



**Water and Sanitation for the Urban Poor**

**Report and Consolidated Financial Statements**

For the year ended

**31 March 2023**

**Company number 05419428**

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

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<b>Constitution</b>	A not-for-profit company registered in England and Wales and limited by guarantee	
<b>Company Number</b>	05419428	Incorporated 9 April 2005
<b>Registered Office</b>	124 City Road, London EC1V 2NX	
<b>Operating Address</b>	1 Giltspur Street, London EC1A 9DD	
<b>Website</b>	www.wsup.com	
<b>Directors</b>	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 (resigned 27 April 2023)
	Karl Simons	Independent
	Rebecca Marmot	Unilever plc (resigned 2 February 2023)
	Helena Dollimore	Unilever (appointed 2 February 2023)
	Alice Tow	Thames Water (resigned 16 December 2023))
	Richard Adams	Cranfield University (appointed 27 April 2023)
	Jethro Yates	Thames Water (appointed 27 July 2023)
<b>Company Secretary</b>	Anzo Francis	
<b>Key Management Personnel</b>	Edward Mitchell	Chief Executive (appointed 22 June 2022)
	Neil Jeffery	Chief Executive (resigned 22 June 2022)
	Anzo Francis	Director of Finance
	Jeremy Horner	Director of Programmes
	Alicia Walters	Head of People & Support
	Polly Markandya	Head of Partnerships & Communications (appointed 13 June 2022)
	Yaver Abidi	WSUP Advisory CIC Managing Director (resigned 1 June 2023)
	Sam Drabble	Head of Research, Evaluation & Learning
<b>Members of Board Sub Committees:</b>		
<b>Finance and Audit Committee</b>		
	David Scott (Chair)	
	Edward Finch	
	Allison Guatama Bernal	
<b>Risk Committee</b>		
	Allison Guatama Bernal (Chair)	
	Karl Simons	
	Andy Wales	

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**Advisors:**

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

**Auditor** Crowe U.K. LLP, Chartered Accountants and Statutory Auditor  
St James Square, Cheltenham, GL50 3PR

**Subsidiaries**

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Water and Sanitation for the Urban Poor Zambia Limited  
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WSUP India Limited  
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Registered office: NGEF Lane, 2nd Floor, Indiranagar, Bangalore, Karnataka,  
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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: 124 City Road, London EC1V 2NX

## WATER AND SANITATION FOR THE URBAN POOR

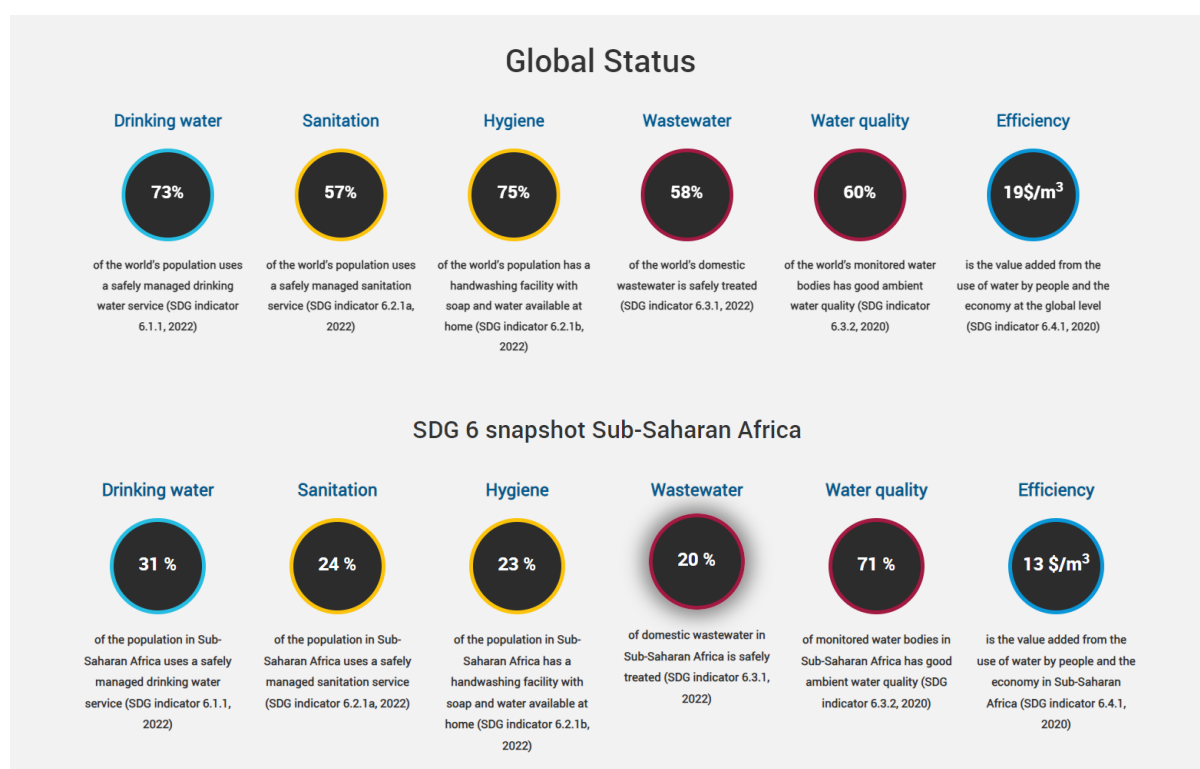
### REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the audited financial statements for the year ended 31 March 2023 (FY22/23). 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.

Water and sanitation are essential for healthy lives. People need water to survive, and sanitation to prosper, and live with dignity. The UN’s Sustainable Development Goal (SDG) number 6 sets out the internationally agreed goals for water, sanitation, and hygiene to be achieved by 2030, and it is estimated that the impact of achieving these targets could be 829,000 lives saved each year. While there has been improvement over the past year, current rates of progress need to increase fourfold if the targets are to be reached by the 2030 deadline.

The UN’s data portal on SDG6<sup>1</sup> shows that over a quarter of the world’s population, some 2 billion people, are still not using safely managed drinking water, and that just over half the global population, 57%, have safely managed sanitation services. Water for handwashing is essential for avoiding disease, yet over 1 in 4 people still lack access to handwashing facilities with soap and water at home. These metrics are considerably worse in Sub Saharan Africa, where over three quarters of people are not using a safely managed sanitation service or able to wash their hands with soap and water at home.



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. Most will live in informal settlements, also known as slums; congested, unplanned communities where basic services

<sup>1</sup> <https://www.sdg6data.org/en/node/1> [accessed July 2023]

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such as sewers and mains water are often lacking. The growth of urban slums is vastly outpacing efforts to serve these communities, and despite some progress 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.

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 are experts at working in these complex locations and are dedicated to developing solutions that are affordable for the poor, financially viable for suppliers, and sustainable for the environment. Our experience working in 25 major cities in Africa and Asia demonstrates that high-quality services can be achieved for low-income city dwellers. We do this by bringing 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. And, critically, we work closely with the community to understand their daily lives and needs.

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.

Millions of low-income urban residents have benefitted from improved water, sanitation, and hygiene services because of our work to date. Direct beneficiaries include over 5 million who now have clean, affordable water, and 4 million who have access to a clean and safe toilet, 1.9 million with improved environmental sanitation, and 11.2 million benefiting from hygiene behaviour change. These are significant, life-changing improvements for the individuals and families involved.

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Our capacity development and influencing efforts, leading to improvements led by partners, have benefited a further 19.2 million low-income urban residents.

Our work has resulted in approximately \$650 million of finance being mobilised, including from international financial institutions and governments, corporates, trusts and foundations, to improve urban water, sanitation, and hygiene for the poorest urban 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 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 power of market forces.

Sustainable, at scale progress in urban WASH can only be achieved if political leaders prioritise government investment and policy change, and if WASH service providers are supported 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 FY 22/23**

Over the course of the year, WSUP's work resulted in 10,930,063 people benefitting from improved access to water, sanitation, and/or hygiene/education. This includes:

Improved access to water:	315,093
Improved access to sanitation:	122,659
Improved hygiene/education:	10,784,079

Among the beneficiaries, 291,729 have received more than one benefits and are therefore deducted from the total number of beneficiaries reached. In addition, WSUP's work during the year resulted in a total of \$4.3 million of finance mobilised<sup>2</sup> for urban water, sanitation and hygiene improvements.

### **PROGRESS AGAINST BUSINESS PLAN**

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

#### **Strategic Goal 1: Integrated City Development**

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

#### **Our approach**

- We will achieve this through developing partnerships that link water, sanitation and hygiene with other area of urban development, such as housing, drainage and solid waste management and by connecting our work into broader urban development investment programmes.

#### **Progress made during FY 22/23**

WSUP believes that in complex and densely populated urban communities, innovative approaches are needed to unblock barriers and accelerate action. We work with local and national governments,

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<sup>2</sup> USD 1,605,238 was mobilised from household level, USD 650,355 was mobilised from public/govt sources, USD 628,050 was mobilised from private businesses, and USD 1,437,720 was mobilised from international financial institutions (IFIs).

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community organisations, academic institutions, and large international financial institutions to ensure an integrated, city-wide approach to WASH provision, enabling even the poorest urban residents to access the water, sanitation and hygiene services they need.

A key element of the integrated city development goal is how WSUP aligns its programmes with major citywide projects that are funded by International Financial Institutions. In Madagascar, both the European Investment Bank (EIB) and the World Bank are committing very large sums of money to improve water supply for the population, and WSUP's work and research has been important in ensuring that these investments are targeted, effective, and are not duplicating efforts already made by others, which is a perennial problem in development. Our utility strengthening work with the national water and energy utility, JIRAMA, for example, was recognized as being of such high quality that the World Bank felt it unnecessary to undertake their own process, and was confident to build on the work that WSUP had already achieved. Prevention of water losses and improvement of the infrastructure has been a focus for both the World Bank and the EIB projects, and WSUP has been able to contribute a costed water loss reduction plan which we developed as part of a previous project. Through involvement on the technical committee of the World Bank programme, we also provided citywide survey data which has supported their Greater Antananarivo economic assessments.

In Bangladesh, where again, the World Bank is making major investments, WSUP has been supporting local utilities to take a combined approach to faecal sludge management and solid waste management as part of the World Bank-funded Bangladesh Municipal Water Supply and Sanitation Project (30 Pourashavas) implemented through the Department of Public Health Engineering.

Ideally, integrated urban development is led by the municipality. This is the case in the low-income neighbourhood of Makuru in Nairobi, which has been designated a Special Planning Area (SPA) by Nairobi Metropolitan Services. Working closely with others – including the Nairobi City Water and Sewerage Company (NCWSC), local businesses and the community – we piloted the installation of a simplified sewer network, which has proved extremely successful. This approach, which involves laying flexible pipes at a shallower depth compared to traditional sewers, is common in South America, but is relatively unknown in Africa. For the system to work, and the pipes not to get blocked, water supply and garbage collection services must also be available. As well as the sewer network, WSUP installed water dispensers, which are operated via pre-paid tokens, providing clean water at a vastly lower price than the water cartels, and also assisted in the organisation of twice-weekly garbage collections. The result is a more attractive, cleaner environment for the neighbourhood, with no more channels of waste running down the streets, and thousands of people able to access flush toilets at home for the first time.

#### **Strategic Goal 2: Stronger Service Providers**

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

#### **Our approach**

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

#### **Progress made during FY 22/23**

In Mozambique, WSUP is working with the Maputo Municipal Council to develop a sustainable faecal sludge service for communities dependent on on-site sanitation. To develop the model, similar to a

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service-level based contract, WSUP arranged discussions and a workshop with colleagues from Bangladesh where the SWEEP service has been operational for several years.

In addition to support with developing a business model for sanitation services, WSUP has been providing technical assistance to water providers in Mozambique (FIPAG and AdeM) to reduce water loss using data-controlled pressure reducing valves which can reduce pressure and flow into specific areas of the pipe network, particularly during night-time. The team are also supporting the service providers by improving bill collection and water loss at a household or district level through a long-term community model which helps bridge the customer and the business. The community group helps households understand their meter bills, read their meters, and know the implications of non-payment.

Elsewhere in Mozambique, WSUP provided both material and technical support to the sanitation authority in the city of Beira, including training their staff on structured household surveys using a digital platform, and on how to manage hygiene campaigns. WSUP also facilitated a formal partnership between the sanitation authority and the Catholic University of Mozambique's Beira faculty and provided ICT equipment to provide a geographical information system for sanitation asset management.

In Madagascar, WSUP's two-year utility strengthening project with JIRAMA, the national water and power provider, drew to a close at the end of 2022. The World Bank have now launched a \$200 million National Water Project working with JIRAMA which will build on the work we have done with this utility and will invest significant sums in the infrastructure and organisational improvements we identified. WSUP's country manager has been selected as a member of the World Bank's Project Implementation Unit, helping to oversee this important upgrade programme.

In 2022, WSUP extended our utility strengthening support to a further utility, Madagascar's municipal sanitation provider for the capital, La Société Municipale d'Assainissement (SMA), which has recently taken on responsibility for managing faecal sludge as well as municipal solid waste. This included organising a widely attended three-day workshop in December to help SMA with prioritisation of projects within each business function, and to develop a strategic approach to organisational development.

**Strategic Goal 3: Enhanced Partnerships**

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

**Our approach**

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

**Progress made during FY 22/23**

We continue to build our partnership in Kenya with WASREB, the Kenya water regulator. Previously we have worked closely with them to strengthen Kenya's national evidence and influence base around urban sanitation, through the 2016-2020 WSUP-managed urban sanitation research programme. We have also enabled them to establish the utility pro-poor performance indicator (KPI-10), helped



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WASREB institutionalise their Pro-poor Services Guidelines and Sanitation Levy Guidelines, and helped align Kenya 2019 census data to WASREB requirements.

In Bangladesh, WSUP has been engaging with six Ready Made Garment (RMG) factories and the low-income communities that they draw many of their workforce from. The partnership we have with VF Corporation, an RMG buyer for brands such as Timberland and The North Face is continuing to strengthen, and we hope it will expand into Kenya where they also have factories. Factory owners recognise that improved water and sanitation in the communities can lead to improved health of household members and subsequently a reduction in absenteeism and high staff turnover. Both are significant issues for the factories resulting in additional costs which affect their bottom lines. The RMG sector is large and contributed 9% of Bangladesh's GDP, so there is significant further scope for working with other factories to help fund water and sanitation in low-income communities.

In Maputo, the partnership with the organisation Arquitectos Sin Fronteras of Spain (ASF – Architects without Borders) has continued to improve the lives of the residents of bairro Chamanculo C. In the project, which also involved the Maputo municipality and the water utility, WSUP built new toilet facilities, providing families with access to improved sanitation. Importantly, with the sanitation and the road access provided by WSUP and ASF the households are subsequently able to apply for land tenure for their household plots which is a considerable springboard for a household's development. Moreover, the plan used for slum upgrading will also be used as a model for the requalification of informal urban settlements throughout the Municipality of Maputo. Theoretically this could include up to an additional 100 informal urban settlements.

### **Strategic Goal 4: Effective Policies and Regulations**

We will drive transformation within the urban water, sanitation and hygiene sector through rigorous research, data-driven learning, dissemination and influencing.

#### **Our approach**

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

#### **Progress made during FY 22/23**

Our work to improve policies and regulations covers both the work we do directly with partners but also our research and publications.

In 2022, WSUP's team in Zambia supported the Ministry of Water Development and Sanitation through significant involvement in the Technical Working Group for On-Site Sanitation (OSS) and Faecal Sludge Management (FSM). The focus of their work was to assess the best financial model for construction of toilets in Lusaka: can funding be secured from the sanitation surcharge or is it better to establish a separate levy paid over a period of time; and, is it reasonable to look to fully recover from the household the costs associated with both construction and periodic emptying? WSUP was able to advocate on behalf of the households we work with in low-income communities for whom the combined cost would be too much.

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In Kenya, we have been piloting the use of simplified sewers in low-income communities. Two successful pilots – in Nakuru and Makuru – were conducted and the results evaluated. WSUP published two publications on programme activities in Kenya to pilot and support scale-up of simplified sewer systems (SSS). Firstly, a technical “how to” guide, which sets out the key steps involved in SSS planning and implementation, including a framework for the design and construction of SSS, regulatory aspects, and integration of these systems with wider urban development processes. The Guide was supported by a short advocacy document presenting the findings of two external evaluations of the SSS pilot in Mukuru, Nairobi. The 4-page document sets out the evidence base supporting replication of SSS in Kenya, concluding SSS can be an effective solution in densely populated informal settlements with existing trunk sewer infrastructure. The publications were launched by our country manager Eden Mati at Kenya’s national World Toilet Day celebrations and Sanitation Symposium.

WSUP is also determined to improve WASH policies and regulations at a global level. In 2022, WSUP was invited by the World Health Organization to develop a background paper on mandates and accountability mechanisms in the regulation of sanitation and drinking-water services. This was presented – with WHO - at World Water Week and also at the three-day meeting of the International Network of Drinking-water and Sanitation Regulators (RegNet), convened by WHO in Geneva in November, in which WSUP presented findings from the background paper and chaired a wider session on governance and regulation of water and sanitation services. A final version of the paper, reflecting outcomes from discussions at the RegNet meeting, was submitted to WHO in December. Since then, WSUP has been invited to lead a follow-up study for RegNet, setting out a potential roadmap for low- and middle-income countries looking to strengthen sanitation regulation. The study provides an invaluable opportunity to strengthen WSUP’s partnership with WHO and to contribute to the wider regulation agenda — an area that is gaining increasing traction at the sector level.

**Strategic Goal 5: Increased Scale**

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

**Our approach**

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

**Progress made during FY 22/23**

During this year WSUP extended its footprint within our existing countries of operation, preparing for projects in new cities. This includes two new locations in Kenya - Eldoret and Mavoko – which form part of the landmark Kenya Market Based Sanitation (KMBS) project, a three-year programme led by WSUP which will formally commence in July 2023.

In Ghana, WSUP’s is work supporting the Community Water and Sanitation Agency (CWSA) to establish an effective small-town water utility model/approach in the Western region, which can then be replicated across the country. WSUP already had a presence in Accra, Kumasi and a partial presence in Tamale, in the north but this new project directly extends WSUP’s work to 11 water systems in

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Takoradi, in the west. At a national level, WSUP is training CWSA staff to prioritise customer engagement as a way of increasing the customer base and improving revenue.

The WSUP team in Bangladesh is using learning from the recent SWEEP projects to prepare citywide sanitation improvement plans for 30 target municipalities based on analysis of each city's sanitation situation. This includes providing the design and engineer's estimate for treatment plants and vacuum tankers in these cities so that the Government of Bangladesh can tender for procuring the facilities.

**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 during FY 22/23**

A core component of WSUP's skill development programme is to promote individual and programme learning across country teams. Over the last year there have been a great many such activities organized, including the Webinar Wednesday series which are detailed under the next goal. One area of focus has been to systematise and document key activities to support future in-country and cross-country replication.

A good example of this is the development of new Guidance on Social Connection Policies (SCPs). The guidance was developed through cross-country workshops and drawing on WSUP experience supporting utilities to scale-up household water connections in Kenya, Madagascar, Mozambique and Zambia. The Guidance was finalised and circulated to all staff in April, followed by a Webinar Wednesday session to present the Guidance.

Following the completion of publications for ESAWAS on the three core functions of citywide inclusive sanitation (CWIS) — responsibilities, regulation and financing — WSUP organized a series of workshops to promote cross-country learning on this critically important topic. These workshops brought together sanitation leads to reflect on the ESAWAS research and share their experience and perspectives relating to the core functions and contributed to the development of new guidance to support country teams in defining and implementing their role in supporting CWIS in WSUP programme locations.

We were also able to bring together – in London - several Business Development Leads from across our countries of operation in September 2022, with four colleagues attending in person from Bangladesh, Ghana, and Mozambique. The gathering comprised a series of external and internal meetings exploring how WSUP engages with business in different ways and how it strengthens the water sanitation economy in each of our core countries. Particular highlights included a presentation by the Head of Marketing at Thames Water, presenting a utility's perspective on customer centric approaches, and a workshop session with our WSUP Advisory team about the different approaches to developing SME business plans.

**Internal Goal 2: Strengthen learning capabilities**

Support the organisation-wide roll out of a new Learning & Development Strategy to strengthen team and organisational learning to drive greater achievement of impact. Learning will underpin the delivery of our strategy, both to improve our own activities and drive sector change.

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### **Progress made during FY 22/23**

We had a very busy year of internal webinars under our ‘Webinar Wednesday’ programme covering a wide range of topics including theories of change, systems thinking, learning & development, and procurement. In addition, a thematic series of four webinars was delivered in collaboration with Cranfield University and the wider Water-WISER PhD programme, which included University of Leeds and WEDC as core partners. These webinars involved presentations on emerging research findings, led by Water-WISER researchers, followed by open discussion involving WSUP staff from across the world. The sessions included topics of key strategic relevance such as:

- **Challenges and driving factors behind the circular economy for sanitation**, presented by Alison Parker and May Sule (Cranfield University)
- **Women’s rights and the “loo leash”: the fight for public toilets in the UK**, presented by Grace Phiri (Leeds University)
- **Peri-Urban Turbulence: a framework of rural-urban transition for large cities in the Global South**, presented by Alison Parker and Renjitha Haridasan (Cranfield University)
- **Climate resilience and sanitation failure modes**, presented by Leonie Hyde Smith (Leeds University)
- **Learning from the TRANSFORM programme**
- Gertrude Salano (Kenya) and Jessica Phiri (Zambia) presented key project learnings from TRANSFORM, the sanitation challenge which supported WSUP partner utilities in Malindi and Livingstone to test and launch pit emptying services for low-income customers.

A key objective for WSUP in this mid-year of our five-year Business Plan was to review progress against objectives and metrics, and course-correct where necessary. This mid-term review was conducted through a number of different online workshops, bringing together a wide number of colleagues from across the organisation to look at progress made, obstacles encountered, and to solicit suggestions for things we could do more effectively. It was concluded that, in general, the Business Plan has held up well despite some significant global shocks (including the Covid pandemic, war in Ukraine driving up global prices), as well as the demise of our former funder, DFID. However, there were some areas of importance which we felt had not been captured in the Business Plan, for example our work on schools WASH and on inclusion. In addition, there are some metrics which we had already achieved half-way through the Plan so wanted to raise our ambition. This mid-term review has kickstarted discussions about the next Business Plan (2025-2030) which are already underway.

### **Priorities for 2023/24**

#### **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 2023/24**

- Continue to strengthen cross-organisational expertise in climate resilient WASH as a key component of integrated urban development. This will include the delivery of an internal webinar programme, synthesising WSUP experience to date in climate-resilient WASH approaches and exploring how WSUP programming can evolve further in this area; and creating new global and country-level partnerships focused on climate resilient WASH.

#### **2. Stronger Service Providers**

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

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**Priorities for 2023/24**

- Support effective implementation of the Utility Strengthening Framework with partner utilities, including SMA (Madagascar) and CWSA (Ghana).
- Support partner utilities with improved water supply management, through digitisation and improved monitoring. Examples include activities to reduce water losses with utilities in Beira and Maputo, Mozambique; and to promote continuous water supply in Livingstone, Zambia.
- Provide targeted technical assistance to strengthen water, sanitation and hygiene services in schools and other public institutions. Examples include supporting the implementation of the school WASH strategy in Madagascar and/or Mozambique.
- Support the continued development of public-private partnership arrangements for faecal waste emptying services in multiple cities and countries. Examples include continued technical assistance and operational support to Bangladesh municipalities.

**3. Enhanced Partnerships**

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

**Priorities for 2023/24**

- Support effective implementation of WSUP's new fundraising and communications strategy.
- Support effective implementation of WSUP's new influencing strategy.
- Continue to strengthen partnerships with businesses and/or factories that are seeking to improve worker conditions through better provision of water and sanitation. Examples include continued engagement with Ready Made Garment factories in Bangladesh.

**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 2023/24**

- Contribute to the continued development, implementation, and improvement of pro-poor regulatory frameworks for water and sanitation in WSUP programme countries. Examples include supporting the regulator and municipalities in the operationalisation of the new regulatory frameworks for urban sanitation in Mozambique.
- Contribute to the continued development, implementation, and improvement of institutional reforms in WSUP programme countries. Examples include continued support to utilities in Kenya and Zambia in adopting and delivering against new mandates for on-site sanitation.
- Produce high-quality publications to strengthen the evidence base in key programmatic areas. Examples include synthesising programme learnings on inclusive service delivery, encompassing both gender and disability, to raise awareness of best practice within WSUP and with external audiences.
- Continue to contribute to influential research at the global level. Examples include a planned study to develop a roadmap for sanitation regulation for WHO.

**5. Increased Scale**

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

**Priorities for 2023/24**

- Support replication of WSUP models in new cities within our programme countries. Examples include replication of the simplified sewer model in new Kenyan cities beyond Nairobi.
- Support replication of WSUP models across countries. Examples include replication of a pro-poor key performance indicator by regulators in Zambia and / or Ghana

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**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 2023/24**

- Nurture talent through formalising professional development plans and actively creating cross-country development opportunities.
- Benchmark our salaries against the not-for-profit market in our countries of operation to check we are still competitive and can attract and retain the skill sets we need to grow our impact.
- Review the line manager training programme to respond to evolving organizational needs.
- Select and implement a financial and project management system to achieve the scale envisaged by the business plan, to improve reporting, resources management, productivity and efficiency across the WSUP group of companies.

**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. Learning will underpin the delivery of our strategy, both to improve our own activities and drive sector change.

**Priorities for 2023/24**

- Conduct cross-country learning workshops and generate internal guidelines to support quality assurance and systemisation of proven approaches, in areas including climate resilient WASH, and inclusion.
- Introduce new approaches to support real-time monitoring of project implementation and connected process learning, better positioning WSUP to course-correct within projects where required.
- Develop and pilot a new methodology to assess the sustainability of our impact as part of Country Programme Reviews.

**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 2023 was five (31 March 2022: five). 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.

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At 31 March 2023, 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

**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, including budgets, management accounts, cashflow, going concern, year-end audit, and staff remuneration.

The Risk Committee continues to provide oversight and advice to the Board on institutional risk management issues. Meeting quarterly, the Committee reviews and advises on corporate policies and procedures, the corporate risk register, risk issues and risk mitigating actions.

The Risk Committee and the Finance and Audit Committee, work closely with the CEO, Director of Finance and Head of People & Support who all regularly attend these meetings. A report from each committee is a standing agenda item at each Board meeting.

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.

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**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. They 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.

**Clean Team Ghana Ltd**

Clean Team Ghana 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 into a purely commercial space.

Clean Team Ghana achieved an operating loss of £64k during the year (year ended 31 March 2022: £137k operating loss). The results of Clean Team Ghana have been consolidated into the results of the Group for the year ended 31 March 2023.

**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. The company is in process of being wound-up.

**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 CIC 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 achieved an operating surplus of £81k (year ended 31 March 2022: £84k operating deficit), 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 have been consolidated into the results of the Group for the year ended 31 March 2023.



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**WSUP Advisory India Pvt Ltd**

On 28 November 2015, WSUP Advisory India 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 2023, WSUP Advisory India recorded a deficit of £8k (year ended 31 March 2022: £3k deficit). Further details are included in note 10 to the accounts. The results of WSUP Advisory India have been consolidated into the results of the Group for the year ended 31 March 2023.

**WSUP Zambia Ltd**

WSUP Zambia 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 recorded a deficit of £27k (year ended 31 March 2022: £13k deficit). Further details are included in note 10 to the accounts. The results of WSUP Zambia have been consolidated into the results of the Group for the year ended 31 March 2023.

**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 deficit of £3k (year ended 31 March 2022: £11k 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 2023.

**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 develop its activities and operations in FY22/23.

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 FY22/23, 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

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combatting the spread of COVID-19, WSUP is optimistic that it will be able to secure new funds to scale up its work.

The reduction in broadly restricted and unrestricted funding 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, which have strengthened cost recovery performance management, organisational learning, and development.

## **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 £9.1 million (year ended 31 March 2022: £6.0 million). Grant income from restricted funds increased to £4.1 million in the year (year ended 31 March 2022: £2.1 million). Unrestricted grant income increased to £0.6 million in the year (year ended 31 March 2022: £0.4 million) and included contributions from the Mulago Foundation and Skoll Foundation.

Income from other sources including WSUP Charity, Clean Team Ghana, WSUP members and WSUP Advisory increased to £4.5 million (year ended 31 March 2022: £3.6 million).

Resources expended in the year increased to £9.4 million (year ended 31 March 2022: £7.5million) with growth in WASH programme delivery, particularly in Ghana, Kenya and Mozambique.

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 £290k (year ended 31 March 2022: losses of £399k).

The overall reduction in funds for the year was £0.5 million (year ended 31 March 2022: £1.8 million reduction). Note 10 to the accounts sets out in more detail the results for the subsidiaries.

### **Balance Sheet**

The net funds of the group reduced from £4.9 million at the start of the year to £4.4 million at the year end, due to the net movement on restricted and unrestricted funds, as explained above.

Fixed assets at the year-end totalled £352k (year ended 31 March 2022: £319k).

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 £2.3 million in restricted funds (31 March 2022: £3.0 million).

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,

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the group held £1.8 million general reserves (31 March 2022: £1.8 million). Designated reserves at the year-end totalled £0.3 million (31 March 2022: £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.

The free reserves of WSUP group, represented by general funds (as in Note 16 to the Accounts), was £1.8 million at 31 March 2022 and 1.8 million at 31 March 2023. With the uncertainties caused by lack of UK government funding for international development, inflation, foreign exchange turbulence, declining economic growth, and the potential impact on funder budgets for development, the Directors plan to maintain WSUP's reserves in the lower half of the target range in 2023/24.

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

**Going Concern**

WSUP's business operations have been impacted by the downturn in the UK and world economy, the war in Ukraine, supply chain disruption for various materials, significant increases in inflation, turbulence in the foreign exchange market, and continued lack of UK government support for overseas development. Given this context, we continue to develop robust contingency plans to ensure we can continue to function in a stable and sustainable way throughout the remainder of 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 continue to implement efficiencies in the way we operate across all key functions. We continue to seek unrestricted funding from new and existing sources, to ensure that our operations are funded over the Business Plan period. Since the start of the current business plan to 31 March 2023, we have secured £32 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 third 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 (FY23/24) and subsequent financial year (FY24/25) while maintaining delivery of WSUP's programmes

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- Cash management and working capital controls in place to manage the potential risks of late payments by funders and ensure restricted and unrestricted assets and reserves are appropriately managed.

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

**Glossary of Terms**

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

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WSUP            Water & Sanitation for the Urban Poor  
WTP            Willingness to Pay

**STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the profit or loss of the group for that period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed. Subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

**AUDITOR**

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

Approved by the Directors on 15 December 2023 and signed on their behalf by:



Lord Paul Boateng, Chair

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

**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 2023 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 2023 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

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the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 has 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 directors**

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

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

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](http://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 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 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.



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**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.



Tara Westcott  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor

Cheltenham, UK

Date: 20 December 2023

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**STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Group Restricted £	Group Unrestricted £	2023 Total £	2022 Total £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Grants	3	4,056,179	583,932	<b>4,640,111</b>	2,484,505
Member Contributions	18	-	75,000	<b>75,000</b>	75,000
Investment Income		-	31,534	<b>31,534</b>	-
WSUP Advisory Services		-	1,331,664	<b>1,331,664</b>	771,640
Other Income	4	2,640,322	402,458	<b>3,042,780</b>	2,708,126
<b>TOTAL</b>		<b>6,696,501</b>	<b>2,424,588</b>	<b>9,121,089</b>	<b>6,039,271</b>
<b>EXPENDITURE ON:</b>					
Raising Funds		253,620	16,189	<b>269,809</b>	290,735
Programme Activities				<b>0</b>	
Demonstrating Service Models		6,313,677	724,087	<b>7,037,764</b>	5,732,807
Strengthening Capacity		237,078	15,133	<b>252,211</b>	115,032
Mobilising Finance		130,746	8,345	<b>139,091</b>	73,994
Sectorwide influencing		235,775	15,049	<b>250,824</b>	171,700
Testing, Learning and Dissemination		196,186	12,522	<b>208,708</b>	218,190
WSUP Advisory Services		0	1,257,085	<b>1,257,085</b>	862,219
<b>TOTAL</b>	5	<b>7,367,082</b>	<b>2,048,410</b>	<b>9,415,492</b>	<b>7,464,677</b>
Net (outgoing)/incoming resources before transfers		(670,581)	376,178	<b>(294,403)</b>	(1,425,406)
Gross transfers between funds		-	-	-	-
Net (Outgoing)/Incoming Resources Before Other Recognised Gains and Losses		(670,581)	376,178	<b>(294,403)</b>	(1,425,406)
Unrealised Exchange (Losses)/Gains		(62,298)	(227,598)	<b>(289,896)</b>	(399,155)
Taxation on surplus on ordinary activities		0	58,804	<b>58,804</b>	-
<b>NET MOVEMENT IN FUNDS</b>	16	<b>(732,879)</b>	<b>207,384</b>	<b>(525,495)</b>	<b>(1,824,561)</b>
Total Funds Brought Forward		2,964,362	1,907,431	<b>4,871,793</b>	6,696,354
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,231,483</b>	<b>2,114,815</b>	<b>4,346,298</b>	<b>4,871,793</b>

All of these 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 18 to the financial statements.

**WATER AND SANITATION FOR THE URBAN POOR  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**BALANCE SHEET AS AT 31 MARCH 2023**

		Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>FIXED ASSETS</b>	<b>Note</b>				
Tangible Fixed Assets	9	<b>351,979</b>	319,584	<b>92,303</b>	49,562
Investments	10	-	-	<b>30,431</b>	30,431
		<b>351,979</b>	319,584	<b>122,734</b>	79,993
<b>CURRENT ASSETS</b>					
Stock	11	<b>24,055</b>	-	-	-
Debtors	12	<b>1,386,965</b>	555,202	<b>2,101,421</b>	680,350
Cash deposits and treasury bills		-	136,310	-	-
Cash at Bank and in hand		<b>5,968,076</b>	6,103,467	<b>3,092,391</b>	4,933,685
		<b>7,379,096</b>	6,794,979	<b>5,193,812</b>	5,614,035
<b>LIABILITIES</b>					
Creditors: Amounts due within one year	13	<b>(2,428,435)</b>	(1,682,586)	<b>(820,177)</b>	(630,688)
<b>NET CURRENT ASSETS</b>		<b>4,950,661</b>	5,112,393	<b>4,373,635</b>	4,983,347
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,302,640</b>	5,431,977	<b>4,496,369</b>	5,063,340
Creditors: Amounts due after one year	14	<b>(956,342)</b>	(560,184)	<b>(93,246)</b>	-
<b>NET ASSETS</b>	15	<b>4,346,298</b>	4,871,793	<b>4,403,123</b>	5,063,340
<b>FUNDS</b>	16				
Restricted Funds		<b>2,231,483</b>	2,964,362	<b>2,266,022</b>	3,004,620
Unrestricted Funds					
General Funds		<b>1,840,565</b>	1,649,034	<b>1,862,852</b>	1,821,089
Designated Funds		<b>274,249</b>	258,397	<b>274,249</b>	237,631
<b>TOTAL FUNDS</b>		<b>4,346,298</b>	4,871,793	<b>4,403,123</b>	5,063,340

The result for the financial year dealt with in the financial statements of the parent company was a deficit before tax of £781k (2022: deficit of £970k).

Approved by the Directors on 15 December 2023 and signed on their behalf by:



Lord Paul Boateng, Chair  
Company Registration Number 05419428

**WATER AND SANITATION FOR THE URBAN POOR  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2023**

		<b>Group 2023 Total £</b>	<b>Group 2022 Total £</b>
	<b>Note</b>		
Cash flows from operating activities	20	(175,693)	(1,080,813)
<b>Net cash provided by operating activities</b>		(144,159)	(1,080,813)
Cash flows from investing activities:			
Interest Received		31,534	-
Purchase of fixed assets		(233,804)	(187,786)
Sale/(Purchase) of investments		136,310	-
<b>Net cash used in investing activities</b>		(65,960)	(187,786)
Cash flows from financing activities:			
Interest Paid		-	-
Increase/(decrease) in long term creditors		396,158	43,353
<b>Net cash used in financing activities</b>		396,158	43,353
Change in cash and cash equivalents in the year	21	154,505	(1,225,246)
Cash and cash equivalents at the beginning of the year		6,103,467	7,727,868
Change in cash and cash equivalents due to exchange rate movements		(289,896)	(399,155)
<b>Cash and cash equivalents at the end of the year</b>		5,968,076	6,103,467

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**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 124 City Road, London EC1V 2NX.

**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) Critical estimates and judgements**

In the application of the company's accounting policies the directors are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the directors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**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.

**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.

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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.

**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:

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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) Stock**

Stocks are stated at the lower of cost and estimated selling price, less costs to complete and sell.

**p) 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.

**q) 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.

**r) 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.

**s) 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.

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.

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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

**t) Financial instruments**

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

**t) Taxation**

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

**u) Going Concern**

WSUP's business operations have been impacted by the downturn in the UK and world economy, the war in Ukraine, supply chain disruption for various materials, significant increases in inflation, turbulence in the foreign exchange market, and continued lack of UK government support for overseas development. Given this context, we continue to develop robust contingency plans to ensure we can continue to function in a stable and sustainable way throughout the remainder of 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 continue to implement efficiencies in the way we operate across all key functions. We continue to seek unrestricted funding from new and existing sources, to ensure that our operations are funded over the Business Plan period.

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 third 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 (FY23/24) and subsequent financial year (FY24/25) 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 2023**

**1. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Group Restricted £	Group Unrestricted £	2022 Total £
<b>INCOME AND ENDOWMENTS FROM:</b>				
Grants	3	2,128,772	355,733	<b>2,484,505</b>
Member Contributions	18	-	75,000	<b>75,000</b>
Investment Income		-	-	-
WSUP Advisory Services		-	771,640	<b>771,640</b>
Other Income	4	2,060,979	647,147	<b>2,708,126</b>
<b>TOTAL</b>		<b>4,189,751</b>	<b>1,849,520</b>	<b>6,039,271</b>
<b>EXPENDITURE ON:</b>				
Raising Funds		113,265	177,470	<b>290,735</b>
Programme Activities				
Demonstrating Service Models		4,374,930	1,357,877	<b>5,732,807</b>
Strengthening Capacity		92,655	22,377	<b>115,032</b>
Mobilising Finance		16,813	57,181	<b>73,994</b>
Sectorwide influencing		42,362	129,338	<b>171,700</b>
Testing, Learning and Dissemination		187,980	30,210	<b>218,190</b>
WSUP Advisory Services		-	862,219	<b>862,219</b>
<b>TOTAL</b>	5	<b>4,828,005</b>	<b>2,636,672</b>	<b>7,464,677</b>
Net (outgoing)/incoming resources before transfers		(638,254)	(787,152)	<b>(1,425,406)</b>
Gross transfers between funds		(22,541)	22,541	-
Net (Outgoing)/Incoming Resources Before Other Recognised Gains and Losses		(660,795)	(764,611)	<b>(1,425,406)</b>
Unrealised Exchanges (Losses)		(29,684)	(369,471)	<b>(399,155)</b>
Taxation on profit on ordinary activities		-	-	-
<b>NET MOVEMENT IN FUNDS</b>	16	<b>(690,479)</b>	<b>(1,134,082)</b>	<b>(1,824,561)</b>
Total Funds Brought Forward		3,654,841	3,041,513	<b>6,696,354</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,964,362</b>	<b>1,907,431</b>	<b>4,871,793</b>

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**2. GRANTS**

	2023			2022		
	Restricted £	Unrestricted £	TOTAL £	Restricted £	Unrestricted £	TOTAL £
Agence Française de développement	16,549	-	16,549	-	-	-
Aguas de Regiao de Maputo	-	-	-	16,329	-	16,329
Borealis and Borouge	34,898	-	34,898	-	-	-
Cargill	125,042	-	125,042	-	-	-
Cartier Foundation	253,557	-	253,557	-	-	-
Coca Cola Foundation	-	-	-	220,263	-	220,263
Conrad N. Hilton Foundation	328,453	-	328,453	-	-	-
Conselho Municipal de Maputo	-	-	-	317,281	-	317,281
Crap Foundation	-	-	-	-	69,065	69,065
Dev Consultants	28,712	-	28,712	-	-	-
Dutch Government	-	-	-	27,679	-	27,679
Dubai Cares	86,994	-	86,994	-	-	-
ESA	-	-	-	170,470	-	170,470
Gates Foundation	-	-	-	22,523	-	22,523
Halcrow Foundation Limited	-	-	-	3,552	-	3,552
James Percy Foundation	157,766	-	157,766	108,234	-	108,234
Latter-Day Saint Charities	135,834	-	135,834	-	-	-
Mulago Foundation	-	414,422	414,422	-	177,600	177,600
One Foundation	560,000	-	560,000	310,000	-	310,000
P4G	11,743	-	11,743	-	-	-
Fondation Pictet	160,114	-	160,114	-	-	-
Save The Children	9,902	-	9,902	-	-	-
Skoll Foundation	-	20,915	20,915	226,812	109,069	335,881
UN Habitat	52,507	-	52,507	-	-	-
UNICEF	14,657	-	14,657	23,608	-	23,608
Unilever	1,197,906	-	1,197,906	182,736	-	182,736
US Agency for International Development	580,061	-	580,061	319,263	-	319,263

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

VF Corporation	248,566	-	248,566	36,777	-	36,777
Wasser Fuer Wasser	52,918	-	52,918	70,673	-	70,673
Waterloo Foundation	-	-	-	60,000	-	60,000
WaterWox	-	-	-	12,570	-	12,570
Other	-	148,595	148,595	-	-	-
	<b>4,056,179</b>	<b>583,932</b>	<b>4,640,111</b>	<b>2,128,770</b>	<b>355,734</b>	<b>2,484,504</b>

**3. OTHER INCOME**

	2023		2022		Total
	Restricted	Unrestricted	Restricted	Unrestricted	
	£	£	£	£	£
Clean Team Ghana Rentals and Sales	-	111,422	-	127,105	127,105
Clean Team Ghana - Grants	-	270,463	-	492,565	492,565
WSUP Charity Donations	2,640,322	3,613	2,060,979	5,382	2,066,361
Other income	-	16,960	-	22,095	22,095
	<b>2,640,322</b>	<b>402,458</b>	<b>2,060,979</b>	<b>647,147</b>	<b>2,708,126</b>

**4. ANALYSIS OF EXPENDITURE**

	Staff & Other	Support	2023
	Costs		Total
	£	£	£
Raising Funds	236,186	33,623	269,809
Demonstrating Service Models	6,208,034	829,729	7,037,763
Strengthening capacity	220,781	31,430	252,211
Mobilising Finance	121,758	17,333	139,091
Sectorwide influencing	219,567	31,257	250,824
Testing Learning and Dissemination	182,700	26,009	208,709
Support Services	969,381	(969,381)	-
WSUP Advisory CIC	1,257,085	-	1,257,085
Year Ended 31 March 2023	<b>9,415,492</b>	<b>-</b>	<b>9,415,492</b>

Governance Costs of £76,590 (2022: £71,000) are included in Support Services.

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**5. DETAILED COMPARATIVES FOR 2022 ARE GIVEN BELOW:**

	Staff & Other		2022
	Costs	Support	Total
	£	£	£
Raising Funds	235,986	54,749	290,735
Demonstrating Service Models	4,825,708	907,099	5,732,807
Strengthening capacity	94,424	20,608	115,032
Mobilising Finance	60,040	13,954	73,994
Sectorwide influencing	139,780	31,920	171,700
Testing Learning and Dissemination	180,556	37,634	218,190
Support Services	1,065,964	(1,065,964)	-
WSUP Advisory CIC	862,219	-	862,219
Year Ended 31 March 2022	7,464,677	-	7,464,677

**6. NET OUTGOING RESOURCES FOR THE YEAR**

This is stated after charging:	2023	2022
	Total	Total
	£	£
Depreciation	104,446	145,687
Operating Lease rentals		
* Property	233,756	242,217
* Other	27,269	49,228
Auditors' remuneration		
* WSUP (Crowe UK LLP)	24,010	21,686
* WSUP Advisory (Crowe UK LLP)	6,160	5,352
* WSUP Charity (Crowe UK LLP)	630	525
* Other services UK (Crowe UK LLP)	2,530	2,827
* WSUP Advisory India audit	351	368
* Clean Team Ghana audit	2,217	2,140
* WSUP Zambia audit	6,889	6,889
Directors' remuneration	65,484	58,412

Directors' remuneration is the payment made to the non-executive directors for 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:

	2023	2023	2022	2022
	Property	Equipment	Property	Equipment
	£	£	£	£
Less than one year	233,756	27,269	242,217	49,228
One to five years	89,530	44,054	259,781	3,818
	323,286	71,323	501,998	53,046

The amounts above are stated including standard rate VAT.

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**8. STAFF COSTS AND NUMBERS**

	<b>2023</b>	2022
	<b>Total</b>	Total
	<b>£</b>	£
<u>UK Staff</u>		
Wages and Salaries	1,298,153	1,334,718
Social Security Costs	150,895	142,899
Pension Contributions <sup>(1)</sup>	71,244	69,205
	<u>1,520,292</u>	<u>1,546,822</u>
Casual Staff Costs	136,233	103,513
Clean Team Ghana Wages and Salaries	118,716	241,366
WSUP Advisory (excluding Casual Staff Costs)	325,376	346,322
WSUP Programme Salaries (including local employer payroll taxes) <sup>(2) (3)</sup>	1,341,553	1,202,371
Directors Remuneration including social security costs	67,432	58,412
	<u>3,509,602</u>	<u>3,498,806</u>

- (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 2023 totalled £nil (2022 - £nil).
- (3) Redundancy payments in respect of three staff totalled £4,038 (2022 – three staff £9,509).

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

<b>Band</b>	<b>2023</b>	2022
£60,000 - £69,999	<b>7</b>	5
£70,000 - £79,999	<b>1</b>	-
£80,000 - £89,999	<b>3</b>	3
£90,000 - £99,999	<b>-</b>	1

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

	<b>2023</b>	2022
	<b>No.</b>	No.
Office of the Chief Executive	<b>1</b>	1
Communications	<b>3</b>	3
Evaluation, Research & Learning	<b>2</b>	2
Fundraising	<b>4</b>	5
Human Resources & Office Admin	<b>5</b>	4
Innovation & Consumer Needs	<b>1</b>	2
Programmes Directorate	<b>6</b>	5
Secretariat Finance	<b>6</b>	6
Programmes	<b>76</b>	80
	<u>104</u>	108
Clean Team Ghana	<b>62</b>	59
WSUP Advisory	<b>4</b>	4
WSUP Advisory India	<b>0</b>	0
	<u>170</u>	171

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The total employment cost including national insurance and pension contributions of the key management personnel (senior management team) was £647,197 (2022: £611,804).

**9. TANGIBLE FIXED ASSETS**

**GROUP**

	Toilets	Land	Plant and Machinery	Vehicles	Office Fixtures and Fittings	Office Equipment	Total
<b>Cost</b>							
At 1 April 2022	398,837	18,220	17,685	504,379	34,403	148,663	1,122,187
Additions in year	42,249	0	629	181,231	0	9,696	233,804
Transfer of Assets from Completed projects	35,203	0	0	(35,203)	0	0	0
Disposals	0	0	0	(31,239)	0	0	(31,239)
FX (loss)	(161,643)	(5,776)	(5,607)	(61,558)	(11,734)	(5,961)	(252,279)
At 31 March 2023	314,646	12,444	12,707	557,610	22,669	152,398	1,072,475
<b>Depreciation</b>							
At 1 April 2022	258,069	4,914	10,817	377,903	30,402	120,498	802,603
Charge for the year	20,232	2,810	706	56,488	10,277	13,933	104,446
Charge on assets transferred from completed projects	0	0	0	0	0	0	0
Disposals/Transfers in year	0	0	0	(27,666)	0	0	(27,666)
FX Gain/(loss)	(81,815)	(1,557)	(3,429)	(53,049)	(20,509)	1,472	(158,887)
At 31 March 2023	196,486	6,167	8,094	353,675	20,170	135,904	720,496
<b>NBV at 31 March 2023</b>	<b>118,160</b>	<b>6,277</b>	<b>4,614</b>	<b>203,935</b>	<b>2,499</b>	<b>16,494</b>	<b>351,979</b>
NBV at 31 March 2022	140,768	13,306	6,868	126,476	4,001	28,165	319,584

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

**COMPANY**

	Fixtures and Fittings	Computer Equipment	Office Equipment	Vehicles	Total
<b>Cost</b>					
At 1 April 2022	15,193.93	91,651.90	24,289.90	304,791.03	435,926.76
Additions in year	-	7,551	-	83,762	91,313
At 31 March 2023	15,194	99,203	24,290	388,553	527,240
<b>Depreciation</b>					
At 1 April 2022	15,194	82,014	18,813	270,344	386,365
Charge for the year	-	10,007	-	38,565	48,572
At 31 March 2023	15,194	92,021	18,813	308,909	434,937
<b>NBV at 31 March 2023</b>	<b>-</b>	<b>7,182</b>	<b>5,477</b>	<b>79,644</b>	<b>92,303</b>
NBV at 31 March 2022	-	9,638	5,477	34,447	49,562

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**10. INVESTMENTS**

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

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Clean Team Ghana Shares (shares held by WSUP)	<b>29,670</b>	29,670
Smartlife Kenya Shares (shares held by WSUP)	<b>760</b>	760
WSUP Advisory CIC	<b>1</b>	<b>1</b>
	<b>30,431</b>	<b>30,431</b>
	<b>30,431</b>	<b>30,431</b>

**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**

WSUP registered Clean Team Ghana Ltd in Ghana on 12 April 2012. The issued share capital is 1,000 shares at 85 Ghanaian Cedis each, all of which are owned by WSUP. These are valued at cost at £29,670. A summary of the results of Clean Team Ghana is shown below:

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Rentals and Sales	111,422	127,105
Other income including Grants	268,778	250,916
Expenditure	(377,195)	(514,668)
Operating profit/(loss)	3,005	(136,647)
FX losses	(66,991)	(241,649)
Net (deficit) from Operations	(63,986)	(378,296)
Net (deficit)/surplus for the Year	(63,986)	(378,296)
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	1,001,468	907,807
Liabilities	(672,187)	(800,186)
Funds	329,281	107,621
Share Capital	29,670	29,670

**Smartlife Kenya Limited**

WSUP registered Smartlife Kenya Limited in Kenya on 1 April 2014. 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 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 the next twelve months.

The Aggregate of the assets, liabilities and funds were as follows:

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	2023	2022
	Total	Total
	£	£
Assets	3,869	3,869
Liabilities	(15,520)	(15,520)
Funds	(11,651)	(11,651)
Share Capital	760	760

**WSUP Advisory CIC**

WSUP registered WSUP Advisory CIC in the UK on 25 February 2015. 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:

	2023	2022
	Total	Total
	£	£
Income	1,331,475	832,282
Expenditure	(1,250,425)	(916,304)
<b>Net surplus/(deficit) from Operations</b>	<b>81,050</b>	<b>(84,022)</b>
Unrealised Foreign Exchange losses	(12,590)	(9,094)
Interest receivable	26	-
Tax refund	164	-
<b>Net surplus/(deficit) for the year</b>	<b>68,650</b>	<b>(93,116)</b>

The Aggregate of the Assets, Liabilities and Funds was:

Assets	1,534,534	704,915
Liabilities	(1,690,638)	(929,750)
Funds	(156,104)	(224,835)
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:

	2023	2022
	Total	Total
	£	£
Income	-	-
Expenditure	(6,661)	(4,531)
<b>Net deficit from operations</b>	<b>(6,661)</b>	<b>(4,531)</b>
Grant Income from WSUP Advisory CIC Ltd	-	-
Net loss for the Year	(6,661)	(4,531)
	<b>2023</b>	<b>2022</b>



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	Total £	Total £
Unrealised Foreign Exchange (losses)/gains	(1,491)	1,568
<b>Net deficit for the year</b>	<b>(8,152)</b>	<b>(2,963)</b>
The Aggregate of the Assets, Liabilities and Funds was:		
Assets	87,878	96,311
Liabilities	(14,893)	(15,171)
	<b>72,985</b>	<b>81,140</b>
Funds	<b>71,877</b>	<b>80,032</b>
Share Capital	<b>1,108</b>	<b>1,108</b>

**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. The summary of the results of WSUP Zambia Ltd is shown below. The company has negative reserves which are expected to reverse in the following year.

	2023 Total £	2022 Total £
Income (including accrued income)	-	331,735
Expenditure	(607,615)	(438,811)
<b>Net deficit from operations</b>	<b>(607,615)</b>	<b>(107,076)</b>
Grant Income from WSUP	611,175	115,892
Net Incoming Resources for the Year	3,560	8,816
Unrealised Foreign Exchange (losses)	(30,455)	(21,881)
<b>Net (deficit) for the Year</b>	<b>(26,895)</b>	<b>(13,065)</b>

The Aggregate of the Assets, Liabilities and Funds was:

Assets	44,181	36,457
Liabilities	(91,405)	(47,537)
Funds	<b>(47,224)</b>	<b>(11,080)</b>

**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:

	2023 Total £	2022 Total £
Incoming Resources	2,643,935	2,066,361
Resources Expended	(2,647,392)	(2,055,617)
Net (deficit)/surplus for the year	<b>(3,457)</b>	<b>10,744</b>

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Assets	726,558	20,763
Liabilities	(710,482)	(1,230)
Funds	16,076	19,533
Share Capital	-	-

**11. STOCK**

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
At 1 April 2022	-	-	-	-
Additions during the year	24,055	-	-	-
At 31 March 2023	24,055	-	-	-

**12. DEBTORS**

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Trade Debtors	725,647	132,282	623,382	66,337
Prepayments and accrued income	511,934	189,724	504,918	128,468
Intercompany	-	-	915,074	472,809
Development costs	69,009	-	-	-
Other Debtors	80,375	233,196	58,047	12,736
	1,386,965	555,202	2,101,421	680,350

**13. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR**

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Trade Creditors	271,201	267,688	208,755	128,980
Taxation and social security	123,005	71,849	111,967	48,820
Accruals	646,908	516,145	451,220	357,091
Deferred income	1,307,620	406,327	-	-
Other Creditors	79,701	420,557	48,235	95,797
	2,428,435	1,682,566	820,177	630,688

Deferred income

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Deferred income at 1 April 2022	406,327	52,286	-	-
Net increase/(decrease) during the year	901,293	354,021	-	-
Deferred income at 31 March 2023	1,307,620	406,327	-	-

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Deferred income relates to contract income received in advance of completing the related work.

**14. 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.

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2023</b>	2022	<b>2023</b>	2022
	£	£	£	£
Development Loans to Clean Team Ghana	<b>956,342</b>	560,184	-	-

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CURRENT YEAR)**

	Restricted Funds	Unrestricted Funds	Designated Funds Mulago	Designated Funds Skoll	Designated Funds Total	<b>2023 Total</b>
	£	£	£	£	£	£
Fixed Assets	351,979	-	-	-	-	351,979
Net Current Assets	2,835,846	1,840,566	266,949	7,300	274,249	4,950,661
Creditors due after one year	(956,342)	-	-	-	-	(956,342)
Net Assets at 31 March 2023	<b>2,231,483</b>	<b>1,840,566</b>	<b>266,949</b>	<b>7,300</b>	<b>274,249</b>	<b>4,346,298</b>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)**

	Restricted Funds	Unrestricted Funds	Designated Funds Mulago Foundation	Designated Funds Crap Foundation	Designated Funds Total	2022 Total
	£	£	£	£	£	£
Tangible Fixed Assets	319,584	-	-	-	-	319,584
Net Current Assets	3,204,962	1,649,034	189,332	69,065	258,397	5,112,393
Creditors: Amounts due after one year	(560,184)	-	-	-	-	(560,184)
Net Assets at 31 March 2022	<b>2,964,362</b>	<b>1,649,034</b>	<b>189,332</b>	<b>69,065</b>	<b>258,397</b>	<b>4,871,793</b>

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**17. MOVEMENTS IN FUNDS (CURRENT YEAR)**

	Balance brought forward	Incoming Resources	Outgoing Resources	Adjustments (Tax/FX/ Transfers)	Balance carried forward
	£	£	£	£	£
Restricted Funds					
Agence Française de développement	15,780	16,549	29,409	434	3,354
Borealis and Borouge	95,027	34,898	130,269	344	0
Cartier Foundation	232,380	253,557	240,534	0	245,403
Coca-Cola Africa Foundation Madagascar	(440)	0	(947)	(507)	0
Coca-Cola Africa Foundation Mozambique	(7,470)	0	(8,815)	(1,345)	0
Conrad Hilton Foundation	281,027	328,453	142,952	0	466,528
Comic Relief	52	0	0	(52)	0
Cargill	0	125,042	126,257	34,175	32,960
Stone Family Foundation	963	0	0	(963)	0
Dev Consultants	0	28,712	33,574	4,862	0
Dubai Cares	173,503	86,994	292,630	32,133	0
James Percy Foundation (Zambia)	102,145	157,766	252,776	512	7,647
Latter-Day Saint Charities	0	135,834	30,210	(1,371)	104,253
The One Foundation Kenya	236,209	360,000	321,104	31	275,136
The One Foundation Ghana	13,450	200,000	22,569	0	190,881
P4G Foundation	0	11,743	11,743	0	0
Pictet Foundation (Zambia)	0	160,114	29,789	0	130,325
Skoll Foundation (Bangladesh)	(8,639)	0	0	8,639	0
Save The Children	0	9,902	11,806	1,904	0
UNICEF	0	14,657	6,694	0	7,963
UN Habitat	21,278	52,507	81,585	7,800	0
Unilever	53,691	1,197,906	1,264,919	13,322	0
USAID	57,260	580,061	545,709	0	91,612
VF Corporation	64,782	248,566	306,611	0	6,737
Vitens Evides BV	73	0	0	(73)	0
Wasser Fuer Wasser Zambia	239,676	52,918	312,387	19,793	0
Wasser Fuer Wasser Mozambique	(66)	0	0	66	0
World Bank	0	0	0	0	0
World Health Organisation	0	0	0	0	0
WSUP Charity	1,138,547	0	434,604	(720)	703,223
Waterloo Foundation	54,982	0	63,065	8,083	0
Other	106,972	0	58,621	(48,351)	0
Subsidiaries - restricted funds					
Clean Team Ghana	81,675	0	81,675	0	0
WSUP Charity	11,505	2,640,322	2,639,142	0	12,685
WSUP Zambia	0	0	(3,560)	(50,784)	(47,224)
					0
<b>Restricted funds</b>	<b>2,964,362</b>	<b>6,696,501</b>	<b>7,457,312</b>	<b>27,932</b>	<b>2,231,483</b>

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	Balance brought forward	Incoming Resources	Outgoing Resources	Adjustments (Tax/FX/Transfers)	Balance carried forward
<b>Designated/Broadly restricted funds</b>					
Crap Foundation	69,065	0	69,065	0	0
Skoll Foundation (BP support)	189,332	20,915	203,135	188	7,300
Mulago Foundation	0	414,422	145,368	(2,105)	266,949
<b>Sub-total</b>	<b>258,397</b>	<b>435,337</b>	<b>417,568</b>	<b>(1,917)</b>	<b>274,249</b>
<b>WSUP General Funds</b>					
WSUP General Funds	1,772,354	272,088	(22,607)	(204,197)	1,862,852
<b>Sub-total</b>	<b>4,995,113</b>	<b>7,403,926</b>	<b>7,852,273</b>	<b>(178,182)</b>	<b>4,368,584</b>
<b>Subsidiaries - unrestricted funds</b>					
WSUP Charity	8,028	3,613	8,250	0	3,391
Smartlife Kenya	(11,651)	0	0	0	(11,651)
Clean Team Ghana	25,946	381,885	297,884	(66,991)	42,956
WSUP Advisory	(224,835)	1,331,664	1,250,424	12,590	(131,005)
WSUP Advisory India	79,192	0	6,661	1,491	74,022
			0		
<b>Total subsidiary funds</b>	<b>(123,320)</b>	<b>1,717,162</b>	<b>1,563,218</b>	<b>(52,910)</b>	<b>(22,287)</b>
<b>Group total funds</b>	<b>4,871,793</b>	<b>9,121,088</b>	<b>9,415,491</b>	<b>(231,092)</b>	<b>4,346,298</b>

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.

**Purposes of funds**

**Restricted Funds**

Agence Française de développement	Grant in support of WSUP's work in Maputo, Mozambique.
Borealis and Borouge	Grant in support of WSUP's work in cities in Mozambique.
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.
Conrad Hilton Foundation	To develop the water and sanitation sector in Uganda.
Dubai Cares	Grant to improving educational and health outcomes for vulnerable children through increased access to sustainable sanitation and hygiene services
Latter Day Saints Charities	Grants to towards water and sanitation projects in cities in Ghana.

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P4G Foundation	Grants to towards managed aquifer recharge (MAR) of excess runoff waters to tackle water scarcity in Kenya.
Fondation Pictet	Grants to towards water projects in cities in Zambia.
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	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.
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.
<b>Designated Funds</b>	
Crap Foundation	Unrestricted grant to support WSUP's business plan
Mulago Foundation	Unrestricted grant to support WSUP's business plan
Skoll Foundation	Unrestricted grant to support WSUP's business plan

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**17. MOVEMENTS IN FUNDS (PRIOR YEAR)**

	At 1 April	Income	Expenditure	Transfers	Exchange	Taxation	At 31 March
	2021				Gain/ (Loss)		2022
	£	£	£	£	£	£	£
<b>Restricted Funds</b>							
Agence Française de développement	-	16,329	(549)	-	-	-	15,780
Borealis and Borouge	201,372	-	(106,345)	-	-	-	95,027
Cartier Foundation	167,430	220,263	(154,094)	-	(1,220)	-	232,380
Coca-Cola Africa Foundation Madagascar	13,585	-	(14,025)	-	-	-	(440)
Coca-Cola Africa Foundation Mozambique	(1,036)	-	(6,434)	-	-	-	(7,470)
Conrad Hilton Foundation	(12,956)	317,281	(23,298)	-	-	-	281,027
Comic Relief	52	-	-	-	-	-	52
Dubai Cares	426,859	170,470	(415,071)	-	(8,755)	-	173,503
James Percy Foundation	163,455	108,234	(168,128)	-	(1,416)	-	102,145
The One Foundation Kenya	236,104	310,000	(309,912)	-	17	-	236,209
The One Foundation Ghana	184,266	-	(170,816)	-	-	-	13,450
Skoll Foundation (Bangladesh)	304,984	226,813	(541,185)	-	750	-	(8,639)
Stone Family Foundation	989	-	-	-	(26)	-	963
UN Habitat	-	23,609	(2,331)	-	-	-	21,278
Unilever	60,011	182,736	(188,142)	-	(914)	-	53,691
USAID	289,612	319,264	(549,453)	-	(2,163)	-	57,260
VF Corporation	293,751	36,777	(265,851)	-	105	-	64,782
Vitens Evides BV	589	-	(516)	-	-	-	73
Wasser Fuer Wasser Zambia	433,763	70,672	(259,181)	-	(5,579)	-	239,676
Wasser Fuer Wasser Mozambique	(66)	-	-	-	-	-	(66)
WSUP Charity (held by WSUP)	472,223	2,046,352	(1,369,605)	-	(10,423)	-	1,138,547
Waterloo Foundation	54,703	60,000	(60,530)	-	809	-	54,982
Clean Team Ghana	179,862	0	(98,187)	-	-	-	81,675
WSUP Charity	4,338	14,627	(7,460)	-	-	-	11,505
Other	180,949	66,324	(116,893)	(22,541)	(869)	-	106,970
<b>Total Restricted Funds</b>	<b>3,654,841</b>	<b>4,189,751</b>	<b>(4,828,005)</b>	<b>(22,541)</b>	<b>(29,684)</b>	<b>-</b>	<b>2,964,362</b>
<b>General Funds</b>							
WSUP Charity	4,451	5,382	(1,805)	-	-	-	8,028
WSUP Advisory	(71,333)	771,640	(862,219)	23,797	(7,527)	-	(145,643)
Smartlife Kenya	(11,851)	-	-	200	-	-	(11,651)
Clean Team Ghana	234,405	619,670	(586,480)	-	(241,649)	-	25,946
WSUP General Funds	1,736,514	97,094	80,581	(23,997)	(117,838)	-	1,772,354
<b>Designated Funds</b>							
Crap Foundation	-	69,065	-	-	-	-	69,065
Skoll Foundation (BP support)	427,663	109,069	(345,169)	-	(2,231)	-	189,332
Lucille Foundation	325,000	-	(325,000)	-	-	-	-
Thank you Australia	224,281	-	(225,141)	860	-	-	(0)
Mulago Foundation	172,383	177,600	(371,439)	21,681	(225)	-	(0)
<b>Total Unrestricted Funds</b>	<b>3,041,513</b>	<b>1,849,520</b>	<b>(2,636,672)</b>	<b>22,541</b>	<b>(369,471)</b>	<b>-</b>	<b>1,907,431</b>
<b>Total Funds</b>	<b>6,696,354</b>	<b>6,039,271</b>	<b>(7,464,677)</b>	<b>-</b>	<b>(399,155)</b>	<b>-</b>	<b>4,871,793</b>

**WATER AND SANITATION FOR THE URBAN POOR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**18. RELATED PARTY TRANSACTIONS**

**Cost of services provided by Members to WSUP**

There were no services provided by members during the year (2022: nil).

**Membership Contributions made to WSUP**

	Cash	In-Kind	Total 2023	Total 2022
	£	£	£	£
Borealis and Borouge	25,000	8,000	<b>33,000</b>	<b>37,000</b>
CARE International UK	-	4,000	<b>4,000</b>	<b>4,000</b>
Thames Water Ltd	25,000	3,000	<b>28,000</b>	<b>31,000</b>
Unilever plc	25,000	2,000	<b>27,000</b>	<b>29,000</b>
Cranfield University	-	4,000	<b>4,000</b>	-
	<u>75,000</u>	<u>21,000</u>	<u>96,000</u>	<u>101,000</u>

In-kind contributions comprise pre-approved staff time and expenses spent by members on the company's affairs. This in-kind contribution is quantified and not recognised in the financial statements.

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. Helena Dollimore works for Unilever UK and sits on the WSUP Board and has no involvement with transactions with Clean Team Ghana.

During the year, Unilever made a grant to WSUP of £1,197,906 (year ended 31 March 2022: £182,736) in support of WSUP's work in Nairobi, Kenya. Borealis made a grant to WSUP of £34,898 during the year (year ended 31 March 2022: £nil).

At 31 March 2023, debtor balances with members totalled: £NIL (31 March 2022: £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 or WSUP for the year.

For the year ended 31 March 2023, taxable income was £NIL for both companies (year ended 31 March 2022: £NIL for both companies). Tax loss brought forward was £72,064 for WSUP and £144,411 for WSUP Advisory (year ended 31 March 2022: £72,064 for WSUP and £83,023 for WSUP Advisory). The tax liability was £NIL for both companies (year ended 31 March 2022: £NIL for both companies).

**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 2023, the amount of irrecoverable VAT was £26,583 (year ended 31 March 2022 - £50,853). 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 2023**

**20. CASHFLOW FROM OPERATING ACTIVITIES**

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

	2023	2022
	Total	Total
	£	£
Net (outgoing)/incoming resources before revaluations	(294,403)	(1,425,406)
Investment income	(31,534)	-
Foreign exchange movements on Fixed assets	93,391	48,029
Depreciation of tangible fixed assets	104,446	145,687
Disposals/Transfers of assets	3,572	47,084
Taxation	58,804	-
(Increase in stock)	(24,055)	-
(Increase)/Decrease in debtors	(831,763)	92,179
Increase/(Decrease) in creditors	745,849	11,614
	<hr/>	<hr/>
Net cash provided by operating activities	(175,693)	(1,080,813)

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2023	2022	Decrease in year
	£	£	£
Cash at bank and in hand	5,968,076	6,103,467	135,391

**22. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/4/2022	Cash flows	Non-cash changes	Foreign exchange movements	At 31/3/2023
	£	£	£	£	£
Cash at bank and in hand	6,103,467	154,505	-	(289,896)	5,968,076
Loans falling due within one year	(126,656)	-	126,656	-	0
Loans falling after more than one year	(560,184)	-	(327,003)	(69,155)	(956,342)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,416,627	154,505	(200,347)	(359,051)	5,011,734

**Prior year ended 31 March 2022:**

	At 1/4/2021	Cash flows	Non-cash changes	Foreign exchange movements	At 31/3/2022
	£	£	£	£	£
Cash at bank and in hand	7,727,868	(1,225,246)	-	(399,155)	6,103,467
Loans falling due within one year	(53,106)	-	-	(73,550)	(126,656)
Loans falling after more than one year	(516,831)	-	19,516	(62,869)	(560,184)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,157,931	(1,225,246)	19,516	(535,574)	5,416,627

Loans falling due within one year are included in other creditors.