

The total employment cost including national insurance and pension contributions of the key management personnel (senior management team) was £625,368 (2019: £827,705).

9. TANGIBLE FIXED ASSETS

GROUP	Toilets	Land	Plant & Machinery	Vehicles	Fixtures & Fittings	Office Equipment	Total
Cost	£	£	£	£	£	£	£
At 1 April 2019	294,847	2,468	24,777	495,158	16,758	101,500	935,508
Additions in year	137,536	5,787	(458)	69,239	12,831	30,354	255,289
Transfers from completed projects	-	-	-	(56,007)	-	-	(56,007)
Foreign Exchange Gain/(Loss)	-	-	-	-	-	-	-
At 31 March 2020	432,383	8,255	24,319	508,390	29,589	131,854	1,134,790
Depreciation							
At 1 April 2019	80,319	-	8,830	396,154	16,257	87,143	588,703
Charge for the year	94,015	20	2,269	44,596	4,286	18,859	164,045
Charge on Assets transferred	-	-	-	(60,060)	-	-	(60,060)
Foreign Exchange Gain/(Loss)	-	-	-	-	-	-	-
At 31 March 2020	174,334	20	11,099	380,690	20,543	106,002	692,688
Net Book Value							
At 31 March 2020	258,049	8,235	13,220	127,700	9,046	25,852	442,102
At 31 March 2019	214,528	2,468	15,947	99,004	501	14,357	346,805

Toilets represent the portable toilets held by Clean Team Ghana Ltd.

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COMPANY	Vehicles	Fixtures/ Fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 April 2019	400,057	15,194	83,465	498,716
Additions in year	3,105	-	11,924	15,029
Disposals	(56,007)	-	-	(56,007)
At 31 March 2020	<u>347,155</u>	<u>15,194</u>	<u>95,389</u>	<u>457,738</u>
Depreciation				
At 1 April 2019	357,600	15,194	74,901	447,695
Charge for the year	24,270	-	6,360	30,630
Disposals	(49,006)	-	-	(49,006)
At 31 March 2020	<u>332,864</u>	<u>15,194</u>	<u>81,261</u>	<u>429,319</u>
Net Book Value				
At 31 March 2020	<u>14,291</u>	<u>-</u>	<u>14,128</u>	<u>28,419</u>
At 31 March 2019	<u>42,457</u>	<u>-</u>	<u>8,564</u>	<u>51,021</u>

10. INVESTMENTS

A summary of Investments held by WSUP included at cost, is shown below:

	2020	2019
	Total	Total
	£	£
Clean Team Ghana Shares (shares held by WSUP)	29,670	29,670
Smartlife Kenya Shares (shares held by WSUP)	760	760
WSUP Advisory CIC	1	1
	<u>30,431</u>	<u>30,431</u>

WSUP India

WSUP India continues to exist as a Section 25 not-for-profit company limited by shares, registered in India. It was set up to enable WSUP to operate projects in India but ceased trading in 2012. The company has not been consolidated as the Directors consider that its inclusion is not material for the purpose of giving a true and fair view of WSUP's financial position.

Clean Team Ghana Ltd

On 12 April 2012 WSUP registered in Ghana a company called Clean Team Ghana Limited. The issued share capital is 1,000 shares at 85 Ghanaian Cedis each, all of which are owned by WSUP. These are valued at cost at £29,670.

A summary of the results of Clean Team Ghana is shown below:

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	2020	2019
	Total	Total
	£	£
Rentals and Sales	127,911	95,045
Other income including Grants	250,705	260,099
Expenditure	(531,770)	(327,085)
Net Surplus (Deficit) from Operations	(153,154)	28,059
Grant Income from WSUP	-	28,049
Net Incoming Resources for the Year	(153,154)	56,108
Unrealised Foreign Exchange losses	-	(30,576)
Net Income for the Year	(153,154)	25,533
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	844,241	676,495
Liabilities	(722,504)	(417,519)
Funds	121,737	258,977
Share Capital	29,670	29,670

Smartlife Kenya

On 1 April 2014 WSUP registered in Kenya a company called Smartlife Kenya Limited. The issued share capital is 1,000 shares at 100 Kenyan Shillings each, all of which are owned by WSUP. These are valued at cost at £760.

SmartLife Ltd had ceased operations in FY16/17, and thus its results are not shown separately. A petition to wind-up the company will be submitted to the Kenya authorities in FY21/22.

	2020	2019
	Total	Total
Net Income for the Year	-	-
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	3,869	3,869
Liabilities	(15,520)	(15,520)
Funds	(11,651)	(11,651)
Share Capital	760	760

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WSUP Advisory CIC

On 25 February 2015, WSUP registered in the UK a company called WSUP Advisory CIC. The company is a Community Interest Company and has no share capital.

A summary of the results of WSUP Advisory CIC, excluding its subsidiary, is shown below:

	2020	2019
	Total	Total
	£	£
Income	980,884	1,547,379
Expenditure	(960,704)	(1,588,320)
Net (Surplus)/Deficit from Operations	20,180	(40,941)
Grant Income from WSUP	-	-
Net Incoming Resources for the Year	20,180	(40,941)
Unrealised Foreign Exchange gains (losses)	68,475	62,046
Charitable Donation	-	-
Taxation	(1,317)	(4,848)
Net Income for the Year	87,338	16,257
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	1,011,127	1,170,777
Liabilities	(1,005,810)	(1,249,891)
Funds	5,317	(79,114)
Share Capital	1	1

WSUP Advisory India Private Ltd

On 28 November 2016, WSUP Advisory CIC registered in India a company called WSUP Advisory CIC India Private Ltd. The issued share capital is 100,000 shares at 100 India Rupees each, 99,999 of which are owned by WSUP Advisory CIC, the other share being held for legal reasons by one of the directors, resident in India, on trust on behalf of WSUP Advisory. Shares are valued at £1,108.

A summary of the results of WSUP Advisory India Private Ltd is shown below.

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	2020 Total £	2019 Total £
Income	-	-
Expenditure	<u>(20,403)</u>	<u>(325,419)</u>
Net Deficit from Operations	(20,403)	(325,419)
Grant Income from WSUP Advisory CIC Ltd	-	329,693
Net Incoming Resources for the Year	<u>(20,403)</u>	4,274
Unrealised Foreign Exchange losses	<u>(6,662)</u>	<u>10,552</u>
Net Income for the Year	<u>(27,065)</u>	14,826
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	99,719	369,791
Liabilities	<u>(1,110)</u>	<u>(243,917)</u>
	98,609	125,874
Funds	<u>97,501</u>	<u>124,766</u>
Share Capital	<u>1,108</u>	<u>1,108</u>

WSUP Zambia Ltd

On 14 September 2015, WSUP registered in Zambia a company called WSUP Zambia Ltd. The company is limited by guarantee and has no issued share capital.

A summary of the results of WSUP Zambia Ltd is shown below:

	2020 Total £	2019 Total £
Income	350,113	185,941
Expenditure	<u>(566,167)</u>	<u>(667,549)</u>
Net Deficit from Operations	(216,054)	(481,608)
Grant Income from WSUP	<u>123</u>	<u>366,984</u>
Net Incoming Resources for the Year	<u>(215,931)</u>	<u>(114,624)</u>
Unrealised Foreign Exchange (losses)/ gains	<u>3,360</u>	<u>28,123</u>
Net Income for the Year	<u>(212,570)</u>	(86,501)

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	2020	2019
	Total	Total
	£	£
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	6,517	218,101
Liabilities	(21,308)	(20,285)
	<hr/>	<hr/>
Funds	(14,791)	197,816
	<hr/> <hr/>	<hr/> <hr/>
Share Capital	<hr/> <hr/> -	<hr/> <hr/> -

WSUP Charity

The WSUP Charity was registered on 14 September 2015 as a company limited by guarantee and was registered with the Charity Commission of England and Wales, Charity number 1107651. Its sole member is Water & Sanitation for the Urban Poor.

WSUP Charity commenced activities in November 2016. The company is limited by guarantee and has no issued share capital. Its sole member is Water & Sanitation for the Urban Poor.

The results of the WSUP Charity were not considered material to include in the consolidated Financial Statements in the year to 31 March 2018, but have been brought into the consolidated accounts on the basis that accumulated funds at 1 April 2019 have been treated as income.

A summary of the results of the WSUP Charity is shown below:

	2020	2019
	Total	Total
	£	£
Incoming Resources	1,307,240	8,369
Resources Expended	(1,297,969)	(21,986)
	<hr/>	<hr/>
Net income/(expenditure)	9,271	(13,617)
	<hr/> <hr/>	<hr/> <hr/>
Assets	13,522	4,251
Liabilities	(600)	(600)
	<hr/>	<hr/>
Funds	12,922	3,651
	<hr/> <hr/>	<hr/> <hr/>
Share Capital	<hr/> <hr/> -	<hr/> <hr/> -

WATER & SANITATION FOR THE URBAN POOR
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11. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade Debtors	1,508,600	810,921	1,474,559	662,671
Prepayments and Accrued Income	231,556	822,016	222,638	715,004
Intercompany	-	-	440,174	494,892
Other Debtors	109,536	112,161	-	-
	1,849,692	1,745,098	2,137,371	1,872,567

12. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade Creditors	356,349	308,574	154,920	170,831
Taxation and social security	18,682	16,530	7,156	17,873
Accruals	1,633,226	906,037	1,544,529	810,052
Deferred income	1,280,158	1,182,063	659,679	421,272
Other Creditors	40,448	49,394	40,675	50,417
	3,328,863	2,462,598	2,406,959	1,470,445

All deferred income amounts brought forward were released in the year.

13. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

The development loans to Clean Team Ghana are interest-free term loans, which may be partially or wholly converted to grants at a future date. There is no recourse to WSUP arising from any non-payment of loans by Clean Team Ghana.

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Development Loans to Clean Team Ghana	546,395	320,267	-	-
	546,395	320,267	-	-

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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CURRENT YEAR)

	Restricted Funds £	Unrestricted Funds £	Designated Funds			Total Designated Funds £	2020 Total £
			Lucille Foundation £	Mulago Foundation £	Subsidiaries £		
Tangible Fixed Assets	442,101	-	-	-	-	442,101	
Net Current Assets/(Liabilities)	4,410,028	1,706,339	200,000	1,327	(11,651)	6,495,718	
Creditors: Amounts due after one year	(546,395)	-	-	-	-	(546,395)	
Net Assets at the End of the Year	4,305,733	1,706,339	200,000	1,327	(11,651)	6,391,424	

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

	Restricted Funds £	Unrestricted Funds £	Designated Funds			Total Designated Funds £	2019 Total £
			Lucille Foundation £	Mulago Foundation £	Subsidiaries £		
Tangible Fixed Assets	346,804	-	-	-	-	346,804	
Net Current Assets/(Liabilities)	3,099,210	1,408,076	100,000	-	68,403	4,675,689	
Creditors: Amounts due after one year	(320,267)	-	-	-	-	(320,267)	
Net Assets at the End of the Year	3,125,747	1,408,076	100,000	-	68,403	4,702,226	

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16. MOVEMENTS IN FUNDS (CURRENT YEAR)

	At 1 April 2019	Income	Expenditure	Transfers	Exchange Gain/ (Loss)	Taxation	At 31 March 2020
	£	£	£	£	£	£	£
Restricted Funds							
Borealis and Borouge	(30,338)	165,533	(77,006)	-	3,253	-	61,442
Cartier Foundation	160,258	233,772	(346,241)	-	5,622	-	53,411
Coca-Cola Africa Foundation	198,833	1,677,994	(1,454,981)	-	40,166	-	462,012
Conrad Hilton Foundation	-	203,252	(55,258)	-	(2,925)	-	145,069
Comic Relief	-	377,818	(376,251)	-	29	-	1,596
Department for International Development	1,097,853	2,900,000	(3,997,761)	-	605	-	697
Dutch Government	(25,511)	(31,313)	45,823	-	11,001	-	-
Dubai Cares	27,026	758,098	(425,102)	-	14,880	-	374,902
James Percy Foundation	-	198,676	(62,338)	-	(3,939)	-	132,399
The One Foundation	513,661	783,734	(763,841)	-	-	-	533,554
OPEC Fund for Development	41,286	-	(41,733)	-	447	-	-
Skoll Foundation	61,918	805,611	(296,452)	-	41,054	-	612,131
Stone Family Foundation	206,197	750,000	(450,980)	-	-	-	505,217
UNICEF	7,348	54,230	(74,867)	-	13,289	-	-
Unilever	49,787	180,734	(152,087)	-	-	-	78,434
USAID	45,830	402,231	(385,867)	-	4,955	-	67,149
VF Corporation	-	(8,483)	(15,205)	-	23,688	-	-
Vitol Foundation	6,339	-	(6,338)	-	-	-	1
Vitens Evides BV	(209)	64,864	(57,479)	-	(2,401)	-	4,775
Wasser Fuer Wasser	322,752	780,513	(715,369)	-	30,877	-	418,773
Waterloo Foundation	44,749	140,000	(98,863)	-	-	-	85,886
WSUP Advisory	-	-	25,233	-	2,958	-	28,191
Clean Team Ghana	179,862	-	-	-	-	-	179,862
Other	218,105	1,536,762	(1,050,265)	-	3,120	-	707,722
Total Restricted Funds	3,125,746	11,974,026	(10,833,228)	-	186,679	-	4,453,223
Unrestricted Funds							
WSUP Advisory	46,762	955,651	(981,107)	-	58,655	(1,317)	78,644
WSUP Charity	3,651	2,249	(1,729)	-	-	-	4,171
Clean Team Ghana	80,055	378,616	(416,485)	-	-	-	42,186
Smartlife Kenya	(11,651)	-	-	-	-	-	(11,651)
General Funds	1,357,663	143,018	7,969	-	114,526	348	1,623,524
Designated Funds							-
Lucille Foundation	100,000	100,000	-	-	-	-	200,000
Mulago Foundation	-	243,903	(233,325)	-	(9,252)	-	1,327
Total Unrestricted Funds	1,576,480	1,823,437	(1,624,677)	-	163,930	(969)	1,938,201
Total Funds	4,702,226	13,797,463	(12,457,905)	-	350,609	(969)	6,391,424

Designated funds are expected to be spent within 18 months of the year end.

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17. MOVEMENTS IN FUNDS (PRIOR YEAR)

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	Exchange Gain/ (Loss) £	Taxation £	At 31 March 2019 £
Restricted Funds							
Bill and Melinda Gates Foundation	92,946	-	(92,946)	-	-	-	0
Borealis and Bouroue	(11,608)	120,709	(139,439)	-	-	-	(30,338)
Cartier Foundation	173,085	220,101	(255,460)	-	22,532	-	160,258
The Coca-Cola Africa Foundation (TCCAF)	52,922	1,353,187	(1,237,918)	-	30,642	-	198,833
Comic Relief	150,232	6,411	(156,487)	-	(156)	-	(0)
DFID (1)	8,679	7,143	(15,822)	-	-	-	(0)
DFID (2)	1,383,689	3,170,000	(3,456,077)	-	241	-	1,097,853
Dutch Government	112,772	421,347	(552,691)	-	(6,939)	-	(25,511)
Dubai Cares	128,274	96,294	(213,012)	-	15,470	-	27,026
Japanese Social Development Fund	17,905	-	(13,118)	-	(4,787)	-	(0)
Kenya Markets Trust	18,218	(25,238)	7,019	-	1	-	0
The One Foundation	350,649	703,000	(540,018)	-	30	-	513,661
OPEC Funding for International Development (OFID)	95,537	77,924	(136,915)	-	4,740	-	41,286
Skoll Foundation	419,387	-	(384,699)	-	27,230	-	61,918
Stone Family Foundation	(43,138)	750,000	(500,536)	-	(129)	-	206,197
USAID	43,505	259,810	(265,614)	-	8,129	-	45,830
Vitol Foundation Africa	230,371	152,778	(390,096)	-	13,286	-	6,339
Vitens Evides International (VEI)	14,313	155,983	(152,246)	-	(18,259)	-	(209)
Wasser Fuer Wasser	281,186	504,526	(483,153)	-	20,381	-	322,940
Waterloo Foundation	53,245	50,000	(58,496)	-	-	-	44,749
WSUP Advisory	0	397,935	(302,382)	(149,564)	54,011	-	0
Other	165,210	615,379	(325,402)	1,986	(2,258)	-	454,915
Total restricted grants	3,737,379	9,037,289	(9,665,508)	(147,578)	164,165	-	3,125,747
Unrestricted Funds							
WSUP Advisory	15,680	1,149,444	(1,281,665)	149,564	18,587	(4,848)	46,762
WSUP Charity	-	25,636	(21,985)	-	-	-	3,651
General Funds	1,028,003	188,618	39,754	(1,986)	104,275	(1,001)	1,357,663
Designated Funds							-
Lucille Foundation	-	100,000	-	-	-	-	100,000
Mulago Foundation	-	219,951	(228,502)	-	8,551	-	-
Investments	222,733	117,506	(241,260)	-	(30,576)	-	68,403
Total Unrestricted Funds	1,266,416	1,801,155	(1,733,658)	147,578	100,837	(5,849)	1,576,479
Total Funds	5,003,795	10,838,444	(11,399,166)	-	265,002	(5,849)	4,702,226

Transfers between funds have been carried out between Restricted Advisory grants and Unrestricted Advisory Funds:

- to cover necessary expenditure; and
- to write-off sundry small balances after the end of donor contracts.

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Purposes of Restricted Funds

Borealis and Borouge	Grant in support of WSUP’s work in Nairobi, Kenya delivered in partnership between the funders and WSUP
Cartier Foundation	Grant to catalyse improved WASH Services at city-wide scale in Antananarivo, Madagascar
The Coca-Cola Africa Foundation (TCCAF)	Four separate grants to provide improvements to the quality of water supply and WASH access in Mozambique, Madagascar, Kenya, Zambia, and Ghana.
Comic Relief	Grant to support faecal sludge management services in two peri-urban areas of Lusaka, Zambia.
Department for International Development (1)	A two phased four-year grant from Plan International, funded by the UK DFID as a pay by results project for the Dhaka programme.
Department for International Development (2)	A four-year grant from the UK DFID towards the costs of the WSUP Business Plan 2016-2020, and a WSUP-led research programme, the Urban Sanitation Research Initiative 2107-2020.
Dutch Government	Grant for Ghana which aims to demonstrate a scalable approach to sustainably improving sanitation, faecal sludge, and hygiene services to low income urban inhabitants.
Dubai Cares	Grant to improving educational and health outcomes for vulnerable children through increased access to sustainable sanitation and hygiene services
Japanese Social Development Fund	Grant to improve sanitation conditions and practices in peri-urban areas of Maputo, Mozambique.
Kenya Markets Trust	A grant to deliver interventions which respond to the challenges faced by service providers, policy makers and investors across the Kenyan water sector to deliver a market-focussed water system which promotes sustained access to services for consumers.
ONE Foundation	Grants to towards water projects in cities in Kenya and the Ashanti region, Ghana
OPEC Funding for International Development (OFID)	Grant for WASH improvements in Antananarivo, Madagascar and Beira, Mozambique.
Skoll Foundation	Support for the expansion of the SWEEP model in Bangladesh.
Stone Family Foundation	Grant towards the costs of the WSUP Business Plan 2016 to 2020.

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USAID	2 Grants: 1) A grant to improve sanitation outcomes in Ghana through developing and testing scalable, market-based models that contribute to structural change within the region’s sanitation sector. USAID funding is received through Population Services International (PSI). 2) A grant for a school WASH project in Lusaka, Zambia. The project involves building WASH infrastructure in select schools and delivering health and hygiene education messages in schools and communities. 3) A grant to improve the quality of water supply and WASH access in Antananarivo, Mahajanga and Toliara
Vitol Foundation Africa	A grant towards a WASH project in Ranpur, Bangladesh, scale up of SWEEP and sanitation demand marketing
Vitens Evides International (VEI)	Grant to improve WASH services in Beira, Mozambique. Dutch Government funding, received through VEI.
Wasser fur Wasser	Grants for 1) Water supply improvement work in John Laing, a peri-urban areas of Lusaka, Zambia; 2) to open WSUP operations in Livingstone, Zambia and capacity building of SWSC and infrastructure upgrades in a pilot area of Burton, Livingstone; 3) Construction of school wash blocks and related activities and support to the Training Centre for Water & Sanitation in Maputo, Mozambique; and 4) Establishment of Delegated Management Models in Linda, Lusaka, Zambia.
Waterloo Foundation	A grant to support the Mozambique 2016-2020 Business Plan.
Designated Funds	
Mulago Foundation	Grant to develop WSUP’s organisational capacity
Lucille Foundation	Grant to develop WSUP’s organisational capacity

18. RELATED PARTY TRANSACTIONS

Cost of services provided by Members to WSUP

	Projects	Support	2020	2019
	£	£	Total	Total
			£	£
CARE International UK	-	684	684	20,981
WaterAid	19,749	-	19,749	1,000
	19,749	684	20,433	21,981

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Membership Contributions made to WSUP

	During the Year		2020	2020
	Cash	In-Kind	Total	Total
	£	£	£	£
Borealis and Borouge	25,000	12,000	37,000	48,610
CARE International UK	-	9,000	9,000	10,800
Cranfield University	-	-	-	6,521
Mott MacDonald	-	-	-	25,000
Thames Water Ltd	25,000	5,000	30,000	30,950
Unilever UK	25,000	3,000	28,000	35,523
WaterAid	10,000	5,000	15,000	12,400
	85,000	34,000	119,000	169,804

In-kind contributions comprise pre-approved staff time and expenses spent on the company's affairs.

Annual contributions are accrued up to the level due under individual Membership agreements, less cash amounts received during the year.

Unilever Ltd is a partner in the Clean Team Ghana subsidiary, and sells products (chemical fluid and detergents) to Clean Team Ghana for use in its operations. Rebecca Marmot works for Unilever UK and sits on the WSUP Board and has no involvement with transactions with Clean Team Ghana.

Borealis and Borouge donated a grant of £120,709 in support of WSUP's work in Nairobi, Kenya.

At 31 March 2020, there were no debtor or creditor balances with Members (31 March 2019: £NIL).

19. TAXATION

Corporation Tax

The grant income and contributions received from Members are not subject to Corporation Tax. Tax is due on unrealised exchange rate gains and any profits of WSUP Advisory for the year. For the year ended 31 March 2020, taxable income was £20,180 (year ended 31 March 2019: £267,945), while tax loss brought forward was £72,084 (year ended 31 March 2019: £272,744), and the liability was £1,317 (year ended 31 March 2019: £5,849). Tax losses to carry forward are £51,904 (year ended 31 March 2019: £72,084).

VAT

WSUP and WSUP Advisory CIC Ltd are registered as a group for VAT purposes. However, as the group makes non-taxable supplies, WSUP itself cannot recover the VAT incurred on expenditure invoiced by suppliers. In the year ended 31 March 2020, the amount of irrecoverable VAT was £411,483 (year ended 31 March 2019 - £486,935). This is charged to the same cost categories on the Statement of Financial Activities as the expenditure to which it relates.

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20. CASHFLOW FROM OPERATING ACTIVITIES

Reconciliation of net income/(expenditure) to net cash flow from operating activities:

	2020	2019
	£	£
Net income for the year (as per Statement of financial activities)	1,339,558	(560,722)
Adjustment for:		
Investment income	(23,857)	(11,080)
Foreign exchange movements on fixed assets	0	14,775
Depreciation of tangible fixed assets	164,045	90,495
Interest paid	282	6
Taxation	(969)	(5,849)
Disposal/Transfer of assets	(4,053)	3,677
Increase in debtors	(104,594)	546,221
Increase in creditors	866,265	134,865
Net cash provided by operating activities	2,236,677	212,388

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	7,733,164	5,393,189
Total	7,733,164	5,393,189