

**Company No. 03597005 (England & Wales)**  
**Charity No. 1076690 (England & Wales)**

**INTERNATIONAL WATER ASSOCIATION LIMITED**  
**(A company limited by gurantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# **INTERNATIONAL WATER ASSOCIATION**

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## **INTERNATIONAL WATER ASSOCIATION**

### **Reference and administrative details of the Association, its trustees and advisers**

**For the year ended 31 December 2020**

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#### **Trustees**

Thomas Mollenkopf (President, Chair)  
Dr Kalanithy Vairavamoorthy (Executive Director)  
Dr Enrique Cabrera Rochera (Senior Vice President)  
Dr Hamanth Kasan (Vice President)  
Dr Marie-Pierre Whaley (Treasurer)  
Dr Asma Elkasmi  
Daniel Nolasco (retired on 24th April 2021)  
Diane D'Arras  
Helle-Kathrine Andersen (retired on 24th April 2021)  
Dr Joan Rose (retired on 24th April 2021)  
Dr María Molinos-Senante (appointed on 24th April 2021)  
Dr Peter VanRollegheem (Appointed on 24th April 2021)  
Dr Rose Kaggwa (Appointed on 24th April 2021)  
Dr Sudhir Murthy (Senior Vice President) (retired on 24th April 2021)  
Teodor Popa  
Virgillo Rivera  
Walter Kling (Appointed on 24th April 2021)  
Dr Xiaochang Wang (Appointed on 24th April 2021)  
Dr Yoshihiko Matsui

#### **Company registered number**

03597005 (England & Wales)

#### **Charity registered number**

1076690 (England & Wales)

#### **Registered Office**

Export Building, First Floor, 1 Clove Crescent, London E14 2BA

#### **Company Secretary**

Mr Satkunam Murugathas

#### **Executive Director**

Dr Kalanithy Vairavamoorthy

#### **Independent auditor**

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

#### **Principal Bankers**

HSBC Bank Plc, London SW1H 0NJ

#### **Solicitors**

Bircham Dyson Bell, 50 Broadway, London SW1H 0BL

# **INTERNATIONAL WATER ASSOCIATION**

## **Trustees' Report**

### **For the year ended 31 December 2020**

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The IWA Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited consolidated financial statements of International Water Association (the 'Association' or 'IWA') for the year ended 31 December 2020.

The Trustees confirm that the annual report and financial statements of the Association and the group comply with:

- a) the current statutory requirements;
- b) the requirements of the Association, and the Association's governing document; and
- c) the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## **1. OBJECTIVES AND GENERAL ACTIVITIES**

### **Objectives of the Association**

These are to:

- (a) promote the art and science of water management for the public benefit, particularly, but not exclusively, by the encouragement of education, training, study, and research in water management and the publication of the useful results of such research;
- (b) advance the education of members of the public in the science and practice of water management;
- (c) promote and enable the development and direct water provision of water management schemes worldwide for the public benefit, where "water management" means the establishing, maintaining, and securing of safe and sustainable water supplies, storm water systems, and wastewater treatment and disposal systems.

### **Strategies for achieving objectives**

The Association fulfils its objectives by:

- (a) holding a World Water Congress every two years in different continents of the world;
- (b) holding worldwide regional and specialised conferences, seminars, webinars, and workshops, providing a continual source of knowledge and information;
- (c) publishing a range of books, journals, and reports; and
- (d) promoting multi-level collaboration amongst its members and others through, for example, specialist groups, task forces, forums, regional associations, projects, and programmes.

# INTERNATIONAL WATER ASSOCIATION

## Trustees' Report

For the year ended 31 December 2020

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### Activities for achieving objectives

The IWA continues to develop as the global reference point for water professionals working on all aspects of the water cycle. The IWA helps water professionals deliver innovative, pragmatic, and sustainable solutions to challenging global needs for safe water and sanitation, within urban areas and river basins.

The IWA is a unique global knowledge hub for water professionals and anyone concerned about the future of water. As such, the IWA continues to inspire change towards our common vision of a water-wise world.

Through the Association, members collaborate to lead the development of effective and sustainable approaches to water management, with emphasis on the science and management of drinking water, wastewater, storm water, and the conservation of water resources throughout the world.

In 2020, the Association responded to the pandemic by establishing a Covid-19 Taskforce to provide the international water sector with state-of-the-art science (as it becomes available) on the attributions of this virus and any measures needed to protect both workers and public health. In this regard the Association and its members worked in cooperation with similar international efforts.

More generally, the Association continues to maintain close working relationships with all of the major international water agencies and associations, and partners with these bodies on joint projects, publications and representation of positions in international forums.

The Association has a strong and developing outreach programme concerned with the transfer of knowledge and skill in water management from professionals across all countries. The outreach programme maintains a strong focus on environmental health, hygiene, and sanitation issues in lower income countries.

### Main charitable activities for the public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 and have taken due regard of the Charity Commission's general guidance on public benefit.

This is achieved by the generation and dissemination of knowledge and best practice on all facets of the water cycle. This occurs formally at conferences, facilitated exchanges through the specialist groups, task forces, and other member networks (such as the Young Water Professionals, and Women in Water) and through the journals, books and other publications produced by the Association.

The Association also engages in international education and outreach programmes to build public awareness and involvement in protecting water resources around the world by engaging citizens to conduct basic monitoring of their local water bodies.

### Covid-19 activity and the public benefit

In response to the widening public concern around the Covid-19 pandemic, the Association developed a resources page on its website and delivered a series of Covid-19 related webinars and online dialogues. The resource page involved collating state-of-the-art information from around the world and sharing and linking this information with other similar international efforts.

In early 2020, the Association also established the IWA Covid-19 Task Force from its membership. The Task Force connects with IWA's Specialist Group networks, bringing together representatives from the most relevant ones. The Task Force met online at least every fortnight from mid-April to mid-September and monthly thereafter during 2020.

The Task Force authored a paper, 'Role of wastewater treatment in Covid-19 control', which was published in the *Water Quality Research Journal*. This presented a review of the research on Covid-19

**Covid-19 activity and the public benefit (Continued)**

and other viruses in relation to wastewater process control and risk mitigation, and covered available techniques for wastewater process engineers to reduce health risks in this area.

To support utilities facing challenges from the pandemic, and to help the process of incorporating lessons learned, the Task Force prepared and disseminated core guidelines of a pandemic management plan.

The Task Force also held a series of webinars on Covid-19, which were free to attend, and attracted registrants from across the world.

The Task Force also interacted with organisations such as the World Health Organization, the US EPA (Environmental Protection Agency), the Water Research Foundation, and the Global Water Research Coalition.

**2. GROUP STRATEGIC OVERVIEW**

**General assessment**

Despite the challenges relating to Covid-19, 2020 was a relatively strong year for IWA from a purely financial perspective. This financial position came about despite the postponement of the World Water Congress & Exhibition, which is traditionally a major source of income, due to the global pandemic.

The Association continued to advance its core mission, visible through our diverse activities and a strong membership base that was broadly steady numerically. IWA's strong foundations have arisen due to our financial prudence, along with the commitment of our people – i.e. the Board, staff, members, and partners. They enabled much of IWA's 2020 programme to continue, despite the unprecedented global situation.

Covid-19 has brought challenges, particularly given our traditional high number of events. However, mitigation measures were swiftly taken to move our traditional in-person events to being hosted online. Adapting to the new normal of online meetings, workshops, and conferences, we developed a programme that drew in quality speakers and exceptional participation.

So, despite the challenges, IWA remained able to press ahead with the objectives of the 2019-2024 strategic plan. This included producing a substantive range of high-quality outputs, such as publications, reports, and blogs, as well as providing knowledge sharing and networking opportunities for members.

We have also seen a positive response from members, who have been ever eager to commit their time to the Association. With 2020 having marked the 20th anniversary under the IWA identity, this level of engagement demonstrates the compelling draw of our vision to creating a water-wise world. Furthermore, the essential role of our sector has been further underlined by the Covid-19 pandemic.

The resilience shown by IWA in such challenging circumstances has provided reassurances that the organisation is sustainable, adaptable, and has strong roots within the global water community.

# INTERNATIONAL WATER ASSOCIATION

## Trustees' Report

For the year ended 31 December 2020

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### Key financial performance indicators

The consolidated financial statements, as presented, comply with the legal requirements of both the Charity Commission and the Companies Act.

Income from charitable activities was £1,153,663 (2019: £1,669,068). Being a non-congress year with fewer events held, our charitable income in 2020 was lower than in 2019. Other income, including income from trading activities, investments, and other sources, was £5,023,308 (2019: £5,015,905) giving total income for the year of £6,176,971 (2019: £6,684,973).

After making provision for tax payable in relation to the operation in Nanjing, China of £13,023 (2019: £4,104), gains on investments of £40,826 (2019 loss: £129,571) and an actuarial loss on the pension scheme of £40,341 (2019: gain of £123,000), the net increase in group funds was £432,030 (2019 increase of: £710,593) providing closing group funds as of 31 December 2020 of £2,604,073 (2019: £2,172,043).

We have sustained our commitment to deliver on the IWA 2019-2024 Strategic Plan. Under the plan, we will achieve for our members a stronger culture of service and a unique value proposition through:

- Professional development programmes;
- Leadership development, inside and outside the Association;
- Agenda-setting programmatic work to generate pride in our membership; and
- Global networking opportunities for members to connect with people and ideas.

We are poised to make greater progress with the plan, having completed the relocation of our London headquarters to modern facilities. This move allowed us to manage the uncertainties around Brexit by transferring the functions of our operations in the Netherlands to the new office, co-locating them with our publishing arm to provide opportunities for greater synergy.

### 3. ACHIEVEMENTS AND PERFORMANCE

#### Programmes

IWA has made further important progress with numerous initiatives that aim to shape the global water agenda. These are broadly focused on cities and on water and wastewater utilities.

Within the Cities of the Future Programme, the Principles for Water Wise Cities project has received endorsement from more than 35 cities, utilities, and regulators. The Principles are complemented by the Action Agenda for Basin-Connected Cities, which is being promoted through partners such as the Alliance for Water Stewardship.

To complement the Cities of the Future Programme, IWA established the Climate Smart Utilities initiative in 2020, to support water and wastewater utilities in improving their climate resiliency, while contributing to a significant and sustainable reduction in carbon emissions.

IWA also recently launched a new initiative on Regulating for Citywide Inclusive Sanitation (CWIS). This initiative aims at identifying the needs, opportunities, and tools for action to support and inspire regulators in their contribution to achieving citywide inclusive sanitation in the context of the Sustainable Development Goals. As part of this initiative, IWA launched a Task Force to examine existing experiences, opportunities, and challenges, as well as an Advisory Board to ensure that the initiative's efforts synergise with the activity of our partners.

The Digital Water Programme is designed to help water utilities transition to the next generation of smart water systems and fulfil the need for improved resiliency to managing water resources sustainably.

# INTERNATIONAL WATER ASSOCIATION

## Trustees' Report

For the year ended 31 December 2020

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### Programmes (continued)

Activities under the Digital Water Programme in 2020 included the release of white papers on topics including 'improving public health through smart sanitation', as well as webinars, podcasts and blogs.

IWA is also a partner in the EU Horizon 2020 project PrimeWater, which runs until 2022. This is a Horizon 2020 funded research project, which generates information on the effects of upstream changes on future water quality and quantity.

In July 2020, a task force was established to steer the development of guidelines for water service delivery plans for small water utilities in Africa. This guide is being developed as part of REACH, a global research programme to improve water security for those in poverty, of which IWA is a partner.

There was further progress with the AquaRating approach that can drive innovation in water utilities. In the past 12 months, IWA has been working with utilities in Zambia and Mongolia.

### Events

As noted, the Covid-19 pandemic prompted significant adjustments to IWA's 2020 events programme. Wherever possible, events were either switched to virtual formats or postponed. The IWA World Water Congress & Exhibition has been moved to 11 – 15 September 2022, while the IWA Digital Water Summit and the IWA Leading Edge Technologies Conference were also postponed.

As well as webinars, panel events, and online forums, two significant virtual specialist group conferences were also held – the Nutrient Resource Recovery conference, and the Water Loss conference.

### The Source magazine

The Source is IWA's quarterly magazine, delivered both in print and online. It is available to all IWA members as a benefit of membership.

The magazine's content reflects IWA's goal of inspiring a world in which water is wisely managed, offering features, viewpoints, and updates to help readers keep up to speed with the issues that shape the sector, and leading responses to these topics.

Recent topics covered in detail in 2020 include: options for creating climate smart utilities, the water sector's response to Covid-19, and opportunities for financing future needs.

### IWA Publishing (IWAP)

Over the past year, IWAP journals accepted more than 1,900 articles – the highest total ever – and received more than 2.5 million downloads.

A collection of virus-related water articles was developed, as well as a Spanish language Covid-19 operator's manual. Many journals, including Journal of Water & Health and Journal of Water, and Sanitation and Hygiene for Development, published special papers addressing key aspects of the pandemic.

Hydrology Research celebrated its 50th anniversary by becoming completely Open Access. All articles in the journal are now free to read by everyone around the world. As a result, downloads of articles increased by 195% during 2020, while article acceptances grew by a healthy 27%.

## **INTERNATIONAL WATER ASSOCIATION**

### **Trustees' Report**

**For the year ended 31 December 2020**

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#### **IWA Publishing (IWAP)**

A new agreement was signed with EiFL (Electronic Information for Librarians) which further extended accessibility to Open Access publication around the world. This enabled authors in countries including Armenia, Azerbaijan, Belarus, Kosovo, Kyrgyzstan, Laos, Myanmar, Nepal, and North Macedonia to publish OA in our journals without paying fees, as well as 50 other countries due to the partnership with Research4Life. In 2020, 82 articles were freely published Open Access by authors in low and middle income countries. Overall, almost a quarter of all articles published in IWA Publishing journals in 2020 were Open Access. In addition, 15 books were made Open Access.

#### **Young Water Professionals (YWP)**

Over the past 12 months, IWA continued to develop its value proposition for IWA YWP members, offering open activities as well as member-only engagement and services. With the onset of the Covid-19 pandemic, activities focused on YWPs have featured prominently in IWA's expanded online engagement.

Member-only online engagement for YWPs covered a wide range of professional development and thematic topics, including women in the water sector, the role of volunteering in career development, and the SDGs.

Representing IWA's Young Water Professionals are the Emerging Water Leader's (EWL) Steering Committee. Elections for the 2020-2022 EWL Steering Committee took place in October 2020 and they formally took office in November 2020.

#### **IWA Awards**

IWA has a range of awards categories, including the Global Water Award, Women in Water Award, Project Innovation Award, the Professional Development Award, the Water & Development Award, the Young Leadership Award, and the IWA/ISME BioCluster Award.

The IWA/ISME BioCluster awarded the Grand Prize Award 2020 and the Rising Star Award 2020 to two outstanding individuals, in recognition of their achievements in interdisciplinary research at the interface of microbial ecology and water / wastewater treatment.

In addition, the latest winner of the IWA Young Leadership Award was selected. The award is presented every two years to an exceptional water professional, who has demonstrated significant achievements in their career. Renowned scientist and engineer Dr. Siddhartha Roy was chosen as the award winner.

## **4. FINANCIAL REVIEW**

Commentary on the group's financial results for the year are provided under the section on 'key financial performance indicators' on page 6 above.

#### **Investment policy and performance**

Preservation of capital is the primary objective in guiding the risk profile of the Association's investment policy. After satisfying the primary objective, the secondary objective is to maximize the return on the investment in accordance with the ethical investment policy. The investment position has been considered from both a Euro and Sterling currency perspective.

The group's investments totalled £1,221,552 as of 31 December 2020 (2019: £1,167,866). The valuation shows a realised investment loss of £4,193 (2018: gain of £1,444) and unrealised investment gain of £45,019 (2019: £128,127). The Trustees are satisfied with the performance in 2020 and will continue to regularly monitor future performance, particularly given the risk of increased market volatility in the midst on a global pandemic.

# INTERNATIONAL WATER ASSOCIATION

## Trustees' Report

For the year ended 31 December 2020

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### Assessment of going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Trustees have taken account of the reserves position as of 31 December 2020 (see below) and the financial forecasts and projections for a period not less than one year from the date of approval of this report and financial statements.

During the period from 31 December 2020 to the date that the financial statements were approved, the Covid-19 outbreak has continued to cause extensive disruptions to businesses as well as economic activities globally, with the UK being no exception.

Following the advice issued by the UK Government regarding employees working from home and other social distancing measures, procedures were implemented to facilitate this as far as possible, with a detailed plan effectively enabling normal operations whilst employees are not physically present in the charity's offices.

However, it has not been possible to maintain the events programme during this period due to country-specific restrictions and global travel constraints. The Trustees recognise that the Covid-19 experience may have longer term impacts in relation to the willingness of people to attend international conferences and in response have been actively investigating other potential models to deliver successful events.

In addition, we are also anticipating a possible reduction in publishing income due to tightening budgets at universities, resulting in reduced institutional subscriptions from libraries. The Trustees are monitoring this situation carefully and at the same time developing and analysing potential mitigation and adaptation responses.

Our current reserves levels are strong, and this coupled with good financial management and discipline, means that our medium-term outlook is secure. We do not currently anticipate that the overall financial position of the group will be adversely affected, or its financial solvency threatened.

The Trustees believe there are no material uncertainties in respect to the group's financial position which may severely curtail its work and/or threaten its ability to operate as a going concern. The Trustees therefore continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies accompanying the financial statements.

### Reserves policy

IWA's reserves policy seeks to balance spending the maximum amount of its income to meet its charitable objectives, while maintaining an adequate level of reserves to ensure uninterrupted operation and provide time to adjust to changes in financial circumstances. Based on the prudent assessment of the financial impact of risk events on reserves, the trustees have estimated a target level of free reserves of £1.2M +/- £100k.

Business plans are set with the aim of maintaining reserves within the target range. The reserves may move outside of the target range because of factors such as operational issues, short-term investment requirements, and economic changes. If this were the case, management would adjust business activities over the medium term with the aim of restoring reserves to within the target range.

The group free reserves as of 31 December 2020 are at the level of £1,684,491 (compared with 2019: £1,738,628). This is above the intended target level and so should enable the Association to better handle the financial impacts of Covid-19, in particular the postponement of the World Water Congress..

# INTERNATIONAL WATER ASSOCIATION

## Trustees' Report

For the year ended 31 December 2020

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### Principal funding

Principal funding sources for the charity are membership, conferences (albeit temporarily curtailed due to the pandemic), Gift Aid Income from its wholly owned subsidiary IWA Publishing Limited, and grant and contract income from various organisations. The group does not work with any commercial or professional fundraisers and does not solicit donations from the general public

## 5. RISK MANAGEMENT

The Trustees have assessed the major risks to which the group is exposed, in particular, those related to the operations and finances of the Association. They are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Board recognises the importance of identifying and managing the risks of the Association and its subsidiaries. A risk management framework, which includes a risk and control register, identifying and prioritising the Association's key risks, is maintained. The register includes a programme of control measures and actions to manage material risks. The risk register is reviewed and updated quarterly by the management. A risk report is presented to the Finance and Investment Committee at the following meeting to discuss the basis for any movements in the risk register, any "emerging risks", and to confirm the summary which will be presented at the next board meeting. Once per year the Board is informed on the status of the risk register and the related mitigation measures.

### Key internal risks for the Association include:

- a) Lower gift aid for the Association due to lower profit generated by our publishing activities. Mitigation: Regular monitoring and evaluation of IWA Publishing's financial performance by the Board; adaptive management systems that allows the Association to respond efficiently to potential changes in future.
- b) Breaches in the security of the IT systems including hacking, unauthorised access, fraud, permanent damage to electronic data, and manipulation of key data. Mitigation: Manage hardware and software to protect data (through back-up and regular updates), educate employees through cyber security training (from National Cyber Security Centre), move to Microsoft 365 and cloud based solutions (all in Azure data centres amongst the safest in world), and CRM systems hosted only in most secure data centres.
- c) Loss of key personnel. Mitigation: Continue to ensure we provide an effective and modern work environment for employees, including career development opportunities.

### Key external risks to the Association include:

- a) Severe disruption to our activities and finances as a result of the Covid-19 pandemic. Mitigation: the position continues to be monitored regularly by both the Finance & Investment Committee and the Board of Trustees who are developing contingency plans – see within "future planning" below and "assessment of going concern" above for additional commentary.
- b) Cancellation of the World Water Congress & Exhibition based on circumstances, rather than force majeure - meaning no insurance coverage, the incurring of substantial costs, and receiving no income. Mitigation: follow best practice in signing venue contracts; ensure favourable cancellation terms; and insist on broader force majeure clauses, which include causes beyond the control of the parties which result in it being inadvisable, illegal, impossible, or commercially impractical to hold the event.
- c) Reduced income from congresses and events due to lower attendance due to concerns around overseas travel. Mitigation: develop alternative formats for congresses and events; strengthen internal processes to increase exhibitions, sales, and sponsorships.

## INTERNATIONAL WATER ASSOCIATION

### Trustees' Report

For the year ended 31 December 2020

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#### Key external risks to the Association (continued)

- d) Declining income from membership fees due to emergence of alternative networking opportunities. Mitigation: to improve the Membership renewal system, enhance the online IWA member portal, and ensure a dynamic programme of member activities.
- e) Declining "Subscribe to Open" access revenue beyond 2021, due to lack of motivation among libraries to financially support "S2O" (Subscribe to Open), as their individual open access privileges are not dependent on this. Mitigation: continued advocacy towards the importance of open access and the need for collective action among libraries for its sustainability (enlightened self-interest), strong focus on increasing impacts factors of journals, and improving turnaround from when manuscripts are received to when they're accepted/published.

#### Financial risk management objectives and policies

The management team reviews, on behalf of the Board, matters concerning accounting, financial reporting, and internal controls, including the risk register. It also reviews the management accounts and the annual report and financial statements before they are submitted to the Board of Trustees and deals directly with the external auditor regarding the conduct of the audit.

## 6. STRUCTURE, GOVERNANCE, AND MANAGEMENT

### Constitution

The Association is constituted under a Memorandum of Association dated 13 July 1998 and is a registered charity (number 1076690).

A revision to the articles of association of the IWA, introducing provisions to authorise virtual general meetings, was adopted at the annual general meeting on 23 September 2020.

Liability of the members is limited by guarantee and the Association does not have share capital. Members of the Association guarantee to contribute an amount not exceeding £1 in the event of a deficiency of assets on winding up. The total number of such guarantees at 31 December 2020 was 14 (2019 - 14).

### Method of appointment or election of Trustees

The management of the Association is the responsibility of the Trustees who are elected and appointed under the terms of the Articles of Association. As noted earlier, the Trustees also constitute the Board of Directors for the purposes of the Companies Act.

A special resolution was approved at the annual general meeting on 23 September 2020, advocating that the terms of office of Directors presently serving on the Board of Directors, and those of the President and Vice President, be extended until 31 May 2021.

### Policies adopted for the induction and training of Trustees

The Board of Directors has adopted a programme of trustee training which covers existing and new Board members. New Trustees attend an induction programme and a formal training session covering governance and trustees' legal responsibilities. New Trustees are provided with an induction pack that covers their general duties as well as a briefing on IWA specific matters such as Strategic and Business Plans, financial reports, governance documents, and other relevant reports.

## **INTERNATIONAL WATER ASSOCIATION**

### **Trustees' Report**

**For the year ended 31 December 2020**

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#### **Organisational structure and decision-making**

The Board, as Trustees and Directors, are responsible for the management of the affairs of the Association. It sets the strategic direction of the Association, appoints the Executive Director (also a Trustee), provides financial, and programme oversight to the Association. The Board generally meets at least four times each year.

After March 2020, the Covid-19 pandemic prevented in-person meetings of the Board. The Board adopted a practice of more frequent (monthly), but shorter meetings (2 hours), to discharge its governance and strategic responsibilities. Despite the challenge of a revised approach to meetings, the Board not only made themselves available, but also made key and composed contributions to decision-making which helped enable a resilient and decisive response to the pandemic, as well as effective forward planning.

In addition, the 2020 AGM and Governing Assembly was called in accordance with the IWA's articles of association, but for health and safety reasons all attendance was held remotely by electronic means, in accordance with Schedule 14 of the Corporate Insolvency and Governance Act 2020, which provides flexibility for the holding of virtual AGMs during the Covid-19 pandemic.

#### **The Board of Directors**

The names of the individuals serving on the Board, at any time during the year of report and up to the date of approval of this report, are as follows:

Thomas Mollenkopf (President, Chair)

Dr Asma Elkasmi

Daniel Nolasco (retired on 24th April 2021)

Diane D'Arras

Dr Enrique Cabrera Rochera (Senior Vice President)

Dr Hamanth Kasan (Vice President)

Helle-Kathrine Andersen (retired on 24th April 2021)

Dr Joan Rose (retired on 24th April 2021)

Dr Kalanithy Vairavamoorthy (Executive Director)

Dr María Molinos-Senante (appointed on 24th April 2021)

Dr Marie-Pierre Whaley (Treasurer)

Dr Peter VanRollegheem (Appointed on 24th April 2021)

Dr Rose Kaggwa (Appointed on 24th April 2021)

Dr Sudhir Murthy (Senior Vice President) (retired on 24th April 2021)

Teodor Popa

Virgillo Rivera

Walter Kling (Appointed on 24th April 2021)

Dr Xiaochang Wang (Appointed on 24th April 2021)

Dr Yoshihiko Matsui

## **INTERNATIONAL WATER ASSOCIATION**

### **Trustees' Report**

**For the year ended 31 December 2020**

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#### **The Board of Directors (continued)**

The Board comprises the elected officers and other officeholders. Under the Articles of Association, all board members (except the Executive Director) serve two-year terms. The elected officers (President and two Vice Presidents) generally serve for a single term of two years, but may be re-elected to serve a second term. The other office holders will usually serve two terms on the Board, aside from the Immediate Past President who is limited to a single term.

The 2020 Annual General Meeting would ordinarily be the moment to transition from one Board to the next, and to hold elections for the roles of Vice President - both activities typically benefit from the opportunity for face-to-face meetings. With the 2020 Congress deferred, there was no chance for a face-to-face meeting with the Governing Members and so a 'virtual' General Meeting was held in accordance with Schedule 14 of the Corporate Insolvency and Governance Act 2020. At this meeting it was resolved by special resolution, to extend the terms office for the Board until 31 May 2021.

The Board nominations process is overseen by the Governance and Nominations Committee and, to the extent possible, a practice of rolling retirements is adopted to maintain continuity on the Board.

By accepting to serve on the Association's Board, Trustees commit to conduct themselves in accordance with the highest ethical standards in carrying out their responsibilities. The Board has therefore adopted an internal Code of Conduct, which provides ethical standards and criteria. All Board members are required to adhere to the Code in the performance of their responsibilities to the Board.

#### **Governing Assembly**

The Governing Assembly is comprised of the representatives of the Governing Members around the world, each of whom is entitled to appoint three representatives to the assembly.

The Governing Assembly meets at least annually and is responsible for electing the Officers of the Association and appointing other Office holders and approving constitutional changes. As mentioned above, the 2020 AGM and Governing Assembly was held remotely by electronic means, in accordance with Schedule 14 of the Corporate Insolvency and Governance Act 2020.

It ensures that the interests of members – including Individual, Corporate and Governing Members – are represented and provides oversight and input into the Association's overall direction. The Governing Members of IWA represent the core mechanism for national and regional interaction with members across a range of issues.

#### **Key Committees and Strategic Council**

The Association has established a number of key Committees and a Strategic Council, each of which plays a specific role in the Association's governance or activities. Further details on the Strategic Council and of the various Board Committees is provided below.

#### **Finance and Investment Committee**

Dr Marie-Pierre Whaley (Treasurer) chairs the Finance and Investment Committee. Other members of the committee are Mr Tom Mollenkopf and Mr Richard Hault. Mrs Diane D'Arras (President) and Dr Kala Vairavamoorthy (Executive Director) are ex officio members. It reviews, on behalf of the Board, matters concerning accounting, financial reporting and internal controls, including the Risk Register. It also reviews the management accounts and the annual report and financial statements before they are submitted to the Board of Trustees and deals directly with the external auditor regarding the conduct of the audit. It also, on behalf of the Board, sets the Investment Manager's mandate and monitors performance on a quarterly basis.

## **INTERNATIONAL WATER ASSOCIATION**

### **Trustees' Report**

**For the year ended 31 December 2020**

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#### **The Governance and Nomination Committee**

Mr Tom Mollenkopf chairs the Governance and Nomination Committee. Other members of the committee are Professor Hamanth Kasan, Dr Joan Rose, Professor Yoshihiko Matsui, Mr Magnus Arnell, and Mr Doru Popa. Mrs Diane D'Arras (President) and Dr Kala Vairavamoorthy (Executive Director) are ex officio members. The Committee advises the Board on corporate governance matters for the Association, including its subsidiaries, committees, and other Association entities; assists the President or the Board to ensure that appropriate individuals are selected for various Association entities; and defines and revises the processes for choosing the nominees and winners of the different awards of the Association.

#### **The Membership and Engagement Committee**

Mr Sudhir Murthy (Senior Vice President) chaired the Membership and Engagement Committee. Other members of the committee are Mr Daniel Nolasco, Dr Marie-Pierre Whaley, Professor Enrique Cabrera, Mr Perry Rivera, Dr Asma El Kasmi, Professor Dr. Xiaochang Wang and Mrs Helle Katrine Andersen. Mrs Diane D'Arras (President) and Dr Kala Vairavamoorthy (Executive Director) are ex officio members. The Committee provides necessary policy oversight concerning the Association members, their expectations, and their participation, follows the effectiveness of the recruitment process, discusses new schemes of membership, discusses the communications policy towards different segments of members, and the schemes of honours and awards.

#### **Strategic Council**

The Strategic Council plays two key roles within the Association. It provides strategic input to the Association's Board of Trustees and Governing Assembly. In addition, it provides guidance and assistance to the Association in the development of new activities and in the coordination of key existing activities.

#### **Key management personnel**

The IWA Management Team, led by the Executive Director Dr Kala Vairavamoorthy, comprises several Regional and HQ based Directors: Mr Varghese Babu (Director of IT & Digital Transformation), Dr Hong Li (Director, Asia and Oceania), Dr Tao Li (Director, Water Intelligence), Mr Kizito Masinde (Director of Events), Mr Mike Morgan-Giles (Director of Marketing and Communications), Mr Satkunam Murugathas (Finance Director), and Mr Keith Robertson (Chief Operating Officer).

The Trustees consider that they, together with the IWA Management Team, comprise the Association's key management personnel, in charge of directing and controlling the charity.

Except for the Executive Director, none of the Trustees are remunerated for their services to the charity. The Executive Director is remunerated (as permitted under clause 4 of the charity's memorandum of association) for his role as Executive Director. The Executive Director's remuneration is set by the non-executive members of the Board based on benchmarking of similar international roles in the charity or NGO sector and having regard to prevailing market rates.

The remuneration of the members of the IWA Management Team is determined in line with those of other personnel within the group. Pay is determined by the Executive Director based on industry benchmarking of similar international roles in the Charity or NGO sector.

Further information on IWA's governance can be found at: <https://iwa-network.org/about-us/>

## **INTERNATIONAL WATER ASSOCIATION**

### **Trustees' Report**

**For the year ended 31 December 2020**

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#### **IWA Publishing Limited**

The Association has a wholly owned subsidiary, IWA Publishing Limited (IWAP), the principal business of which is the provision of publishing and information products and services to the international water supply and wastewater market. This includes the production and distribution of various publications of the Association. Profits are transferred to the Association by way of Gift Aid. The financial results and year end position of the subsidiary have been incorporated in the consolidated financial statements accompanying this report.

#### **Other related companies**

##### **In China:**

- Nanjing IWA Science & Technology Co. Ltd.

##### **In India:**

- IWAT Science and Technology Private Limited (dormant)
- IWAI Water Foundation (dormant)

IWA also owns the following companies in full, which have remained dormant since incorporation:

- IWA – Conferences Limited
- IWA Solutions International Limited
- IWA Global Enterprises Limited (previously named Aquarating Limited)

IWA also created an NGO in Kenya, called IWA Africa, and it has remained dormant since its creation.

## **7. FUTURE PLANNING**

IWA's 2019-2024 Strategic Plan has been in operation since its adoption at the Governing Assembly at the 2018 IWA World Water Congress & Exhibition in Tokyo. We are actively progressing implementation of the plan further, by working with our members, strengthening our Association's membership value, providing insights into trends for the sector and beyond, being a platform for members to exchange knowledge and accelerate the diffusion of innovation, and from collaborating to address the SDG challenges.

Importantly, the IWA Strategic Plan refers to diversity. Behind this is a strong board-level commitment to champion diversity throughout the organisation. We will work across the Association's many structures, rotating roles to extend this diversity, and monitoring our progress.

We will also work to make our published material more easily accessible online and available in different languages, so as to enhance our contribution to resolving water challenges around the world.

# INTERNATIONAL WATER ASSOCIATION

## Trustees' Report

For the year ended 31 December 2020

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### Five-year goals

The Strategic Plan is based on the following five commitments for the IWA to achieve over the coming five years:

- 1. An engaged and balanced membership** - The IWA will have an engaged membership that is globally representative of the multiple segments, actors, and practice areas of the water sector.
- 2. A source for leading-edge water knowledge** - The IWA will have strengthened our position as an authoritative source and a global reference point for water knowledge, addressing and informing on emerging and potentially disruptive trends within the sector and wider world.
- 3. A space for professionals to exchange water knowledge** - The IWA will have provided a broad range of professional content and programming that is relevant and widely valued by the water sector worldwide.
- 4. A bridge between research and practice** - The IWA will play a pivotal role in bridging the chasm between research and practice to accelerate the development and diffusion of innovation in the global water sector.
- 5. A support to the implementation of SDGs** - The IWA will support and promote the Sustainable Development Goals and strengthen the sector through professional and capacity development so that people and countries can pursue their ambitions in relation to water related SDGs.

### 8. TRUSTEES' REPOSIBILITIES STATEMENT

The Trustees (who are also Directors of International Water Association for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by charities;
- make a Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## INTERNATIONAL WATER ASSOCIATION

### Trustees' Report

For the year ended 31 December 2020

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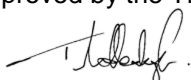
#### Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:



Mr Thomas Mollenkopf

President and Chairman

Approved on: 30/06/21

## INTERNATIONAL WATER ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL WATER ASSOCIATION

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#### Opinion

We have audited the financial statements of International Water Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Group statement of financial activities, the Group and Association balance sheets, the Group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 Association's affairs as at 31 December 2020 and of the Group's income and expenditure 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 trustees' 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 Group's or the Association'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 trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- > the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- > the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

## INTERNATIONAL WATER ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL WATER ASSOCIATION

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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 Association, or returns adequate for our audit have not been received from branches not visited by us; or
- > the Association's financial statements are not in agreement with the accounting records and returns; or
- > certain disclosures of trustees' remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the Association for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the Group's and the Association'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 trustees either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- > The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- > We identified the laws and regulations applicable to the Association and Group through discussions with key management and from our knowledge and experience of the sector in which the company operates;
- > We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of trustees' meetings

## INTERNATIONAL WATER ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL WATER ASSOCIATION

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#### **Auditor's responsibilities for the audit of the financial statements (continued)**

We assessed the susceptibility of the Group's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- > Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- > Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- > Performed analytical procedures to identify any unusual or unexpected relationships;
- > Reviewed journal entries to identify unusual transactions;
- > Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- > Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- > Agreeing accounts disclosures to underlying supporting documentation;
- > Reviewing the minutes of meetings of the trustees; and
- > Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

#### **Use of our report**

This report is made solely to the Association'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 Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL  
Date: 15 September 2021

INTERNATIONAL WATER ASSOCIATION

Consolidated statement of financial activities

For the year ended 31 December 2020

				<i>Restated</i>		<i>Restated</i>	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
	funds	funds	funds	funds	funds	funds	
	2020	2020	2020	2019	2019	2019	
Note	£	£	£	£	£	£	
<b>Income from:</b>							
<b>Charitable activities</b>							
Membership subscriptions	757,672	-	<b>757,672</b>	715,797	-	715,797	
Income from projects and grants	-	377,946	<b>377,946</b>	9,823	155,412	165,235	
Income from conferences	18,045	-	<b>18,045</b>	788,036	-	788,036	
<b>Other trading activities</b>							
Income from publications	4,436,967	-	<b>4,436,967</b>	4,434,682	-	4,434,682	
Income from Nanging Operation	527,965	-	<b>527,965</b>	436,560	-	436,560	
Other sales income	34,926	-	<b>34,926</b>	41,714	-	41,714	
<b>Investments</b>	23,450	-	<b>23,450</b>	32,050	-	32,050	
<b>Other sources</b>	2	-	-	70,899	-	70,899	
<b>Total income</b>	<b>5,799,025</b>	<b>377,946</b>	<b>6,176,971</b>	6,529,561	155,412	6,684,973	
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Investment management costs	10,031	-	<b>10,031</b>	8,178	-	8,178	
Publications costs	2,073,353	-	<b>2,073,353</b>	1,946,995	-	1,946,995	
Nanjing operations costs	452,228	-	<b>452,228</b>	269,751	-	269,751	
<b>Charitable activities</b>							
Engaged & collaborative membership	1,829,627	-	<b>1,829,627</b>	1,915,431	-	1,915,431	
Source of leading-edge water knowledge	383,110	-	<b>383,110</b>	433,357	-	433,357	
Platform for water knowledge exchange	345,452	-	<b>345,452</b>	956,755	-	956,755	
Bridging science to practice	356,881	281,721	<b>638,602</b>	308,325	384,055	692,380	
<b>Total expenditure</b>	3	<b>5,450,682</b>	<b>281,721</b>	<b>5,732,403</b>	5,838,792	384,055	6,222,847
<b>Net income / (expenditure) before Taxation</b>	<b>348,343</b>	<b>96,225</b>	<b>444,568</b>	690,769	(228,643)	462,126	
Taxation on Nanjing Operation	(13,023)	-	<b>(13,023)</b>	(4,104)	-	(4,104)	
<b>Net income / (expenditure) after taxation, before investment gain</b>	<b>335,320</b>	<b>96,225</b>	<b>431,545</b>	686,665	(228,643)	458,022	
Net investment gains on listed investments	10	<b>40,826</b>	-	<b>40,826</b>	129,571	-	129,571
<b>Net income / (expenditure) after investment gains</b>	<b>376,146</b>	<b>96,225</b>	<b>472,371</b>	816,236	(228,643)	587,593	
<b>Other recognised gains and losses</b>							
Actuarial gains / (losses) on defined benefit pension scheme	18	<b>(40,341)</b>	-	<b>(40,341)</b>	123,000	-	123,000
<b>Net movement in funds before transfers</b>	<b>335,805</b>	<b>96,225</b>	<b>432,030</b>	939,236	(228,643)	710,593	
Gross transfers between funds	-	-	-	-	-	-	
<b>Net movement in funds</b>	<b>335,805</b>	<b>96,225</b>	<b>432,030</b>	939,236	(228,643)	710,593	
<b>Reconciliation of funds</b>							
Total funds at 1 January	<b>2,188,999</b>	<b>(16,956)</b>	<b>2,172,043</b>	1,249,763	211,687	1,461,450	
<b>Total funds 31 December</b>	<b>2,524,804</b>	<b>79,269</b>	<b>2,604,073</b>	2,188,999	(16,956)	2,172,043	

All activities relate to continuing operations in the above two financial periods. All recognised gains and losses are included in the above consolidated statement of financial activities. The accompanying notes form part of these financial statements.

**INTERNATIONAL WATER ASSOCIATION**

COMPANY REGISTRATION NUMBER: 03597005 (England and Wales)

**Consolidated and Association Balance Sheets  
As at 31 December 2020**

		The Group		Association	
	Note	2020 £	2019 £	2020 £	2019 £
<b>Fixed assets</b>					
Intangible assets	8	174,562	192,994	-	-
Tangible assets	9	560,332	94,672	488,505	2,086
Investments	10	1,221,552	1,167,866	1,371,555	1,317,869
		<b>1,956,446</b>	<b>1,455,532</b>	<b>1,860,060</b>	<b>1,319,955</b>
<b>Current assets</b>					
Stocks	11	44,701	51,946	-	-
Debtors	12	2,293,509	1,492,122	1,698,129	1,504,090
Cash at bank and in hand		1,381,923	1,769,171	728,116	908,479
		<b>3,720,133</b>	<b>3,313,239</b>	<b>2,426,245</b>	<b>2,412,569</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(2,952,506)</b>	<b>(2,596,728)</b>	<b>(1,788,681)</b>	<b>(1,560,478)</b>
<b>Net current assets</b>		<b>767,627</b>	<b>716,511</b>	<b>637,564</b>	<b>852,091</b>
<b>Creditors: Amounts falling due more than one year</b>	13a	<b>(120,000)</b>	<b>-</b>	<b>(120,000)</b>	<b>-</b>
<b>Net assets excluding pension liability</b>		<b>2,604,073</b>	<b>2,172,043</b>	<b>2,377,624</b>	<b>2,172,046</b>
<b>Defined benefit pension scheme liability</b>	18	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	15	<b>2,604,073</b>	<b>2,172,043</b>	<b>2,377,624</b>	<b>2,172,046</b>
<b>Funds</b>					
<b>Restricted funds</b>	14	<b>79,269</b>	<b>(16,956)</b>	<b>79,269</b>	<b>(16,956)</b>
<b>Unrestricted funds</b>					
Designated funds - fixed assets		614,894	287,666	368,505	2,086
Designated funds - Nanjing Fund		225,419	162,705	-	-
General funds		1,400,849	1,401,181	1,646,205	1,849,466
Total unrestricted income funds excluding investment revaluation reserve		2,241,162	1,851,552	2,014,710	1,851,552
Investment revaluation reserves	15	283,642	337,447	283,645	337,450
<b>Total unrestricted funds</b>		<b>2,524,804</b>	<b>2,188,999</b>	<b>2,298,355</b>	<b>2,189,002</b>
<b>Total funds</b>		<b>2,604,073</b>	<b>2,172,043</b>	<b>2,377,624</b>	<b>2,172,046</b>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Trustees on 30th June 2021 and signed on their behalf, by:

**Marie-Pierre Whaley**  
Trustee and Treasurer



**INTERNATIONAL WATER ASSOCIATION****Consolidated statement of cashflows**

For the year ended 31 December 2020

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	Note	2020 £	2019 £
<b>Cash flow form operating activities</b>			
Net cash provided by operating activities	16	<u>113,766</u>	<u>673,284</u>
<b>Cash flow form investing activities:</b>			
Investment income		23,450	32,050
Purchase of tangible and intangible fixed assets		(519,562)	(209,150)
Proceeds from sale of investments		439,008	138,701
Purchase of investments		<u>(456,789)</u>	<u>(137,543)</u>
<b>Net cash used in investing activities</b>		<u>(513,893)</u>	<u>(175,942)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(400,127)</b>	497,342
Cash and cash equivalents brought forward		1,792,506	1,337,063
Changes in cash and cash equivalents due to exchange rate movements		<u>7,958</u>	<u>(41,899)</u>
<b>Cash and cash equivalents carried forward</b>	17	<u><u>1,400,337</u></u>	<u><u>1,792,506</u></u>

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

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#### 1. Accounting policies

##### 1.1 Company status

The Association is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Association being wound up, the liability in respect of the guarantee is limited to £1 per member of the Association.

##### 1.2 Basis of preparation and consolidation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements have been prepared for the year to 31 December 2020, with comparative information presented in respect of the year to 31 December 2019.

International Water Association (the 'Association') meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Association and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The Association has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

No separate SOFA has been presented for the Association alone as permitted by section 408 of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

##### 1.3 Assessment of going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. In forming their assessment, the Trustees have also given consideration to financial forecasts and business plans, including group entities. They have also given due consideration to the impact of the COVID-19 pandemic on the group's operations, with a focus on its effect on the Association's membership, customers, suppliers, employees and investments. The Trustees acknowledge the disruption caused by the pandemic to the group's day-to-day operations and confirm that they do not consider this to be cause for material uncertainty in respect of the group's ability to continue as a going concern. The group has successfully employed contingency plans, and trustees have considered that the charity has sufficient cash resources to continue for the foreseeable future, despite the current crisis..

The group balance sheet as at 31 December 2020 reports net current assets of £767,627 (2019 net current asset of £716,511), the Trustees also highlight that the investments carried within fixed assets of £1,221,552 (2019: £1,167,866) are available to the Association in order to meet working capital needs if required, and only invested in order to provide a better return on surplus funds which are not immediately needed.

The Trustees have therefore concluded that the group has adequate resources to continue in operational existence for the foreseeable future and to meet liabilities as they fall due for a period of at least 12 months following the Trustees' approval of these financial statements. Further commentary on the Trustees' assessment of going concern may be found within the Trustees' report accompanying the financial statements.

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

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#### 1. Accounting policies (continued)

##### 1.5 Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- > The estimate of the group's liability in respect of a defined benefit pension scheme previously offered to IWA staff, the valuation of which has been estimated by an independent actuary taking account of various assumptions including the long term rates of return on scheme assets, the long-term anticipated rate of inflation, the life expectancy of scheme participants, and the discount rate applied;
- > The estimates of the useful economic lives of tangible and intangible fixed assets used to determine the annual depreciation charge;
- > The estimated future cost of reinstating short term leasehold property to its original condition in line with the terms of the lease agreement.
- > The assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds;
- > The basis on which support costs have been allocated across expenditure headings; and
- > Judgments and assumptions made in forecasting future income and expenditure for the purposes of assessing whether the going concern basis of preparing the financial statements is appropriate.

##### 1.6 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Association and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

The investments revaluation reserve is an unrestricted fund and reflects the balance included within fixed asset investments which has arisen as a consequence of the cumulative impact of market value changes to the Association's investment assets

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Association for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.7 Income

All income is recognised once the Association or group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Association or group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Association or group which is the amount the Association or group would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

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#### 1. Accounting policies (continued)

##### 1.8 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure heading for which it was incurred. The estimated costs of reinstating short term leasehold property is also capitalised at the point of the modification works being undertaken.

##### 1.9 Tangible and Intangible fixed assets

###### Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. The estimated cost of reinstating short term leasehold properties is also capitalised at the point of the modification works being undertaken. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following bases:

Leasehold improvements - 10 years straight line

Fixtures and fittings - 5 / 6 years straight line

Office equipment - 6 years straight line

Computer equipment - 3 years straight line

###### Intangible fixed assets and amortisation

All assets costing more than £500 are capitalised.

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer software – 5 years straight line

##### 1.10 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investments in subsidiary companies which are unlisted are carried on the Association's balance sheet at cost less impairment.

##### 1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.12 Taxation

The Association is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The group's liability for current tax in this regard is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period within the relevant jurisdiction. The group incurred tax charges in Nanjing, China.

##### 1.13 Debtors

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

##### 1.14 Cash at Bank and in hand

Cash at bank and 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.

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

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#### 1. Accounting policies (continued)

##### 1.15 Creditors and provisions

Creditors and provisions are recognised where the Association 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. Long term liabilities are discounted where the effect of discounting would be material to the accounts.

##### 1.16 Financial instruments

The Association 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.

##### 1.17 Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the Statement of Financial Activities.

##### 1.18 Pensions

Group employees are able to participate in defined contribution schemes administered in the UK, Netherlands and China. The assets of the schemes are held separately from those of the group. In addition, IWA Publishing Ltd makes contributions into the personal pension plans for some of its employees. The costs of providing pensions are charged to the SOFA as incurred, i.e. in line with the contribution payable by the group in the period.

The Association also previously offered employees access to a defined benefit pension scheme administered in the UK. The defined benefit pension scheme is now closed to future new entrants and there are no remaining active members in the scheme. For the defined benefits scheme, the Statement of Financial Activities (SOFA) is charged with the cost of providing pension benefits earned by former employees in the period. The expected return on pension scheme assets less the interest on the pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on the pension scheme assets, experience gains and losses on pension scheme liabilities and the effect of changes in demographics and financial assumptions, are included as after recognised gains or losses in the Statement of Financial Activities. The accumulated pension scheme deficit is recognised in full and included in the balance sheet. However, in the event that the scheme is in net surplus position, the asset is not recognised in the balance sheet as it is not expected that the surplus will be realisable by the Association until after buying out pension benefits to the pensioners.

##### 1.19 Conferences

The World Water Congress is held bi-annually. Expenditure incurred in preparing for the Congress is also carried forward and recognised in the year of the Congress itself, except for the cost of staff time which is recognised in the financial year in which the services were rendered by the employees.

##### 1.20 Specialist group funds

Specialist groups run independently from the Association and their income, expenditure, assets and liabilities are not included in the Association's financial statements.

Where specialist groups use the Association's services, these are charged to the group and shown as income for the Association. In many cases, this relates to a share of income from events organised by the specialist group in agreement with the Association. This income is accounted for once confirmation is received of the amount due and it is reasonably certain that it will be received.

The Association hold funds on behalf of the specialist groups. The balances due to the groups are included in creditors.

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

2. Income from other sources

	Unrestricted funds	
	Total 2020	Total 2019
	£	£
Miscellaneous income	-	70,899
	<u>-</u>	<u>70,899</u>

3. Analysis of expenditure type

	Staff costs	Support costs	Other costs	Total
	2020	2020	2020	2020
	£	£	£	£
<b>Expenditure on charitable activities</b>				
Engaged & collaborative membership	1,237,067	307,944	284,616	1,829,627
Source of leading-edge water knowledge	220,997	59,226	102,887	383,110
Platform for water knowledge exchange	252,791	67,746	24,915	345,452
Bridging science to practice	314,910	84,394	239,298	638,602
	<u>2,025,765</u>	<u>519,310</u>	<u>651,716</u>	<u>3,196,791</u>
<b>Expenditure on raising funds</b>				
Investment management costs			10,031	10,031
Nanjing Operation	361,459	66,498	24,271	452,228
Publications	843,277	383,768	846,308	2,073,353
	<u>1,204,736</u>	<u>450,266</u>	<u>880,610</u>	<u>2,535,612</u>
<b>Total expenditure</b>	<u>3,230,501</u>	<u>969,576</u>	<u>1,532,326</u>	<u>5,732,403</u>

Analysis of expenditure type

	Restated Staff costs 2019	Restated Support costs 2019	Restated Other costs 2019	Restated Total 2019
	£	£	£	£
<b>Expenditure on charitable activities</b>				
Engaged & collaborative membership	1,126,412	244,478	544,541	1,915,431
Source of leading-edge water knowledge	262,154	56,898	114,305	433,357
Platform for water knowledge exchange	322,236	69,939	564,580	956,755
Bridging science to practice	381,190	82,734	228,456	692,380
	<u>2,091,992</u>	<u>454,049</u>	<u>1,451,882</u>	<u>3,997,923</u>
<b>Expenditure on raising funds</b>				
Investment management costs			8,178	8,178
Nanjing Operation	117,016	29,945	122,790	269,751
Publications	805,279	428,236	713,480	1,946,995
	<u>922,295</u>	<u>458,181</u>	<u>844,448</u>	<u>2,224,924</u>
<b>Total expenditure</b>	<u>3,014,287</u>	<u>912,230</u>	<u>2,296,330</u>	<u>6,222,847</u>

**INTERNATIONAL WATER ASSOCIATION**

**Notes to the Financial Statements**

**For the Year Ended 31 December 2020**

<b>4. Analysis of support costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rent, rates & services	<b>183,173</b>	121,145
Office cleaning & repairs	<b>13,145</b>	20,040
Printing and stationery	<b>4,804</b>	7,256
Postage and couriers	<b>4,346</b>	1,521
Telephone	<b>26,702</b>	33,146
Insurance	<b>30,721</b>	26,038
Legal and professional fees	<b>65,864</b>	67,972
Bank charges	<b>20,758</b>	24,862
Computer support and maintenance	<b>63,438</b>	46,628
Leasing charges	<b>750</b>	3,466
Office Relocation	<b>-</b>	76,049
Depreciation and impairment charges	<b>80,021</b>	12,325
Miscellaneous expenses	<b>13,199</b>	393
Nanjing Operation	<b>66,497</b>	29,945
Publication costs	<b>383,768</b>	428,236
Equipment and software	<b>12,390</b>	13,208
	<b>969,576</b>	912,230

Support costs are apportioned to the various categories of charitable activities based on staff costs.

**5. Governance costs**

	<b>Unrestricted funds</b>	
	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration		
Statutory audit	<b>18,750</b>	16,300
Other services	<b>1,650</b>	1,500
AGM and Trustees' international meeting costs	<b>30,918</b>	120,126
Apportionment of support costs	<b>15,579</b>	13,621
Apportionment of staff costs	<b>60,000</b>	60,000
	<b>126,897</b>	211,547

**6. Net income / (expenditure) for the year**

This is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:	<b>124,474</b>	41,355
Amortisation of intangible fixed assets.	<b>67,862</b>	57,976
Auditor's remuneration		
Statutory audit	<b>18,750</b>	16,300
Other services	<b>1,650</b>	1,500

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

#### 7. Staff and Consultants costs

Staff and Consultants costs were as follows:

	2020	2019
	£	£
Wages and salaries	2,517,597	2,202,888
Social security costs	308,957	287,684
Other pension costs	248,781	237,500
Consultants Charges	155,166	286,215
Termination payments	-	-
	<u>3,230,501</u>	<u>3,014,287</u>

Included in wages and salaries is a provision of nil (2019: £57,321) for redundancies

The average number of employees during the year was as follows (including casual and part-time staff):

	2020	2019
	No.	No.
Charitable activities	28	33
Publishing activities	13	13
Management and administration	4	4
	<u>45</u>	<u>50</u>

The number of higher paid employees (excluding employer pension contribution) were as follows

	2020	2019
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	1	-
In the band £160,001 - £170,000	-	1
In the band £240,001 - £250,000	-	1
In the band £250,001 - £260,000	1	-
	<u>10</u>	<u>7</u>

The total contribution to the defined contribution pension schemes during the year was £145,528 (2019: £105,759). At the year end £Nil (2019: £nil) was outstanding.

No fees or remuneration are paid to any members or officers of the Association with the exception of the Executive Director who received £255,561 during the year (2019: £230,940). Clause 4 of the Memorandum of the Association provides specific power to make such payment to the Executive Director. The Association incurred a total of £30,918 (2019: £119,112) in respect of international travel, subsistence and venue costs for 14 (2019: 14) Board members.

During the year the Association maintained an Indemnity Insurance cover for its officers for up to £10 million (2018: £10 million) at a cost of £5,000 per annum (2018: £5,000).

As referenced in the Trustees' report, the Trustees consider that they together with IWA Management Team comprise the key management personnel of the Association. During the year the key management personnel received total remuneration of £854,787 (including on-costs) (2019: £712,002).

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

8. Intangible fixed assets

Group

	Online Platform	Total
	£	£
<b>COST</b>		
At 1 January 2020	289,881	289,881
Additions in year	49,430	49,430
<b>At 31 December 2020</b>	<b>339,311</b>	<b>339,311</b>
<b>AMORTISATION</b>		
At 1 January 2020	96,887	96,887
Charge for the year	67,862	67,862
<b>At 31 December 2020</b>	<b>164,749</b>	<b>164,749</b>
<b>NET BOOK VALUE</b>		
<b>At 31 December 2020</b>	<b>174,562</b>	<b>174,562</b>
At 31 December 2019	192,994	192,994

9. Tangible fixed assets

Group

	Leasehold Improvement	Fixtures and fittings	Office equipment	Computers	Total
	£	£	£	£	£
<b>COST</b>					
At 1 January 2020	-	223,478	47,070	417,510	688,058
Additions in year	120,000	420,618	28,557	20,958	590,133
Disposal in the year	-	(123,096)	(47,069)	(328,738)	(498,903)
<b>At 31 December 2020</b>	<b>120,000</b>	<b>521,000</b>	<b>28,558</b>	<b>109,730</b>	<b>779,288</b>
<b>DEPRECIATION</b>					
At 1 January 2020	-	143,174	47,070	403,142	593,386
Charge for the year	12,000	90,747	4,760	16,967	124,474
Impairment charge	-	-	-	-	-
Released in the year	-	(123,097)	(47,069)	(328,738)	(498,904)
<b>At 31 December 2020</b>	<b>12,000</b>	<b>110,824</b>	<b>4,761</b>	<b>91,371</b>	<b>218,956</b>
<b>NET BOOK VALUE</b>					
<b>At 31 December 2020</b>	<b>108,000</b>	<b>410,176</b>	<b>23,797</b>	<b>18,359</b>	<b>560,332</b>
At 31 December 2019	-	80,304	-	14,368	94,672

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

9. Tangible fixed assets (continued)

Association	Leasehold Improvements	Fixtures and fittings	Office equipment	Computers	Total
	£	£	£	£	£
<b>COST</b>					
At 1 January 2020	-	115,410.00	47,070	380,632	543,112
Additions in year	120,000	420,618	28,557	9,287	578,462
Disposal in the year	-	(115,409)	(47,069)	(315,251)	(477,729)
<b>At 31 December 2020</b>	<b>120,000</b>	<b>420,619</b>	<b>28,558</b>	<b>74,668</b>	<b>643,845</b>
<b>DEPRECIATION</b>					
At 1 January 2020	-	115,410	47,070	378,546	541,026
Charge for the year	12,000	70,103	4,760	5,180	92,043
Released in the year	-	(115,409)	(47,069)	(315,251)	(477,729)
<b>At 31 December 2020</b>	<b>12,000</b>	<b>70,104</b>	<b>4,761</b>	<b>68,475</b>	<b>155,340</b>
<b>NET BOOK VALUE</b>					
<b>At 31 December 2020</b>	<b>108,000</b>	<b>350,515</b>	<b>23,797</b>	<b>6,193</b>	<b>488,505</b>
At 31 December 2019	-	-	-	2,086	2,086

10. Fixed asset investments  
Group

	Listed securities	Unlisted income bonds	2020
	£	£	£
At 1 January 2020	1,094,531	50,000	1,144,531
Additions at cost	456,789	-	456,789
Disposal proceeds	(439,008)	-	(439,008)
Realised investment loss	(4,193)	-	(4,193)
Unrealised investment gain	45,019	-	45,019
At 31 December 2020	1,153,138	50,000	1,203,138
Cash held by investment manager for reinvestment	18,414	-	18,414
	<b>1,171,552</b>	<b>50,000</b>	<b>1,221,552</b>
<b>Historical cost</b>			
<b>At 31 December 2020</b>	<b>887,907</b>	<b>50,000</b>	<b>937,907</b>

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

10. Fixed asset investments (continued)

Group investments at market value comprise

	UK £	Overseas £	2020 £	2019 £
Listed investments	597,787	573,765	1,171,552	1,117,866
Unlisted income bonds	50,000	-	50,000	50,000
Total carrying value	<u>647,787</u>	<u>573,765</u>	<u>1,221,552</u>	<u>1,167,866</u>

There were five material investments over 5% by value of the portfolio as a whole.

Blackrock Fm ltd European Dynamic D Inc.	7.57%
Vanguard Funds Plc S&P 500 Ucits Etf Inc GBP	6.12%
Brown Advisory Fds US Equity Growth B USD Dis.	7.14%
Artemis Fd Mngrs US Select Instl GBP Inc.	5.97%
Baillie Gifford American W3 Dis.	6.25%

Association

	Investment in subsidiaries £	Listed investments £	Unlisted income bonds £	Total £
At 1 January 2020	150,003	1,094,531	50,000	1,294,534
Additions at cost	-	456,789	-	456,789
Disposal proceeds	-	(439,008)	-	(439,008)
Realised investment loss	-	(4,193)	-	(4,193)
Unrealised investment gain	-	45,019	-	45,019
<b>At 31 December 2020</b>	<u>150,003</u>	<u>1,153,138</u>	<u>50,000</u>	<u>1,353,141</u>
Cash held by investment manager for reinvestment		18,414	-	18,414
<b>Historical cost</b>	<u>150,003</u>	<u>1,171,552</u>	<u>50,000</u>	<u>1,371,555</u>
<b>At 31 December 2020</b>	<u>150,003</u>	<u>887,907</u>	<u>50,000</u>	<u>1,087,910</u>

Association investments comprise:

	UK £	Overseas £	2020 £	2019 £
Listed investments	597,787	573,765	1,171,552	1,117,866
Investment in subsidiaries	150,003	-	150,003	150,003
Unlisted income bonds	50,000	-	50,000	50,000
Total carrying value	<u>797,790</u>	<u>573,765</u>	<u>1,371,555</u>	<u>1,317,869</u>

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

#### 10. Fixed asset investments (continued)

##### Association (continued)

##### Investment in subsidiaries

The Association holds a controlling interest in IWA Publishing Limited, IWA Conferences Limited, IWA Development Solutions Limited, IWA Global Enterprises Limited, Nanjing IWA Science & Technology Co. Ltd (China), IWAT Science and Technology Private Limited (India) and IWAI Water Foundation (India), whose details are given below.

The Association holds 150,000 issued £1 ordinary shares of IWA Publishing Limited, a company incorporated in England and Wales. This represents 100% of the issued share capital.

IWA Publishing Limited's activities during the year were that of a publisher of books, periodicals and video recordings. Its turnover for the year was £4,436,555 (2019: £4,434,100) and it made a taxable profit of £2,363,614 (2019: £2,487,687). All of the profit is donated to the Association under Gift Aid.

##### *Assets, liabilities and funds of IWA Publishing Limited*

	2020	2019
	£	£
Fixed assets	183,300	198,222
Current assets	1,853,541	1,624,908
Less: Current liabilities	<u>(1,886,841)</u>	<u>(1,673,130)</u>
Net assets	<u>150,000</u>	<u>150,000</u>
Total funds	<u>150,000</u>	<u>150,000</u>

The Association holds 1 issued £1 ordinary share, representing 100% of the issued share capital of IWA Development Solutions Limited, a company incorporated in England and Wales. There were no trading activities carried out by the company during the year.

The Association holds 1 issued £1 ordinary share, representing 100% of the issued share capital of IWA Conferences Limited, a company incorporated in England and Wales. There were no trading activities carried out by the company during the year.

The Association holds 1 issued £1 ordinary share, representing 100% of the issued share capital of IWA Global Enterprises Limited, a company incorporated in England and Wales. There were no trading activities carried out by the company during the year other than receipt of a loan of £1,098 from the parent for the purpose of investing in IWAT Science and Technology Private Limited.

The Association indirectly indirectly controls IWAT Science and Technology Private Limited, a company incorporated in India, as its entire 9999 issued Rs10 ordinary shares is owned by IWA Global Enterprises Limited (a wholly owned subsidiary of the Association). There were no trading activities carried out by the company during the year.

The Association indirectly controls IWAI Water Foundation, (through Global Enterprises Limited) a company incorporated in India and limited by guarantee without a share capital. There were no trading activities carried out by the foundation during the year.

The Association indirectly controls Nanjing IWA Science & Technology Co Ltd, a company incorporated in China, as its entire registered capital (£120,000) is owned by IWA Global Enterprises Limited (a wholly owned subsidiary of the Association). There were no paid up capital to date and the contribution deadline is 31 December 2048.

##### Investment in subsidiaries

Nanjing IWA Science & Technology Co. Ltd's activities during the year were that of promoting the art and science of water management globally, by the encouragement of training, study and research in water management and the publication of the useful results of such research; to share advanced technologies and best practices with water professionals and organisations. Its turnover for the year was £527,965 (2019: £436,224) and it made a taxable profit of £86,985 (2019: £166,809). All of the profits are held in the company for future operations.

##### *Assets, liabilities and funds of Nanjing IWA Science & Technology Co. Ltd*

	2020	2019
	£	£
Fixed assets	38,818	87,360
Current assets	278,577	356,428
Less: Current liabilities	<u>(91,976)</u>	<u>(281,083)</u>
Net assets	<u>225,419</u>	<u>162,705</u>
Total funds	<u>225,419</u>	<u>162,705</u>

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

11. Stock

	The Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Goods held for resale	44,701	51,946	-	-
	<b>44,701</b>	<b>51,946</b>	<b>-</b>	<b>-</b>

12. Debtors

	The Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	1,463,851	1,070,681	137,573	109,793
Other debtors	242,779	220,752	223,839	199,341
Prepayments and accrued income	586,879	200,689	498,488	113,192
Amount due from subsidiary undertakings	-	-	838,229	1,081,764
	<b>2,293,509</b>	<b>1,492,122</b>	<b>1,698,129</b>	<b>1,504,090</b>

13. Creditors : amounts falling due within one year

	The Group		Association	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	333,267	659,436	214,838	447,733
Other creditors	385,687	398,271	225,807	262,912
Social security costs	111,203	73,374	81,734	56,604
Specialist Group funds	140,765	125,428	140,765	125,428
Accruals and deferred income	1,981,584	1,340,219	1,125,537	667,801
	<b>2,952,506</b>	<b>2,596,728</b>	<b>1,788,681</b>	<b>1,560,478</b>

Deferred income represents income collected in advance for future journal, membership subscriptions and events.

13a Creditors : amounts falling due more than one year

	The Group		-	
	2020	2019	2020	2019
	£	£	£	£
Provision for dilapidation	120,000	-	120,000	-
	<b>120,000</b>	<b>-</b>	<b>120,000</b>	<b>-</b>

Provision for dilapidations represents the estimated cost of reinstatement works, repairs and redecoration, as well as specific works that will need to be made in line with the office lease. (Export Building, First Floor, 1 Clove Crescent, London E14 2BA)

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

14. Statement of funds

Group

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers in/out £	Gain/ (Losses) £	At 31 Dec 2020 £
<b>Designated funds</b>						
Tangible and Intangible assets	287,666	-	(192,334)	519,562	-	614,894
Nanjing Fund	162,705	527,965	(465,251)	-	-	225,419
	<b>450,371</b>	<b>527,965</b>	<b>(657,585)</b>	<b>519,562</b>	<b>-</b>	<b>840,313</b>
<b>General funds</b>						
Unrestricted funds	1,401,181	5,271,060	(4,806,121)	(465,272)	-	1,400,848
Investment revaluation reserves	337,447	-	-	(94,631)	40,826	283,642
Pension reserve	-	-	-	40,341	(40,341)	-
	<b>1,738,628</b>	<b>5,271,060</b>	<b>(4,806,121)</b>	<b>(519,562)</b>	<b>485</b>	<b>1,684,490</b>
<b>Total unrestricted funds</b>	<b>2,188,999</b>	<b>5,799,025</b>	<b>(5,463,706)</b>	<b>-</b>	<b>485</b>	<b>2,524,803</b>
<b>Restricted funds (see below)</b>	<b>(16,956)</b>	<b>377,946</b>	<b>(281,721)</b>	<b>-</b>	<b>-</b>	<b>79,269</b>
<b>Total funds</b>	<b>2,172,043</b>	<b>6,176,971</b>	<b>(5,745,427)</b>	<b>-</b>	<b>485</b>	<b>2,604,072</b>

	At 1 Jan 2019 £	Income £	Expenditure £	Transfers in/out £	Gain/ (Losses) £	At 31 Dec 2019 £
<b>Designated funds</b>						
Tangible assets	177,847	-	(99,331)	209,150	-	287,666
Nanjing Fund	-	436,560	(273,855)	-	-	162,705
	<b>177,847</b>	<b>436,560</b>	<b>(373,186)</b>	<b>209,150</b>	<b>-</b>	<b>450,371</b>
<b>General funds</b>						
Unrestricted funds	1,033,112	6,093,001	(5,516,710)	(208,222)	-	1,401,181
Investment revaluation reserves	208,804	-	-	(928)	129,571	337,447
Pension reserve	(170,000)	-	47,000	-	123,000	-
	<b>1,071,916</b>	<b>6,093,001</b>	<b>(5,469,710)</b>	<b>(209,150)</b>	<b>252,571</b>	<b>1,738,628</b>
<b>Total unrestricted funds</b>	<b>1,249,763</b>	<b>6,529,561</b>	<b>(5,842,896)</b>	<b>-</b>	<b>252,571</b>	<b>2,188,999</b>
<b>Restricted funds</b>	<b>211,687</b>	<b>155,412</b>	<b>(384,055)</b>	<b>-</b>	<b>-</b>	<b>(16,956)</b>
<b>Total funds</b>	<b>1,461,450</b>	<b>6,684,973</b>	<b>(6,226,951)</b>	<b>-</b>	<b>252,571</b>	<b>2,172,043</b>

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

14. Statement of funds (Continued)

Association

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers in/out £	Gain/ (Losses) £	At 31 Dec 2020 £
<b>Designated funds</b>						
Tangible assets	2,086	-	(92,043)	458,462	-	368,505
	<u>2,086</u>	<u>-</u>	<u>(92,043)</u>	<u>458,462</u>	<u>-</u>	<u>368,505</u>
<b>General funds</b>						
Unrestricted funds	1,849,466	5,271,060	(5,070,149)	(404,172)		1,646,205
Investment revaluation reserves	337,450	-	-	(94,631)	40,826	283,645
Pension reserve	-	-	-	40,341	(40,341)	-
	<u>2,186,916</u>	<u>5,271,060</u>	<u>(5,070,149)</u>	<u>(458,462)</u>	<u>485</u>	<u>1,929,850</u>
<b>Total unrestricted funds</b>	<u>2,189,002</u>	<u>5,271,060</u>	<u>(5,162,192)</u>	<u>-</u>	<u>485</u>	<u>2,298,355</u>
<b>Restricted funds (see below)</b>	<u>(16,956)</u>	<u>377,946</u>	<u>(281,721)</u>	<u>-</u>	<u>-</u>	<u>79,269</u>
<b>Total funds</b>	<u><u>2,172,046</u></u>	<u><u>5,649,006</u></u>	<u><u>(5,443,913)</u></u>	<u><u>-</u></u>	<u><u>485</u></u>	<u><u>2,377,624</u></u>

Association

	At 1 Jan 2019 £	Income £	Expenditure £	Transfers in/out £	Gain/ (Losses) £	At 31 Dec 2019 £
<b>Designated funds</b>						
Tangible assets	14,411	-	(12,325)		-	2,086
	<u>14,411</u>	<u>-</u>	<u>(12,325)</u>	<u>0</u>	<u>-</u>	<u>2,086</u>
<b>General funds</b>						
Unrestricted funds	1,210,759	6,093,001	(5,441,011)	(13,283)		1,849,466
Investment revaluation reserves	194,596	-	-	13,283	129,571	337,450
Pension reserve	(170,000)	-	47,000	-	123,000	-
	<u>1,235,355</u>	<u>6,093,001</u>	<u>(5,394,011)</u>	<u>-</u>	<u>252,571</u>	<u>2,186,916</u>
<b>Total unrestricted funds</b>	<u>1,249,766</u>	<u>6,093,001</u>	<u>(5,406,336)</u>	<u>-</u>	<u>252,571</u>	<u>2,189,002</u>
<b>Restricted funds</b>	<u>211,687</u>	<u>155,412</u>	<u>(384,055)</u>	<u>-</u>	<u>-</u>	<u>(16,956)</u>
<b>Total funds</b>	<u><u>1,461,453</u></u>	<u><u>6,248,413</u></u>	<u><u>(5,790,391)</u></u>	<u><u>-</u></u>	<u><u>252,571</u></u>	<u><u>2,172,046</u></u>

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

#### 14. Statement of funds (continued)

##### Tangible and Intangible asset fund

This fund balance represents the carrying value of the Association's tangible and intangible fixed assets net of any associated liabilities. This fund has been established in recognition of the fact that the assets are used in the day to day work of the charity and do not represent reserves available to finance its operations

##### Investment revaluation reserve

This fund balance represents the balance included within fixed asset investments which has arisen as a consequence of the cumulative impact of market value changes to the Association's investment assets. It has been separated in order to provide an indication of the difference between the value of listed investments at the balance sheet date relative to its historic cost. A calculation is provided at note 19 to the financial statements.

##### Pension reserve

This fund represents the Association's long-term liability in respect of its defined benefit pension scheme. It is separated in order acknowledgement that the liability is long-term and may be disregarded in considering the availability of free reserves in meeting the day-to-day obligations of the Association and the group.

##### Nanging Fund

This fund represents the net asset under the control of the Association's subsidiary, Nanjing IWA Science & Technology Co. Ltd in China. Those net assets are essential to the operations in China and therefore separately ring-fenced in these accounts.

##### Analysis of restricted funds (Association and Group)

	At 1 Jan 2020	Income	Expenditure	Transfers in/out	Gain/ (Losses)	At 31 Dec 2020
	£	£	£	£	£	£
Improving water security for the poor	8,088	-	(23,547)	-	-	(15,459)
Citywide inclusive sanitation	-	75,724	(8,924)	-	-	66,800
GIZ Carbon Neutrality in Water	-	40,950	(26,419)	-	-	14,531
Aquarating - Mongolia	(2,030)	-	(33,906)	-	-	(35,936)
Aquarating - Zambia	1,367	44,719	(32,077)	-	-	14,009
Aquarating - Mali	-	-	-	-	-	-
Climate Resilient WSP's	(64,224)	114,758	(80,674)	-	-	(30,140)
Operation and Maintenance Network	2,124	37,575	(33,748)	-	-	5,951
Diffuse Pollution SG Fund	21,164	-	-	-	-	21,164
Prime Water	(1,843)	58,549	(23,863)	-	-	32,843
PBC Partnership	5,605	4,141	(9,746)	-	-	-
FAO Project	-	1,530	(1,530)	-	-	-
LAC HRWS	12,826	-	(7,320)	-	-	5,506
Regulators NBS	(33)	-	33	-	-	-
<b>Total restricted funds</b>	<b>(16,956)</b>	<b>377,946</b>	<b>(281,721)</b>	<b>-</b>	<b>-</b>	<b>79,269</b>

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

#### 14. Statement of funds (continued)

##### Analysis of restricted funds (Association and Group) (continued)

	At 1 Jan 2019 £	Income £	Expenditure £	Transfers in/out £	Gain/ (Losses) £	At 31 Dec 2019 £
Improving water security for the poor	12,578	33,405	(37,895)	-	-	8,088
GIZ Carbon Neutrality in Water	5,639	10,864	(16,503)	-	-	-
Aquarating - Mongolia	1,261	47,882	(51,173)	-	-	(2,030)
Aquarating - Angola	5,853	-	(5,853)	-	-	-
Aquarating - Sierra Leone	680	-	(680)	-	-	-
Aquarating - Lebanon	6,912	35,486	(42,398)	-	-	-
Aquarating - Zambia	14,496	6,323	(19,452)	-	-	1,367
Aquarating - Mali	4,416	15,795	(20,211)	-	-	-
Climate Resilient WSP's	31,535	-	(95,759)	-	-	(64,224)
Reconnect	144,682	(115,200)	(29,482)	-	-	-
WHO DWQ	461	-	(461)	-	-	-
Operation and Maintenance Network	(1,449)	17,245	(13,672)	-	-	2,124
PEARL	(1,202)	1,260	(58)	-	-	-
GEF Floods & Droughts	(59,347)	65,696	(6,349)	-	-	-
Diffuse Pollution Specialist Group	26,447	-	(5,283)	-	-	21,164
Prime Water	-	-	(1,843)	-	-	(1,843)
WSP - Asia-Pacific Network	350	-	(350)	-	-	-
PBC Partnership	14,807	-	(9,202)	-	-	5,605
FAO Project	-	-	-	-	-	-
LAC HRWS	-	28,854	(16,028)	-	-	12,826
Regulators NBS	3,568	7,802	(11,403)	-	-	(33)
<b>Total restricted funds</b>	<b>211,687</b>	<b>155,412</b>	<b>(384,055)</b>	<b>-</b>	<b>-</b>	<b>(16,956)</b>

##### Improving water security for the poor

The REACH programme is led by Oxford University and brings together a consortium of global leaders in water science, policy and practice. REACH is a new global research programme to improve water security for the poor by delivering world-class science that transforms policy and practice. The fund currently having a deficit balance, pending payment receivable from the donor.

##### Citywide inclusive sanitation

The IWA is working with our partners, through this project IWA aims at identifying the needs, opportunities, and tools for action to support and inspire regulators in their contribution to achieving citywide inclusive sanitation in the context of the Sustainable Development Goals.

##### GIZ Carbon Neutrality in Water

The IWA is working on a project with GIZ, funded by the German Federal Ministry of Environment, Nature Conservation, to improve the carbon balance across utilities. The project focuses on parts of the nexus as addressing greenhouse gas reduction and energy efficiency produces benefits for water efficiency and recovers resources.

##### Aquarating

The funds received from IDB toward the execution of a technical cooperation programme for the implementation of a rating system Aqua Rating for the water and sanitation providers. The Aquarating Mongolia fund currently having a deficit balance, pending payment receivable from the donor.

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

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#### 14. Statement of funds (continued)

##### Analysis of restricted funds (Association and Group) (continued)

###### WHO DWQ

Funded by World Health Organisation towards improving drinking water quality.

###### Operation and Maintenance Network

Funds received from Ministry of Health, Labour and Welfare ("MHLW") Japan to support, raise awareness and develop capacities to effectively address operations and maintenance of water supply and sanitation systems and protect public health.

###### Preparing for the Extreme and Rare events in Coastal Regions (PEARL)

PEARL brings together world leading expertise in both the domain of hydro-engineering and risk reduction and management services to pool knowledge and practical experience in order to develop more sustainable risk management solutions for coastal communities focusing on present and projected extreme hydro-meteorological events. Funds Received from EC towards IWA supporting communication and dissemination of PEARL outputs, as well as the development of an evaluation process that can guide selection of engineered and environmental resilient strategies for different scenarios, and link to case studies and best practices around the world.

###### GEF Floods & Droughts

Funds received from UN Enviro Programme to develop adaptive, sociotechnical risk management measures and strategies for coastal communities against extreme hydro-meteorological events minimising social, economic and environmental impacts and increasing the resilience of Coastal Regions in Europe.

###### Prime Water

Funded through EU Horizon 2020 – the Framework Programme for Research and Innovation for delivering advanced predictive tools from medium to seasonal range for water dependent industries and exploiting the cross-cutting potential of EO and hydro-ecological modelling (in short PrimeWater).

###### Diffuse Pollution Specialist Group

Conference surplus funds received from the Diffuse Pollution Specialist Group towards the cost of future activities.

###### WSP - Asia-Pacific Network

Funds received from UNOPS towards hosting the WSP Network Asia, the thematic network for capacity development for water safety plans and to strengthen the Asia Pacific WSP network to support the development of climate resilient, adaptable systems for water supply.

###### PBC Partnership

The World Bank (WB) and the International Water Association (IWA) have established a global partnership to help countries, especially the poorest, improve management of Non-Revenue Water (NRW). The program aims to capture good practices in the use of Performance-Based Contracts (PBCs) to reduce NRW, raise awareness on the issue of NRW, simplify and streamline the preparation of such contracts, and support their implementation in developing countries in the next few years. Furthermore the partnership will build the market of suppliers at the local level.

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

14. Statement of funds (continued)

Analysis of restricted funds (Association and Group) (continued)

**Climate Resilient WSP's**

funding provided by OPEC Fund for International Development (OFID) for implementing climate resilient water safety planning to improve water supply and public health. The fund currently having a deficit balance, pending payment receivable from the donor.

**Reconnect**

Funds received from European Commission. RECONNECT aims to contribute to European reference framework on Nature Based Solutions (NBS) by demonstrating, referencing and upscaling large scale NBS and by stimulating a new culture for 'land use planning' that links the reduction of risks with local and regional development objectives in a sustainable way. During the year the Association decided to terminate its contribution to the project as of 31 December 2019 and the remaining funds will be returned to the donor.

**Regulators - Nature Based Solutions (NBS)**

Funds received from The Nature Conservancy (TNC) towards Supporting regulators and regulation to enable consideration and investment in nature based solution to improve water security and safety.

15. Analysis of net assets between funds  
Group

	Unrestricted funds				Restricted funds	Total funds
	Designated funds	Investment revaluation reserve	General funds	Nanjing Fund		
	£	£	£	£	£	£
Tangible fixed assets	560,332	-	-	-	-	560,332
Intangible fixed assets	174,562	-	-	-	-	174,562
Investments	-	283,642	937,910	-	-	1,221,552
Current assets	-	-	3,415,445	225,419	79,269	3,720,133
Current liabilities	-	-	(2,952,506)	-	-	(2,952,506)
Non-current liabilities	(120,000)	-	-	-	-	(120,000)
Pension liability	-	-	-	-	-	-
<b>Net assets at 31 December 2020</b>	<b>614,894</b>	<b>283,642</b>	<b>1,400,849</b>	<b>225,419</b>	<b>79,269</b>	<b>2,604,073</b>

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

15. Analysis of net assets between funds (Continued)  
Association

	Unrestricted funds					Total funds £
	Designated funds £	Investment revaluation reserve £	General funds £	Pension liability £	Restricted funds £	
Tangible fixed assets	488,505	-	-	-	-	488,505
Intangible fixed assets	-	-	-	-	-	-
Investments	-	283,645	1,087,910	-	-	1,371,555
Current assets	-	-	2,346,976	-	79,269	2,426,245
Current liabilities	-	-	(1,788,681)	-	-	(1,788,681)
Non-current liabilities	(120,000)	-	-	-	-	(120,000)
Pension liability	-	-	-	-	-	-
<b>Net assets at 31 December 2020</b>	<b>368,505</b>	<b>283,645</b>	<b>1,646,205</b>	<b>-</b>	<b>79,269</b>	<b>2,377,624</b>

Investment revaluation reserve

The balance on the investment revaluation reserve is derived as follows:

	Group		Association	
	2020 £	2019 £	2020 £	2019 £
Carrying value of Investments (note 14)	1,221,552	1,167,866	1,371,555	1,317,872
Less: Historical costs of Investments (note 14)	(937,907)	(830,419)	(1,087,910)	(980,422)
	<b>283,645</b>	<b>337,447</b>	<b>283,645</b>	<b>337,450</b>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the year (as per Statement of Financial Activities)	472,371	587,593
<b>Adjustment for:</b>		
Depreciation charges	124,474	41,355
Amortisation charges	67,862	57,976
Impairment charges	-	-
Net losses / (gains) on investment assets	(40,826)	(129,571)
Investment income	(23,450)	(32,050)
Finance and admin costs in respect of defined benefit scheme	(90,000)	(75,000)
Foreign exchange loss / (gain)	41,699	41,754
Decrease in stock	7,245	15,524
(Increase) / Decrease in debtors	(801,387)	381,481
Increase / (Decrease) in creditors	355,778	(215,778)
	<b>113,766</b>	<b>673,284</b>

**INTERNATIONAL WATER ASSOCIATION**

**Notes to the Financial Statements**

**For the Year Ended 31 December 2020**

**17. Analysis of cash and cash equivalents**

	<b>2020</b>	2019
	£	£
Cash in hand	<b>1,381,923</b>	1,769,171
Cash held in investments	<b>18,414</b>	23,335
	<b><u>1,400,337</u></b>	<u>1,792,506</u>

**18. Pension commitments**

**Group and company**

The group operates a Defined Benefit Pension Scheme.

The amounts recognised in the Balance Sheet are as follows:

	<b>2020</b>	2019
	£	£
Present value of funded obligations	<b>(3,084,000)</b>	(3,127,000)
Fair value of scheme assets	<b>3,317,000</b>	3,246,000
Surplus not recognised	<b><u>(233,000)</u></b>	<u>(119,000)</u>
Surplus / (Deficit) in scheme at end of the year and available to the Association	<b>-</b>	-

The latest actuarial valuation at 31 December 2020 shows a pension surplus of £119,000 (2019: £119,000). The surplus valuation results in 2020 is not recognised on the balance sheet as an asset because it is not available to the Association by way of reduced future contributions. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the statement of financial activities as other recognised gains and losses.

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2020</b>	2019
	£	£
Interest on obligation	<b>(61,000)</b>	(90,000)
Expected return on scheme assets	<b>63,000</b>	86,000
	<b><u>2,000</u></b>	<u>(4,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	<b>2020</b>	2019
	£	£
Opening defined benefit obligation	<b>3,127,000</b>	3,302,000
Interest cost	<b>61,000</b>	90,000
Actuarial losses	<b>84,000</b>	(80,000)
Benefits paid	<b>(278,000)</b>	(260,000)
Administration cost	<b>90,000</b>	75,000
Closing defined benefit obligation	<b><u>3,084,000</u></b>	<u>3,127,000</u>

INTERNATIONAL WATER ASSOCIATION

Notes to the Financial Statements

For the Year Ended 31 December 2020

18. Pension commitments (continued)  
Group and company

Changes in the fair value of scheme assets were as follows:	<b>2020</b>	2019
	£	£
Opening fair value of scheme assets	<b>3,246,000</b>	3,132,000
Expected return on assets	<b>63,000</b>	86,000
Actuarial gains	<b>157,000</b>	162,000
Contribution by employer	<b>128,000</b>	126,000
Benefits paid	<b>(278,000)</b>	(260,000)
Closing fair value of scheme assets	<b>3,316,000</b>	3,246,000

Group and company

The group expects to contribute £126,000 to its Defined Benefit Pension Scheme in 2021.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	<b>2020</b>	2019
Discount rate at 31 December	<b>1.40%</b>	2.00%
Future pension increases	<b>2.95%</b>	3.05%
Retail price inflation	<b>3.00%</b>	3.10%

Longevity assumptions as at 31 December 2020

Males (M) or Females (F)	31 December 2020	31 December 2019
Base table	Club Vita base tables reflecting profile of individual Scheme members, in line with the 2019 formal actuarial valuation	Club Vita base tables reflecting profile of individual Scheme members, in line with the 2019 formal actuarial valuation
Future improvements	CMI 2018 model with a long term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females, calibrated to Club Vita experience with a smoothing parameter of $S_k = 7.5$	CMI 2018 model with a long term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females, calibrated to Club Vita experience with a smoothing parameter of $S_k = 7.5$

## INTERNATIONAL WATER ASSOCIATION

### Notes to the Financial Statements

#### For the Year Ended 31 December 2020

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##### Life expectancies as at 31 December 2020

Males (M) or Females (F)	M	F
Average future life expectancy (in years) for a pensioner aged 65 at 31 December 2020.	23.1	24.0

#### 19. Operating lease commitments

At 31 December 2020 the group had total commitments under non-cancellable operating leases as follows:

##### Group

	2020	2019
	£	£
<i>Expiry date:</i>		
Under 1 year	75,495	69,654
Between 2 and 5 years	1,132,425	-
Between 5 and 10 years	1,132,425	-
	<u>2,340,345</u>	<u>69,654</u>

#### 20. Related party transactions

##### During the year Trustees received reimbursement of expenses as set out in note 7.

The following transactions took place during the year with the Trustee Dr Enrique Cabrera. Book royalties of £51 (2019: £51) was payable to Dr Enrique Cabrera and the total amount of £51 (2019: £51) was outstanding as at 31 December 2019.

The payment of royalties are made at standard rate with no preferential treatment due to their involvement with the Association.

Trustees are required to be members of the Association, for which they pay the Association a membership fee. Furthermore, they may from time to time purchase goods or services from the Association (e.g. books, journals, conference attendances.). The payment of fees or purchase of good or services are on normal commercial terms with no preferential treatment by virtue of being a trustee.

Other than the above, there were no related party transactions to report in the period of report (2019: none)