



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

For the year ended

31 March 2021

Company number 05419428

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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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	Independent
	Rebecca Marmot	Unilever plc
	Rachel Westcott	WaterAid (until 16 July 2020)

Company Secretary Anzo Francis

Key Management Personnel	Neil Jeffery	Chief Executive
	Anzo Francis	Director of Finance
	Jeremy Horner	Director of Programmes
	Alicia Walters	Head of People & Support
	Steve Metcalfe	Head of Partnerships & Communications
	Yaver Abidi	Managing Director of WSUP Advisory CIC
	Sam Drabble	Head of Research, Evaluation & Learning

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
Andy Wales

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the audited financial statements for the year ended 31 March 2021 (FY20/21). 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

The critical issue of inadequate water, sanitation and hygiene in cities

Water and sanitation are essential for healthy lives. People need water and sanitation to live, work and prosper. The United Nations (UN) goals for water, sanitation, and hygiene are set out in SDG6. There has been progress in the past year, but there remains much to do.

The UN SDG6 Summary of Progress Update, published in July 2021, explained that 2 billion people, 26% of the world’s population, lacked safely managed drinking water services in 2020. The report stated that 3.6 billion people, 46% of the world’s population, lacked safely managed sanitation services in 2020, and 494 million people practised open defecation in 2020. For hygiene, 2.3 billion people, 29% of the world’s population, lacked a basic handwashing facility with soap and water at home in 2020.

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.

The Covid-19 crisis of the last 18 months has simultaneously highlighted the need for clean water and improve hygiene as a defence strategy, made daily operations more difficult for service providers, and resulted in many international donors cutting the amount of funding that they provide for WASH.

Despite progress being seen in some countries striving to reach Sustainable Development Goal 6 on the availability and sustainable management of water and sanitation for all, the number of city inhabitants lacking safely managed drinking water has increased by more than 50% since 2000. In addition, climate change is making living conditions much tougher for the poorest communities.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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. According to C40 Cities, by 2050 climate change will result in 685 million people in cities facing a decline in freshwater availability of at least 10%. As cities focus on improving their resilience to climate change, driving towards universal coverage of water and sanitation must be a critical adaptation strategy.

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.

To date, 28.5 million low-income urban residents have benefitted from improved water, sanitation, and hygiene services as a result of our work to date. Our work has also resulted in \$638.5 million of finance being mobilised from international financial institutions and governments to improve urban water, sanitation and hygiene for the poorest residents.

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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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.

WSUP's achievements in 2020/21

Over the course of the year, WSUP's work resulted in 5,646,000 people benefitting from improved access to water, sanitation and hygiene. These can be broken down as follows:

Improved access to water:	330,000
Improved access to sanitation:	716,000
Improved hygiene:	4,600,000
Total:	5,646,000

Note that these numbers do not reach the total figure quoted because some people received multiple benefits.

In addition, WSUP's work during the year resulted in \$8.1 million of finance mobilised for urban water, sanitation and hygiene improvements.

WSUP's new five-year Business Plan commenced in April 2020, with the following five Strategic Goals:

1: Integrated City Development

We will integrate water, sanitation and hygiene services within wider urban development to make cities inclusive, safe, resilient and sustainable.

Priorities for 2020/21

- Develop our partnership with Arquitectura sin Fronteras to expand our integrated sanitation/street widening programme in Maputo.
- Scale-up a combined solid waste management and water supply partnership in Madagascar.

Progress made

WSUP believes that in complex and densely populated urban communities, innovative approaches are needed to unblock barriers and accelerate action.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

WSUP is working with the municipal council of Maputo, Mozambique, to implement an integrated land rights and sanitation programme. The work, implemented in partnership with Arquitectura sin Fronteras, results in a double win: the sanitation improvements are aided by negotiations over access and plot boundaries, whilst the land rights negotiations were assisted by the promise of new sanitation facilities. Over 100 sanitation facilities have been constructed, roads have been widened, and the municipality has formulated the legal and planning framework for helping families to gain tenure rights.

In Madagascar, WSUP has provided new support to an initiative we created over a decade ago in the capital Antananarivo which uses revenues from community water services to improve maintenance and cleaning of drainage canals. This work recognises the importance of good drainage for improved water and sanitation services to be viable; something which is not always straightforward in densely populated informal settlements. This programme is now being expanded to the secondary cities of Toliara and Mahajanga.

2. Stronger Service Providers

We will strengthen and expand our technical and business support to utilities, municipalities and water and sanitation enterprises.

Priority for 2020/21

- Extend our Utility Strengthening Framework, WSUP's new tool for driving change in utilities in two countries for example Zambia and Madagascar, with high levels of participation from utilities and other service providers wherever possible.

Progress made

WSUP's Utility Strengthening Framework is a process for driving change from within utilities to enable greater progress towards universal water and sanitation coverage. It is based on our 15 years of experience in supporting utilities. WSUP made excellent progress in implementing the Framework in southern Zambia, with the utility Southern Water & Sanitation Company. Through the change initiative, 16 programmes of work have been identified and WSUP secured funding to start work on two of these, with additional funding being secured by the utility to advance their sanitation strategy.

WSUP also used the Utility Strengthening Framework to support its engagement with the Malindi Water and Sewerage Company in Kenya. The framework helped the utility to identify its needs around improving sanitation, and resulted in a grant being secured for testing of different sanitation approaches.

3. Enhanced Partnerships

We will seek out and build partnerships to accelerate urban water, sanitation and hygiene provision at scale.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Priorities for 2020/21

- Strengthen our links with pan-African policy institutions, such as the African Ministers Council of Water (AMCOW) – which is currently developing new standards for sanitation policies - and the Eastern and Southern African Water and Sanitation (ESAWAS) Regulators Association.

Progress made

WSUP has formed a close partnership with the African Ministers Council of Water around the development of the African Sanitation Policy Guidelines, a major new initiative to help push forward the development of national sanitation policies across the continent. This is a significant initiative because it will give impetus and guidance to national governments, many of which are struggling to develop appropriate sanitation policy frameworks. In addition to facilitating stakeholder consultations in Ghana, Kenya and Zambia, WSUP joined the Task Force for the initiative, along with other significant stakeholders.

Our partnership with the Eastern and Southern Africa Water and Sanitation Regulators Association continues to grow and we renewed our three-year Memorandum of Understanding. We jointly released a report entitled, *Referee! Responsibilities, regulations and regulating for urban sanitation* which outlined the role that regulators can play in improving sanitation access. In addition, we commenced work on a series investigating the different functions that cities need to develop to support the creation of operational and inclusive sanitation services.

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.

Priorities for 2020/21

- Support regulator WASREB and the Water Sector Trust Fund to conduct national research on impact, value-for-money and sustainability of shared water connections, water kiosks and delegated management systems as a service option for the urban poor.
- Support the regulator and city authorities in Mozambique to implement a sanitation tariff (increase finance available for sanitation services aimed at the poorest, through a tariff added to higher-income customers' water bills).

Progress made

WSUP continued to support city authorities and other stakeholders in Maputo, Mozambique, to implement a sanitation tariff. This has been a decade-long process but once complete we believe it will have a significant impact on the ability of the city to provide services for vulnerable residents, as it will introduce a stable financing mechanism for pro-poor sanitation.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Other policy achievements include the initiation of a process to introduce regulations in Zambia which would require utilities to report, and be measured, on the extent to which they provide services to low-income residents. This is based on a similar regulatory success in Kenya, guided by WSUP.

In addition, in Ghana, WSUP created guidelines to strengthen the leadership and decision-making role of women in the water, sanitation and hygiene sector. WSUP has supported partner institutions to consider how to implement these guidelines within their organisations.

5. Increased Scale

We will implement a considered strategy of geographical expansion, to increase our scale and impact.

Priorities for 2020/21

- Roll out the SWEEP business model – an innovative intervention delivering sanitation waste management services – in Bangladesh’s urban centres as a training package, including advice, guidance, and case studies to local authorities for them to operationalise.
- Explore opportunities to develop a permanent presence in 1-2 new countries throughout the Business Plan. This will be a long-term piece of work, but we have identified three priority countries – Uganda, where we already have a project presence through WSUP Advisory, Rwanda and Tanzania. We are testing opportunities to build country-level partnerships and secure funding that will help us with geographic expansion.

Progress made

WSUP has made excellent progress in progressing the next phase of the scale up of our success SWEEP model, which provides sanitation waste management services for the low-income urban residents. The services are delivered by the private sector – 12 enterprises operating across the country, serving 2.3 million customers to date – in partnership with the public sector. It is one of the very few profitable services of its type, delivering services to the low- income customer segment, anywhere in the world. After five years of piloting and growing the service, WSUP has adapted and advanced its strategy to scale up even more rapidly, bringing more enterprises into the market and improving profitability. This is against a backdrop of significant investment in Bangladesh into sanitation infrastructure by international financial institutions, which WSUP believes provides the ideal environment for SWEEP to expand aggressively.

In Uganda, WSUP has continued to explore the potential for our present work, implemented by our consultancy arm WSUP Advisory under a five-year contract with an international donor, to evolve into a permanent operation. We are testing the viability of the concept and building relationships with national institutions to better understand where WSUP could play a role.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Internal goals

In addition to the five Strategic Goals, WSUP's Business Plan includes two goals which are aimed at creating the internal changes required to achieve the Business Plan:

Internal Goal 1: Develop organisational skill sets

Develop the skills needed to deliver the substantial growth envisioned in the 2020-2025 plan

Progress made

WSUP rolled out a six-month Line Manager Development programme, through monthly sessions with cross-functional cross-country groups of line managers. Material for the series was developed and delivered remotely by the global HR Leads, on topics such as Communication, Leadership, and Team Management.

Alongside this, the Global Programmes team have been working closely with the Project Leads in our country programmes to build project management capacity, with targeted on-the-job support on project management tools to improve contract management and delivery.

Internal Goal 2: Strengthen learning capabilities

Support the organisation-wide rollout of a new Learning & Development Strategy

Progress made

The development of a weekly webinar programme has made a significant contribution to internal learning and skills development. Launched in November 2020, the programme has been split into four tracks: Shared Learning; Programme Strategy, Tools and Approaches; Utility Strengthening Framework; Citywide Inclusive Sanitation. All staff are encouraged to participate, and the sessions have enabled many individuals working across WSUP's team to learn, to share expertise, and build common understanding of our operations.

Adapting to Covid-19

Like many organisations, the past year was one where plans had to be continually rewritten as we and our partners grappled with the impact of Covid-19. Despite our offices being closed, several projects being put on hold, and in-person contact being kept to a minimum, we recognised we had a vital role to play in the protection of vulnerable communities, given the critical importance of clean water and good hygiene.

As a key member of the Hygiene Behaviour Change Coalition, funded by the UK government and Unilever, WSUP implemented a rapid response communication hygiene campaign to combat the spread of Covid-19 in some of the most vulnerable urban communities in Ghana and Kenya. Implemented across 10 cities, WSUP's response aimed at building urban resilience through improved hygiene related practices among

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

low-income and vulnerable populations and increasing the capacity of institutions and service providers responding to the pandemic.

The impact of the programme included:

- Reaching 17 million residents with vital Covid-19 messaging
- Distributing over 280,000 hygiene materials including soap, sanitisers and masks
- Installing 650 handwashing stations, nearly half of which are designed to be accessible for people with disabilities
- Supporting awareness-raising activities for seven utilities in Kenya and three Metropolitan Assemblies in Ghana
- Reinforcing partnerships with Public Health Departments in the County Governments of Kenya, and Environmental Health Departments in the Municipalities of Ghana.

Priorities for 2021/22

1: Integrated City Development

We will integrate water, sanitation and hygiene services within wider urban development to make cities inclusive, safe, resilient and sustainable.

Priorities for 2021/22

- Explore partnerships with Kenyan government actors to ensure that water and sanitation provision is considered for inclusion in the Special Planning Areas around Nairobi where informal settlement upgrading is being introduced in the form of re-housing, road infrastructure and electrification.
- Provide technical assistance to IFIs in Madagascar to ensure that the provision of water and sanitation in Antananarivo is considered within the wider frame of urban development.

2. Stronger Service Providers

We will strengthen and expand our technical and business support to utilities, municipalities and water and sanitation enterprises.

Priorities for 2021/22

- Continue to roll out our Utility Strengthening Framework, targeting JIRAMA in Madagascar, which is the national water and electricity utility with which WSUP has a long-standing relationship.
- Work with utilities in places such as Zambia and Kenya to strengthen a customer centric approach and subsequently extend connections through marketing to low-income communities.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

3. Enhanced Partnerships

We will seek out and build partnerships to accelerate urban water, sanitation and hygiene provision at scale.

Priorities for 2021/22

- Through engagement in COP26 and the possibility of involvement in the Water Pavilion, build partnerships with global climate change organisations to strengthen WSUP's credentials in the climate space.
- Deepening engagement with the African Civil Society Network in Water and Sanitation (ANEW), which is a network of civil society organisations across Africa and take a top-down approach by renewing involvement with the Global Water Operators' Partnerships Alliance (GWOPA).

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.

Priorities for 2021/22

- Learn, develop, and test an approach to Social Connection Policies, which will be applicable across WSUP programmes enabling service providers to cushion the cost of new household connections to low-income customers.
- Work with the Ministry of WASH and the Ministry of Decentralisation in Madagascar to improve the delegated management models for WASH services by involving a professional management structure so that a regulatory framework can be developed for the engagement of the private sector.

5. Increased Scale

We will implement a considered strategy of geographical expansion, to increase our scale and impact.

Priorities for 2021/22

- We will continue to engage IFIs and aim to extend WSUP project footprint to a least one new country in Asia and one in Southern Africa.
- Continue to scale up the successful SWEEP business model – an innovative intervention delivering sanitation waste management services to the low-income customer segment– into new Bangladesh cities and increase the scale of existing business through better market segmentation and marketing approaches.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Internal goals

Internal Goal 1: Develop organisational skill sets

Develop the skills needed to deliver the substantial growth envisioned in the 2020-2025 plan

Priorities for 2021/22

- Continue to embed a learning culture, through the identification of organisational systems and practices to create an environment that supports learning at the individual level. This will include activities such as workshops on learning models and styles, helping individuals to better understand how they learn and to plan self-directed learning accordingly.
- Provide refresher training on the Birches job grading model, already in use as part of WSUP's Reward & Grading Framework, as a tool for assessing skills, competencies, and performance, starting with line managers and empowering them to cascade to their teams.

Internal Goal 2: Strengthen learning capabilities

Support the organisation-wide rollout of a new Learning & Development Strategy to strengthen team and organisational learning to drive greater achievement of impact

Priorities for 2021/22

- Promote global replication of WSUP's successful work in Kenya to improve regulations, through the strengthening of internal capacities to analyse, document and systemize learning.
- Enhance our ability to achieve policy change through consolidation of a business-wide approach to the design and implementation of influencing activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

To distinguish its service offering from that of traditional charitable or philanthropic entities both in the perception of local partners and of donors, WSUP operates as a not-for-profit company limited by guarantee with various subsidiaries. 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 non-profit sources and those normally earmarked for private companies or other commercial entities.

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 2021 was five (31

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

March 2020: 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 2021 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
Thames Water Ltd	Company number 02366623
Unilever UK Central Resources Ltd	Company number 00029140

WaterAid (charity registration number 288701) ceased to be a member on 16 July 2020.

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, Non – Executive Directors 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 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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Senior Leadership Team and the CEO, Company Secretary and Head of People & Support who all 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 Covid-19 risk assessments 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.

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, then a Business Plan was developed that aimed to build a self-sustaining local business. As part of this plan, WSUP is seeking to float Clean Team Ghana Ltd into a purely commercial space by the end of FY21/22.

Clean Team Ghana incurred an operating loss of £260k during the year (year ended 31 March 2020: £83k loss) and received capital grants of £488k (year ended 31 March 2020: £nil). The results of Clean Team Ghana Ltd have been consolidated into the results of the Group for the year ended 31 March 2021.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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:

- 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 incurred an operating loss of £151k (year ended 31 March 2020: £20k profit), arising on its own activities, including inter-company income, excluding its subsidiary, and before foreign exchange gains, interest 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 2021.

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 2021, WSUP Advisory India Pvt Ltd recorded a loss of £8k (year ended 31 March 2020: £20k loss). 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 2021.

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 loss of £1k (year ended 31 March 2020: £216k 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 2021.

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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 loss of £4k (year ended 31 March 2020: £9k surplus). 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 2021.

Funders

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

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 FY20/21.

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 FY20/21, 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 (FCO), 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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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 reduced level of activity, with 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 was £10.7 million (year ended 31 March 2020: £13.8 million). Grant income from restricted funds declined to £6.6 million in the year (year ended 31 March 2020: £10.7 million) from a range of funders. Unrestricted grant income increased to £1.0 million in the year (year ended 31 March 2020: £0.3 million) and included contributions from the Mulago Foundation, Skoll Foundation, Lucille Foundation and Thank You Australia.

Income from other sources including WSUP Charity donors, Clean Team Ghana, WSUP members and WSUP Advisory increased to £3.1 million (year ended 31 March 2020: £2.8 million).

Resources expended in the year declined to £9.8 million (year ended 31 March 2020: £12.5 million) with growth in Covid-related delivery e.g. Hygiene Behaviour Change work, off-set by reductions in FCDO/DFID Business Case funded activity during the second year of the WSUP Business Plan 2020-2025.

Unrealised exchange rate movements arise from the revaluation of non-sterling bank balances during the year, and at the year end. 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 losses of £457k (year ended 31 March 2020: gains of £351k).

The overall net increase in funds for the year was £0.3 million (year ended 31 March 2020: £1.7 million net increase).

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 £6.4 million at the start of the year to £6.7 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 £373k (year ended 31 March 2020: £442k).

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 £3.6 million in restricted funds (31 March 2020: £4.5 million).

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Unrestricted funds comprise general funds and designated funds. General funds can be used for any of WSUP's purposes, and are held in reserve to enable the Directors to manage the expansion and contraction of different programmes in various countries, and to manage risk. Designated funds are unrestricted grants received from foundations, allocated to general purposes. At the end of the year, the group held £1.96 million general reserves (31 March 2020: £1.9 million). Designated reserves at the year-end totalled £1.1 million (31 March 2020: £0.3 million).

Reserves Policy

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 2017/18 the Directors established a plan to build WSUP's reserves over a five-year period. The free reserves of WSUP group, represented by general funds (as in Note 16 to the Accounts), increased from £1.7 million at 31 March 2020 to £1.9 million at 31 March 2021. With the 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.

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

Going Concern

WSUP has 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.

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. Since then, the government has reduced the overseas development budget from 0.7% gross national product (GDP), down to 0.5% GDP. 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 2020-25 comprises a base budget of £44.2 million, and a stretch budget of £77.3 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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

key functions over the 5-year period. We will also seek unrestricted funding from new and existing sources, to ensure that our operations are funded over the Business Plan period.

By the end of the first fifteen months of the plan, we had secured £20 million contracted income.

WSUP has also developed on-going support from a number of governments, 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.

Recognising that WSUP's continued ability to deliver its programme work will depend on continued forward secured funding, as we enter the second year of the 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 (FY21/22) and subsequent financial year (FY22/23) 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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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
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;

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

- 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.

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 11 November 2021 and signed on their behalf by:


Lord Boateng
Chair

Independent Auditor's Report to the Members of Water & Sanitation for the Urban Poor

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Water & Sanitation for the Urban Poor ('the parent company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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 2021 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

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

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

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

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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees

As explained more fully in the directors' responsibilities statement set out on page 20, 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 charitable 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

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and the parent company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and the parent company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the parent company for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation, anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR) and health and safety legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance & Audit Committee about their own identification and assessment of the risks of irregularities, sample testing and data analytics on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, sample testing of grant and contract income, and reading minutes of meetings of those charged with governance.

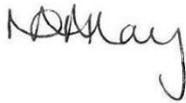
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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
20th December 2021

WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

		Group Restricted £	Group Unrestricted £	2021 Total £	2020 Total £
	Note				
INCOME AND ENDOWMENTS FROM:					
Grants	3	6,580,884	1,023,584	7,604,468	11,005,709
Member Contributions	18	-	122,000	122,000	119,000
Investment Income		-	1,309	1,309	23,857
WSUP Advisory Services		-	797,828	797,828	955,651
Other Income	4	1,370,106	792,509	2,162,615	1,693,246
TOTAL		7,950,990	2,737,230	10,688,220	13,797,463
EXPENDITURE ON:					
<i>Raising Funds</i>		282,791	31,421	314,212	379,865
<i>Programme Activities</i>					
Demonstrating Service Models		5,797,573	293,104	6,090,677	6,780,210
Strengthening Capacity		1,559,369	82,072	1,641,441	2,002,247
Mobilising Finance		56,338	2,965	59,303	163,472
Sectorwide influencing		358,310	18,859	377,169	235,351
Testing, Learning and Dissemination		457,001	24,053	481,054	1,915,653
WSUP Advisory Services		-	870,733	870,733	981,107
TOTAL		8,511,382	1,323,207	9,834,589	12,457,905
Net incoming/(outgoing) resources before transfers		(560,392)	1,414,023	853,631	1,339,558
Gross transfers between funds		-	-	-	-
Net (Outgoing)/Incoming Resources Before Other Recognised Gains and Losses		(560,392)	1,414,023	853,631	1,339,558
Unrealised Exchanges Gains/(Losses)		(238,192)	(219,548)	(457,740)	350,609
Taxation on profit on ordinary activities		-	(90,961)	(90,961)	(969)
NET MOVEMENT IN FUNDS	16	(798,584)	1,103,514	304,930	1,689,198
Total Funds Brought Forward		4,453,425	1,937,999	6,391,424	4,702,226
TOTAL FUNDS CARRIED FORWARD		3,654,841	3,041,513	6,696,354	6,391,424

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 AND SANITATION FOR THE URBAN POOR
BALANCE SHEET
AS AT 31 MARCH 2021

		Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
	Note				
FIXED ASSETS					
Tangible Fixed Assets	9	372,597	442,101	70,893	28,419
Investments	10	-	-	30,431	30,431
		372,597	442,101	101,324	58,850
CURRENT ASSETS					
Debtors	11	726,306	1,849,692	889,941	2,137,371
Cash deposits and treasury bills		57,385	241,725	-	-
Cash at Bank and in hand		7,727,868	7,733,164	5,468,592	6,345,703
		8,511,559	9,824,581	6,358,533	8,483,074
LIABILITIES					
Creditors: Amounts due within one year	12	(1,670,971)	(3,328,863)	(426,917)	(2,406,959)
NET CURRENT ASSETS					
		6,840,588	6,495,718	5,931,616	6,076,115
TOTAL ASSETS LESS CURRENT LIABILITIES					
		7,213,185	6,937,819	6,032,940	6,134,965
Creditors: Amounts due after one year	13	(516,831)	(546,395)	-	-
NET ASSETS					
	14,15	6,696,354	6,391,424	6,032,940	6,134,965
FUNDS					
	16				
Restricted Funds		3,654,841	4,453,223	3,145,322	4,248,720
Unrestricted Funds					
General Funds		1,892,186	1,736,874	1,736,515	1,834,406
Designated Funds		1,149,327	201,327	1,151,103	51,839
TOTAL FUNDS					
		6,696,354	6,391,424	6,032,940	6,134,965

The result for the financial year dealt with in the financial statements of the parent company was a loss of £102,025 (2020: surplus of £1,897,865).

Approved by the Directors on 11 November 2021 and signed on their behalf by:


 Lord Boateng
 Chair

Company Registration Number 05419428

**WATER AND SANITATION FOR THE URBAN POOR
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Group 2021 Total £	Group 2020 Total £
	Note	
Cash flows from operating activities	20	435,307
		2,236,677
Net cash provided by operating activities		435,307
		2,236,677
Cash flows from investing activities:		
Interest Received		1,309
Purchase of fixed assets		(138,603)
Sale/(Purchase) of investments		184,340
		23,857
		(255,289)
		(241,725)
Net cash used in investing activities		47,046
		(473,157)
Cash flows from financing activities:		
Interest Paid		(345)
(Decrease)/Increase in long term creditors		(29,564)
		226,128
Net cash used in financing activities		(29,909)
		225,846
Change in cash and cash equivalents due to operating, investing and financing		452,444
Change in cash and cash equivalents due to exchange rate movements		(457,740)
Change in cash and cash equivalents in the year	21	(5,296)
Cash and cash equivalents at the beginning of the year		7,733,164
		5,393,189
Cash and cash equivalents at the end of the year		7,727,868
		7,733,164

WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019 (The FRS 102 Charities SORP) 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 AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 mote 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 has 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.

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. Since then, the government has reduced the overseas development budget from 0.7% national income, down to 0.5% national income. 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

WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

By the end of the first fifteen months of the plan, we had secured £20 million contracted income. This amount included DFID bridge funding of £550k to cover the period April to September 2020.

WSUP has also developed on-going support from a number of governments, 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.

Recognising that WSUP's continued ability to deliver its programme work will depend on continued forward secured funding, as we enter the second year of the 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 (FY21/22) and subsequent financial year (FY22/23) 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 AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

		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

WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. GRANTS

	2021		2020			
	Restricted £	Unrestricted £	TOTAL £	Restricted £	Unrestricted £	TOTAL £
Aguas de Regiao de Maputo	22,400	-	22,400	21,392	-	21,392
Acqua	21,739	-	21,739	-	-	-
Borealis and Borouge	165,895	-	165,895	165,533	-	165,533
Cartier Foundation	227,982	-	227,982	233,772	-	233,772
Coca Cola Foundation	159,765	-	159,765	1,677,994	-	1,677,994
Conrad N. Hilton Foundation	-	-	-	203,253	-	203,253
Conselho Municipal de Maputo	12,985	-	12,985	2,972	-	2,972
Comic Relief	-	-	-	377,818	-	377,818
Department for International Development/FCDO	550,000	-	550,000	2,900,000	-	2,900,000
Dutch Government	-	-	-	(31,313)	-	(31,313)
Dubai Cares	654,111	-	654,111	758,098	-	758,098
ESA	2,471	-	2,471	-	-	-
Gates Foundation	444	-	444	-	-	-
Halcrow Foundation Limited	-	-	-	2,000	-	2,000
James Percy Foundation	181,090	-	181,090	198,676	-	198,676
LeeWrangler Asia Limited (Kontoor Brands)	26,643	-	26,643	24,155	-	24,155
Knorr-Bremse Global Care	-	-	-	28,425	-	28,425
The Lucille Foundation	-	125,000	125,000	-	100,000	100,000
The Mulago Foundation	-	222,417	222,417	-	243,903	243,903
The One Foundation	500,000	-	500,000	783,734	-	783,734
Thank You Australia	-	218,444	218,444	-	-	-
The Skoll Foundation	-	457,723	457,723	805,611	-	805,611
The Stone Family Foundation	187,500	-	187,500	750,000	-	750,000
UNICEF	-	-	-	54,230	-	54,230
Unilever	2,161,165	-	2,161,165	180,734	-	180,734
US Agency for International Development	386,228	-	386,228	402,231	-	402,231
Vitens Evides BV	15,460	-	15,460	64,864	-	64,864
VF Corporation	472,179	-	472,179	(8,483)	-	(8,483)
Wasser Fuer Wasser	23,305	-	23,305	780,513	-	780,513
DAI Global LLC (The Wallace Project)	81,082	-	81,082	36,295	-	36,295
Waterloo Foundation	25,000	-	25,000	140,000	-	140,000
WSSCC	4,478	-	4,478	65,000	-	65,000
WSUP Charity	-	-	-	-	-	-
Other	695,867	-	695,867	4,303	-	4,303
Oxford University	3,095	-	3,095	40,000	-	40,000
	6,580,884	1,023,584	7,604,468	10,661,807	343,903	11,005,710

4. OTHER INCOME

	2021		2020			
	Restricted £	Unrestricted £	Total	Restricted £	Unrestricted £	Total
Clean Team Ghana Rentals and Sales	-	155,506	155,506	-	127,911	127,911
Clean Team Ghana - Grants	-	573,829	573,829	-	250,705	250,705
WSUP Charity income	1,304,486	361	1,304,847	1,304,991	2,249	1,307,240
Other income	65,620	62,813	128,433	3,078	4,312	7,390
	1,370,106	792,509	2,162,615	1,308,069	385,177	1,693,246

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other Costs £	Support £	2021 Total £
Raising Funds	177,804	93,787	42,620	314,211
Programme Activities				
<i>Demonstrating Service Models</i>	2,103,108	3,253,460	734,109	6,090,677
<i>Strengthening capacity</i>	133,147	1,340,163	168,133	1,641,443
<i>Mobilising Finance</i>	49,602	558	9,143	59,303
<i>Sectorwide influencing</i>	212,703	113,356	51,110	377,169
<i>Testing Learning and Dissemination</i>	275,891	139,659	65,503	481,053
<i>WSUP Advisory Services</i>	361,372	509,361	-	870,733
Support Services	540,632	529,986	(1,070,618)	-
Year Ended 31 March 2021	3,854,259	5,980,330	0	9,834,589

Governance Costs of £216,177 (2020: £235,272) are included in Support Services.

Detailed comparatives for 2020 are given below.

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

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. NET OUTGOING/(INCOMING) RESOURCES FOR THE YEAR

This is stated after charging:

	2021	2020
	Total	Total
	£	£
Depreciation	166,934	164,045
Operating Lease rentals		
* Property	223,197	278,491
* Other	32,486	17,922
Auditors remuneration (excluding UK VAT)		
* Main audit (Crowe UK LLP)	20,653	20,125
* WSUP Advisory (Crowe UK LLP)	5,097	5,100
* Funder audits (Sayer Vincent LLP)	-	-
* Other services UK (Crowe UK LLP)	-	7,575
* WSUP Advisory India audit	350	773
* Clean Team Ghana audit	2,140	1,819
* Zambia audit	1,076	500
* WSUP Charity audit	500	525
Directors' remuneration, excluding social security costs	18,469	18,450

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 are as follows for each of the following periods:

	2021	2021	2020	2020
	Property	Equipment	Property	Equipment
	£	£	£	£
Less than one year	223,197	32,486	376,779	26,285
One to five years	84,456	11,085	143,790	19,118
	307,653	43,571	520,569	45,403

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. STAFF COSTS AND NUMBERS

	2021	2020
	Total	Total
	£	£
<u>UK Staff</u>		
Wages and Salaries	1,346,117	1,610,805
Social Security Costs	179,661	174,818
Pension Contributions ⁽¹⁾	57,186	80,191
	1,582,964	1,865,814
Casual Staff Costs	29,728	109,643
Clean Team Ghana Wages and Salaries	142,461	178,975
WSUP Advisory (excluding Casual Staff Costs)	376,518	417,829
WSUP Programme Salaries (including local employer payroll taxes) ^{(2) (3)}	1,702,896	1,881,991
Directors Remuneration including social security costs	19,692	19,810
	3,854,259	4,474,062

- (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 2021 totalled £nil (2020 - £5,836).
- (3) Redundancy payments in respect of four staff totalled £49,894 (2020 – four staff £9,104).

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

Band	2021	2020
£60,000 - £69,999	2	4
£70,000 - £79,999	-	3
£80,000 - £89,999	3	3
£90,000 - £99,999	1	1
	1	1

WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. STAFF COSTS AND NUMBERS (CONTINUED)

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

	2021	2020
	No.	No.
Office of the Chief Executive	2	2
Communications	2	2
Evaluation, Research & Learning	5	5
Fundraising	4	6
Human Resources & Office Admin	5	5
Innovation & Consumer Needs	3	3
Programmes Directorate	5	5
Secretariat Finance	6	7
Programmes	94	88
	126	123
Clean Team Ghana	30	41
WSUP Advisory	5	6
WSUP Advisory India	0	0
	161	170

The total employment cost including national insurance and pension contributions of the key management personnel (senior management team) was £604,553 (2020: £625,368,).

9. TANGIBLE FIXED ASSETS

	Toilets	Land	Plant & Machinery	Vehicles	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£	£	£	£
GROUP							
Cost							
At 1 April 2020	432,383	8,255	24,319	508,390	29,589	131,854	1,134,790
Additions in year	20,281	1,875	-	98,351	3,718	14,378	138,603
Transfers from completed projects	-	-	-	(50,585)	-	-	(50,585)
Foreign Exchange Gain/(Loss)	(43,547)	(832)	(2,450)	(16,239)	(439)	(2,798)	(66,305)
At 31 March 2021	409,117	9,298	21,869	539,917	32,868	143,434	1,156,504
Depreciation							
At 1 April 2020	174,334	20	11,099	380,691	20,543	106,002	692,689
Charge for the year	93,451	11	2,955	54,980	2,565	12,972	166,934
Charge on Assets transferred	-	-	-	(50,585)	-	-	(50,585)
Foreign Exchange Gain/(Loss)	(17,558)	(2)	(1,118)	(4,786)	4,985	(6,653)	(25,132)
At 31 March 2021	250,227	29	12,936	380,300	28,093	112,321	783,906
Net Book Value							
At 31 March 2021	158,890	9,269	8,933	159,617	4,775	31,113	372,597
At 31 March 2020	258,049	8,235	13,220	127,700	9,046	25,852	442,101

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

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

COMPANY	Vehicles	Fixtures/ Fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	347,155	15,194	95,389	457,738
Additions in year	67,395	-	13,740	81,135
Disposals	(50,585)	-	-	(50,585)
At 31 March 2021	<u>363,965</u>	<u>15,194</u>	<u>109,129</u>	<u>488,288</u>
Depreciation				
At 1 April 2020	332,864	15,194	81,261	429,319
Charge for the year	29,614	-	9,047	38,661
Disposals	(50,585)	-	-	(50,585)
At 31 March 2021	<u>311,893</u>	<u>15,194</u>	<u>90,308</u>	<u>417,395</u>
Net Book Value				
At 31 March 2021	<u>52,072</u>	<u>-</u>	<u>18,821</u>	<u>70,893</u>
At 31 March 2020	<u>14,291</u>	<u>-</u>	<u>14,128</u>	<u>28,419</u>

10. INVESTMENTS

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

	2021	2020
	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.

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021	2020
	Total	Total
	£	£
Rentals and Sales	155,506	127,911
Other income	245,608	250,705
Expenditure	(661,592)	(531,770)
Net Surplus (Deficit) from Operations	(260,478)	(153,154)
Net Income for the Year	(260,478)	(153,154)
Capital grants received	466,036	-
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	1,107,840	844,241
Liabilities	(693,572)	(722,504)
Funds	414,268	121,737
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.

	2021	2020
	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

WSUP Advisory CIC

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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:

	2021	2020
	Total	Total
	£	£
Income	797,748	980,884
Expenditure	(882,875)	(960,704)
Net (Deficit)/Surplus from Operations	(85,127)	20,180
Unrealised Foreign Exchange gains (losses)	(64,160)	68,475
Interest receivable	80	-
Interest payable and similar charges	(2,254)	-
Taxation	-	(1,317)
Net Income for the Year	(151,461)	87,338

The Aggregate of the Assets, Liabilities and Funds was:

Assets	416,329	1,011,127
Liabilities	(547,968)	(1,005,810)
Funds	(131,639)	5,317
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.

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

WSUP Advisory India Private Ltd (continued)

	2021	2020
	Total	Total
	£	£
Income	80	-
Expenditure	(8,289)	(20,403)
Net Deficit from Operations	(8,209)	(20,403)
Grant Income from WSUP Advisory CIC Ltd	-	-
Net Incoming Resources for the Year	(8,209)	(20,403)
Unrealised Foreign Exchange losses	-	(6,662)
Net Income for the Year	(8,209)	(27,065)
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	84,266	99,719
Liabilities	(163)	(1,110)
	84,103	98,609
Funds	84,103	97,501
Share Capital	1,108	1,108

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:

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	Total	Total
	£	£
Income	507,511	350,113
Expenditure	(444,288)	(566,167)
Net Deficit from Operations	63,223	(216,054)
Grant Income from WSUP	-	123
Net Incoming Resources for the Year	63,223	(215,931)
Unrealised Foreign Exchange (losses)/ gains	(64,113)	3,361
Net Income for the Year	(890)	(212,570)

WSUP Zambia (continued)

	2021	2020
	Total	Total
	£	£
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	484,641	6,517
Liabilities	(482,658)	(21,308)
Funds	1,983	(14,791)
Share Capital	-	-

The 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.

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

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	Total	Total
	£	£
Incoming Resources	1,304,847	1,307,240
Resources Expended	(1,308,980)	(1,297,969)
Net income/(expenditure)	(4,133)	9,271
Assets	696,381	13,522
Liabilities	(687,592)	(600)
Funds	8,789	12,922
Share Capital	-	-

11. DEBTORS

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Trade Debtors	468,448	1,508,600	353,731	1,474,559
Prepayments and Accrued Income	206,518	231,556	199,850	222,638
Intercompany	-	-	336,360	440,174
Other Debtors	51,340	109,536	-	-
	726,306	1,849,692	889,941	2,137,371

12. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	137,762	356,349	60,894	154,920
Taxation and social security	89,695	18,682	56,965	7,156
Accruals	535,713	1,633,226	241,350	1,544,529
Deferred income	52,286	1,280,158	-	659,679
Other Creditors	855,515	40,448	67,708	40,675
	1,670,971	3,328,863	426,917	2,406,959

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Development Loans to Clean Team Ghana	516,831	546,395	-	-
	516,831	546,395	-	-

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

	Restricted Funds	Unrestricted Funds	Designated Funds			Total Designated Funds	2021 Total
			Lucille Foundation	Mulago Foundation	TYA and Skoll Foundation		
	£	£	£	£	£	£	£
Tangible Fixed Assets	372,597	-	-	-	-	-	372,597
Net Current Assets/(Liabilities)	3,799,075	1,892,186	325,000	172,383	651,944	1,149,327	6,840,588
Creditors: Amounts due after one year	(516,831)	-	-	-	-	-	(516,831)
Net Assets at the End of the Year	3,654,841	1,892,186	325,000	172,383	651,944	1,149,327	6,696,354

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

	Restricted Funds	Unrestricted Funds	Designated Funds			Total Designated Funds	2020 Total
			Lucille Foundation	Mulago Foundation	Other		
	£	£	£	£	£	£	£
Tangible Fixed Assets	442,101	-	-	-	-	-	442,101
Net Current Assets/(Liabilities)	4,557,517	1,736,874	200,000	1,327	-	201,327	6,495,718
Creditors: Amounts due after one year	(546,395)	-	-	-	-	-	(546,395)
Net Assets at the End of the Year	4,453,223	1,736,874	200,000	1,327	-	201,327	6,391,424

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. MOVEMENTS IN FUNDS (CURRENT YEAR)

WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020	Income	Expenditure	Transfers	Exchange Gain/ (Loss)	Taxation	At 31 March 2021
	£	£	£	£	£	£	£
Restricted Funds							
Borealis and Borouge	61,441	165,895	(11,833)	-	(14,131)	-	201,372
Cartier Foundation	53,411	227,982	(105,896)	-	(8,067)	-	167,430
Coca-Cola Africa Foundation Madagascar	373,238	132,433	(475,453)	-	(16,633)	-	13,585
Coca-Cola Africa Foundation Mozambique	88,765	27,343	(115,517)	-	(1,627)	-	(1,036)
Conrad Hilton Foundation	145,070	-	(153,265)	-	(4,761)	-	(12,956)
Comic Relief	1,596	141,151	(142,695)	-	-	-	52
Department for International Development	697	3,900	(4,597)	-	-	-	(0)
Department for International Development	0	726,574	(726,574)	-	-	-	0
Dubai Cares	374,902	654,111	(564,442)	-	(37,712)	-	426,859
James Percy Foundation	132,399	339,983	(300,882)	-	(8,045)	-	163,455
The One Foundation Kenya	228,741	300,000	(292,637)	-	-	-	236,104
The One Foundation Ghana	304,812	200,000	(320,546)	-	-	-	184,266
Skoll Foundation (Bangladesh)	612,130	-	(250,399)	-	(56,747)	-	304,984
Stone Family Foundation	505,217	189,224	(693,354)	-	(98)	-	989
Unilever	78,433	2,168,314	(2,180,001)	-	(6,736)	-	60,010
USAID	67,150	386,228	(149,183)	-	(14,583)	-	289,612
VF Corporation	(1)	472,179	(130,150)	-	(48,277)	-	293,751
Vitens Evides BV	4,775	22,751	(28,385)	-	1,447	-	588
Wasser Fuer Wasser Zambia	393,215	362,437	(279,900)	-	(41,988)	-	433,764
Wasser Fuer Wasser Mozambique	25,559	(8,302)	(16,716)	-	(606)	-	(65)
WSUP Charity	539,550	1,319,626	(1,386,807)	-	(146)	-	472,223
Waterloo Foundation	85,886	65,941	(97,115)	-	(9)	-	54,703
Clean Team Ghana	179,862	-	-	-	-	-	179,862
WSUP Charity	8,751	-	(4,413)	-	-	-	4,338
WSUP Advisory	28,191	-	-	(28,191)	-	-	-
Other	159,633	339,727	(332,075)	-	13,666	-	180,951
Total Restricted Funds	4,453,423	8,237,497	(8,762,835)	(28,191)	(245,053)	-	3,654,841
General Funds							
WSUP Charity	4,171	361	(81)	-	-	-	4,451
WSUP Advisory	78,644	589,933	(703,941)	28,191	(64,160)	-	(71,333)
Smartlife Kenya	(11,851)	-	-	-	-	-	(11,851)
Clean Team Ghana	42,186	729,335	(504,959)	-	-	(32,157)	234,405
WSUP General Funds	1,623,524	107,510	174,166	-	(109,882)	(58,804)	1,736,514
Designated Funds							
Skoll Foundation	-	457,723	-	-	(30,060)	-	427,663
Lucille Foundation	200,000	125,000	-	-	-	-	325,000
Thank you Australia	-	218,444	5,837	-	-	-	224,281
Mulago Foundation	1,327	222,417	(42,776)	-	(8,585)	-	172,383
Total Unrestricted Funds	1,938,001	2,450,723	(1,071,754)	28,191	(212,687)	(90,961)	3,041,513
Total Funds	6,391,424	10,688,220	(9,834,589)	-	(457,740)	(90,961)	6,696,354

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

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.

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 (DFID)	Balance of 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 2017-2020.
Dubai Cares	Grant to improving educational and health outcomes for vulnerable children through increased access to sustainable sanitation and hygiene services
ONE Foundation	Grants to towards water projects in cities in Kenya and the Ashanti region, Ghana
Skoll Foundation	Support for the expansion of the SWEEP model in Bangladesh.
Stone Family Foundation	Grant towards the costs of the WSUP Business Plan 2020 to 2025.
Unilever	Grant to fund hygiene behaviour change programmes in Ghana and Kenya.
USAID	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
VF Corporation	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.

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 2020-2025 Business Plan.
WSUP Charity	A grant to support the Mozambique 2020-2025 Business Plan and WSUP's organisation development.
Designated Funds	
Mulago Foundation	Unrestricted grant to support WSUP's business plan
Lucille Foundation	Unrestricted grant to support WSUP's business plan
Skoll Foundation	Unrestricted grant to support WSUP's business plan
Thank You Australia	Unrestricted grant to support WSUP's business plan

WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. MOVEMENTS IN FUNDS (PRIOR 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

18. RELATED PARTY TRANSACTIONS

Cost of services provided by Members to WSUP

	Projects	Support	2021 Total	2020 Total
	£	£	£	£
CARE International UK	-	-	-	684
WaterAid	-	-	-	19,749
	-	-	-	20,433

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Membership Contributions made to WSUP

	During the Year		2021	2020
	Cash	In-Kind	Total	Total
	£	£	£	£
Borealis and Borouge	25,000	11,000	36,000	37,000
CARE International UK	-	9,000	9,000	9,000
Thames Water Ltd	25,000	9,000	34,000	30,000
Unilever UK	25,000	5,000	30,000	28,000
WaterAid	10,000	3,000	13,000	15,000
	<u>85,000</u>	<u>37,000</u>	<u>122,000</u>	<u>119,000</u>

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.

During the year, Borealis and Borouge donated a grant of £NIL (year ended 31 March 2020: £120,709) in support of WSUP's work in Nairobi, Kenya.

At 31 March 2021, there were no debtor or creditor balances with Members (31 March 2020: £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 2021, taxable income was £NIL (year ended 31 March 2020: £20,180), while tax loss brought forward was £51,904 (year ended 31 March 2020: £72,084), and the liability was £NIL (year ended 31 March 2020: £1,317). Tax losses to carry forward are £51,904 (year ended 31 March 2020: £51,904).

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 2021, the amount of irrecoverable VAT was £75,245 (year ended 31 March 2020 - £411,483). This is charged to the same cost categories on the Statement of Financial Activities as the expenditure to which it relates.

**WATER AND SANITATION FOR THE URBAN POOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. CASHFLOW FROM OPERATING ACTIVITIES

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

	2021	2020
	Total	Total
	£	£
Net incoming resources before revaluations	853,631	1,339,558
Investment income	(1,308)	(23,857)
Foreign exchange movements on Fixed assets	41,173	-
Depreciation of tangible fixed assets	166,934	164,045
Disposals/Transfers of assets	-	(4,053)
Interest paid	345	282
Taxation	(90,961)	(969)
Decrease/(Increase) in debtors	1,123,386	(104,594)
(Decrease)/Increase in creditors	(1,657,893)	866,265
	<hr/> 435,307 <hr/>	<hr/> 2,236,677 <hr/>
Net cash provided by operating activities		

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020	Decrease in year
	£	£	£
Cash at bank and in hand	7,727,868	7,733,164	(5,296)
	<hr/> 7,727,868 <hr/>	<hr/> 7,733,164 <hr/>	<hr/> (5,296) <hr/>
Total cash and cash equivalents			