

Company number: 03597005
Charity number: 1076690

International Water Association

Report and financial statements
For the year ended 31 December 2021

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International Water Association

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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 2021.

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.

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 2021, the Association took important steps to further expand its dissemination of information and knowledge, especially that created by its members. In particular, the Association moved publication of its journals to publication under a 'subscribe to open' **Open Access** model, greatly increasing the accessibility of this content, with numerous books also being made available on an Open Access basis.

Also in 2021, IWA held its first **virtual Congress**. This covered a broad range of themes and facilitated access to high-quality presentations and discussions by IWA members and our wider network for participants around the world.

More generally, the Association continued to maintain close working relationships with all of the major international water agencies and associations, partnering with these bodies, and engaging members, 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. With *members engaged in the delivery of this programme, it 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.

Open Access publishing and the public benefit

Important activity during 2021 regarding the core charitable activity of generating and disseminating knowledge and best practice on all facets of the water cycle featured the move of journal publication to a 'subscribe to open' (S2O) Open Access model.

At the start of the year, publication by subsidiary IWA Publishing of ten journals was switched to S2O. The journals include important and respected water sector titles such as *Water Science and Technology*, the *Journal of Water and Health*, *AQUA*, *Water Policy*, and the *Journal of Hydroinformatics*.

The S2O model enables the journals to be free to read and free to publish in. In 2021, the number of journal papers downloaded nearly doubled, with readers from all over the world contributing to this increase in readership. Meanwhile, article submissions increased by 10% in 2021, with the growth coming from all continents.

In addition to this activity relating to journals, 19 Open Access books were released in 2021.

2. GROUP STRATEGIC OVERVIEW

Despite the continuing challenges presented by the COVID-19 pandemic, 2021 was another year of progress for IWA.

The year was a relatively strong one from a purely financial perspective, despite the further postponement of the World Water Congress & Exhibition to 2022, 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 broadly remained steady in terms of membership numbers. This progress was supported by IWA's strong foundations, which are based on financial prudence and the commitment of all the many people involved – i.e., the Board, staff, members, and partners. They enabled much of IWA's 2021 anticipated **programme** and engagement of members to continue, despite the ongoing pandemic.

COVID-19 has brought challenges, especially given that IWA traditionally runs and supports many events. Mitigation measures initiated in 2020 were continued and scaled up, with traditional in-person events increasingly being hosted online. Adapting to the new normal of online meetings, workshops, and conferences, we expanded a programme that drew quality speakers and exceptional participation, drawing on substantial input by members in the delivery of this programme. A particularly impressive example in this respect was the Digital World Water Congress, which ran from May 24 to June 4, 2021 and attracted more than 2,300 registered delegates.

So, despite challenges, IWA sustained its efforts to implement the objectives of the 2019–2024 Strategic Plan. This also included producing a substantive range of high-quality outputs, such as publications and reports often prepared with the input of members, as well as providing and supporting knowledge-sharing and networking opportunities for and by members.

This level of activity indicates the positive response from members, who have been ever eager to commit their time to the Association. Building on 2020 having marked the 20th anniversary under the IWA identity, this level of engagement in 2021 demonstrates the compelling draw

of our vision of creating a water-wise world. Furthermore, the essential role of our sector has been further underlined by the COVID-19 pandemic, raising general awareness of the critical role of hand washing and access to basic services.

The resilience shown by IWA in such challenging circumstances has provided reassurance that the organisation is sustainable and adaptable, and this outlook is further supported by the Association's continuing ability to attract strong and enthusiastic participation by its membership even under these conditions, demonstrating the strength of IWA's roots within the global water community.

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 £1,047,006 (2020: £1,153,663). Other income, including income from trading activities, investments, and other sources, was £5,034,396 (2020: £5,023,308) giving total income for the year of £6,081,402 (2020: £6,176,971).

After making provision for tax payable in relation to the operation in Nanjing, China of £8,415 (2020: £13,023), gains on investments of £102,256 (2020: £40,826) and an actuarial loss on the pension scheme of £- (2020: loss of £40,341), the net increase in group funds was £328,117 (2020 increase of: £432,030) providing closing group funds as of 31 December 2021 of £2,932,190 (2020: £2,604,073).

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

Through 2021, IWA made further important progress with numerous initiatives that contribute to the Association's aim of shaping the global water agenda. Designed to facilitate member involvement in issues of strategic importance to the Association, these are broadly focused on cities and on water and wastewater utilities.

Within the wider Cities of the Future Programme, in 2021 IWA made progress with its Climate Smart Utilities initiative, including leveraging this activity to support participation by IWA at events at the COP26 meeting in Scotland, reinforcing the initiative's goal of supporting water and wastewater utilities in improving their climate resilience while also contributing to a significant and sustainable reduction in carbon emissions.

IWA made significant progress with its contribution in the area of water regulation, drawing in particular on this segment of our membership. As part of the Regulating for Citywide Inclusive Sanitation (R-CWIS), IWA delivered a 'Call to Action' aimed 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. The publication has been translated in three languages. In 2021, the CWIS programme has secured funding from the Bill & Melinda Gates Foundation to professionalise and mainstream the CWIS approach among and beyond sector leaders and professionals, with this activity to be rolled out in 2022 and beyond.

IWA held the 6th International Water Regulators Forum virtually in June 2021. This high-level gathering of regulators offered a platform for policy debates and knowledge sharing across continents during the pandemic. In addition, as part of IWA's work on regulation, new Communities of Practice on Adaptive Water Policy and on Regulation were formed, creating focal points for member interaction and widening of our network.

Programmes (continued)

The Digital Water Programme has been a key area of focus throughout 2021, helping water utilities transition to the next generation of smart water systems. Drawing heavily on input of our member network, activities under the Digital Water Programme in 2021 included the release of three white papers, as well as webinars, podcasts, blogs and a new Community of Practice on Earth Observation Technologies.

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

There was further progress with the AquaRating rating tool that can help drive performance improvements in water utilities. In the past 12 months, IWA has been working with utilities in Sierra Leone and Mongolia.

Events

With the COVID-19 pandemic having required rescheduling of the Copenhagen IWA World Water Congress to September 2022, IWA initiated a global virtual event in 2021 to provide the international water community – especially the Association's membership – with an opportunity to present and access latest developments across a broad spectrum of water themes. IWA held the Digital World Water Congress from May 24 to June 4, 2021. This event proved to be a great success, with more than 2,300 registered delegates from 95 countries.

During the industry-leading conference, 51 technical sessions were delivered, each featuring a live Q&A session to encourage interaction among attendees. Some 150 papers were presented across these sessions, with a further 310 poster presentations available. The wider programme featured special screenings of three award-winning documentaries, and the technical sessions were available for on-demand viewing for a number of weeks after the initial event. The Congress garnered a great response, with 96 percent of attendees indicating that they were happy or extremely satisfied.

In addition to the Digital World Water Congress, 20 online events (webinars, panel events, online forums) with a combined total of more than 7,331 registrants were organized with the

support of our member network, as well as 14 successful conferences staged by the Association's Specialist Group member communities in live, hybrid, and virtual format.

***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 2021 include: a round-up of examples of initiatives for stimulating water sector innovation; examples and strategic perspectives on the use of non-sewered sanitation; leading global cases illustrating growing application of water reuse; and tools to support water sector progress with resilience.

IWA Publishing (IWAP)

For IWA Publishing, 2021 was a landmark year. During this year, IWAP switched ten journals to Open Access, following a model called 'Subscribe To Open' (S2O). These include *Water Science and Technology*, the *Journal of Water and Health*, *AQUA*, *Water Policy*, and the *Journal of Hydroinformatics*. In addition, 19 Open Access books were released in 2021. While the S2O journal model provides Open Access, libraries continue to pay subscriptions. That income stream enables the journals to be free to read and free to publish in.

Open Access has had an instant impact. In 2021, the number of journal papers downloaded nearly doubled. Readers from all over the world have contributed to this increase in readership. Alongside this progress, the average Impact Factor of the journals (the average number of times each paper is cited in other papers) increased by 37% in the 2020 dataset, which was published in June 2021, driven by a 41% growth in citations between 2018 and 2020.

Article submissions increased by 10% in 2021, with the growth coming from all continents. In addition, the Net Promoter Score for writers who publish in IWAP journals has surged to 83, indicating that they are enthusiastic and happy about their experience.

Moreover, the journals are now completely compliant with the EU's Horizon Europe programme and the requirements of other national and non-governmental funding organisations.

Furthermore, the organisation has a long-standing and highly successful publishing collaboration with Elsevier for Water Research. That partnership now also covers the Open Access journal *Water Research X* (WRX), which will receive its first Impact Factor in 2022. The current projection is that it will be in the region of 8.500 – high enough to be placed in the top five of the Water Resources category. IWA also collaborates with Elsevier in the publication of *Water Resources and Industry*. WRI has been accepted for indexing in the Journal Citation Reports and is scheduled to receive its first Impact Factor in 2022.

Last but not least, there is an ongoing effort to expand the range of non-English publications. Books published in 2021 included a Hindi translation of *Wetland Technology*, a French version of *Climate-resilient Water Safety Plans*, and Spanish translations of *Performance Indicators for Wastewater Services*, *Treatment Wetlands*, *Standard Definitions for Water Losses*, and *Wetland Technology*.

Young Water Professionals (YWP)

IWA has continued to improve its value proposition for IWA Young Water Professional (YWP) members over the past year, delivering open activities as well as member-only interaction and services. IWA invests in YWPs by empowering them both within the association and across the water industry.

During 2021, two virtual get-togethers were organised, which attracted 275 attendees. The focus of these events was 'The future of WASH' (January 2021) and 'Next Generation Water Action: Turning Challenges into Opportunities' (July 2021).

IWA hosted the Emerging Water Leaders Forum in November 2021, delivering this with the

support of the YWP community. This attracted a total of 345 registrations, was held over three days and included an online panel, a workshop, and networking opportunities.

IWA Awards

IWA has a range of awards to provide recognition for notable contributions to the water sector worldwide – especially those of IWA members. These include the Global Water Award, the Women in Water Award, the Project Innovation Award, the Professional Development Award, the Water & Development Award, the Young Leadership Award, and the IWA/ISME (International Society for Microbial Ecology) BioCluster Award. The latest awards were celebrated during the opening ceremony of the 2021 Digital World Water Congress, recognising the outstanding achievements of IWA members and water sector professionals. The IWA Global Water Award recognises those individuals who, through innovative leadership and practice, have made a significant contribution to a world in which water is wisely managed. Inspirational academic Marcos von Sperling, of Universidade Federal de Minas Gerais in Brazil, won this acclaimed award. The IWA Women in Water Award, which celebrates the work of women in the field of water, was won by sanitation advocate Nafisa Barot. The award recognises the key role played by women, but also seeks to encourage greater inclusion and female leadership in the water sector. The Professional Development Award recognises water sector companies that are making a significant contribution to the professional development of their employees, supporting the attraction, development, and retention of the next generation of water leaders. Malaysian sewerage company Indah Water Konsortium won the IWA Professional Development Award for its exceptional record of developing talent in the sector. The IWA Young Leadership Award is granted to an exceptional young water professional who demonstrates significant achievements in their career, outstanding leadership, and the potential to play an influential role in the water industry in the future. Renowned scientist and engineer Dr Siddhartha Roy had been announced as the award winner prior to the Congress.

Moreover, in 2021 there were three recipients of the Honorary Membership Award. This award recognises outstanding and sustained contributions of members in relation to the water sector and the Association. The exceptional individuals who won this recognition are Prof. Jiri

Wanner, from the University of Chemistry and Technology in Prague, Czech Republic, Prof. Mark van Loosdrecht, from Delft University of Technology in the Netherlands. In addition, our outgoing IWA President Diane d'Arras also received the Honorary Membership Award.

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 totaled £1,337,045 as of 31 December 2021 (2020: £1,221,552). The valuation shows a realised investment gain of £6,143 (2020: loss of £4,193) and unrealised investment gain of £107,762 (2020: £45,019). The Trustees are satisfied with the performance in 2021 and will continue to regularly monitor future performance, particularly given the risk of increased market volatility in the midst on a global pandemic.

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 2021 (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 2021 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 £1,882,439 (compared with 2020: £1,684,491). 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.

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, which are amongst the safest in world), and CRM systems hosted only in most secure data centres.

- c) Enforced working from home for a long period potentially leading to lack of cohesion among staff and low staff morale. Mitigation: move to a hybrid working week with 3 days in the office and two days working remotely; a greater emphasis of team building following reoccupation of the London office in October 2021 with regular surveys and all staff meetings online with individual meetings with line managers.
- d) 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.

- d) Declining income from membership fees (especially corporate members) 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" (S2O) access revenue beyond 2021, due to lack of motivation among libraries to financially support S2O, 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 impact 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). The Articles of Association were most recently revised in September 2020 to authorise virtual general meetings. 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 2021 was 15 (2020: 15).

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 serving on the Board of Directors, and those of the President and Vice Presidents, be extended until 31 May 2021. A General Meeting was held on 21 April 2021 at which there was a presidential handover from Diane D'Arras to Thomas Mollenkopf, election of two Vice Presidents, and the appointment of other officeholders and a new Board of Directors for the period April 2021 to September 2022.

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. All Board members (existing and new) also attended an online training session on Duties and Responsibilities of Directors and Trustees conducted by Andrew Studd

and Rebecca Cumming from the charity team of Russell Cooke LLP on 19 May 2021.

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), and provides financial and programme oversight to the Association. The Board generally meets at least four times each year.

The continuation of the COVID-19 pandemic prevented in-person meetings of the Board in 2021. The Board continued its practice of more frequent (11 meetings during the year), but shorter (2 hours), virtual meetings 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, a General Meeting was called in accordance with the IWA's revised articles of association and held remotely on 21 April 2021. The 2021 AGM and Governing Assembly was also held remotely on 27 October 2021, at which the audited accounts of the Company for the year ended 2020 and the Directors Report and the Auditors Report were duly received and Thomas Mollenkopf was re-elected as President of the Association for a term of two years commencing at the 2022 World Water Congress and concluding at the conclusion of the 2024 World Water Congress .

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 Enrique Cabrera Rochera (Senior Vice President)

Dr Hamanth Kasan (Vice President)

Dr Kalanithy Vairavamoorthy (Executive Director)

Dr Asma Elkasmi

Diane d'Arras

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

Dr Marie-Pierre Whaley (Treasurer)

Dr Peter Vanrolleghem (Appointed on 24th April 2021)

Dr Rose Kaggwa (Appointed 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

Daniel Nolasco (retired on 24th April 2021)

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

Dr Joan Rose (retired on 24th April 2021)

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

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 have been 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. A General Meeting was held on 21 April 2021 at which there was a presidential handover from Diane d'Arras to Thomas Mollenkopf, election of two Vice Presidents and the appointment of other officeholders and new Board of Directors for the period April 2021 to September 2022.

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 Boardmembers 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 2021 AGM and Governing Assembly was held remotely by electronic means on 27 October 2021, in accordance with the articles of association, and the Governing Assembly also met for a General Meeting on 21 April 2021..

The Governing Assembly ensures that the interests of members – including Individual, Corporate and Governing Members – are represented and it 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 (President), Mrs Diane d'Arras and Mr Richard Hout. Dr Kala Vairavamoorthy (Executive Director) is an ex officio member of the Committee. 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.

The Governance and Nomination Committee

Professor Hamanth Kasan (Vice President) chairs the Governance and Nomination Committee. Other members of the committee are: Magnus Arnell, Rose Kaggwa, Teodor Popa, Yoshihiko Matsui and Walter Kling. Mr Thomas Mollenkopf (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

Professor Enrique Cabrera (Senior Vice President) chairs the Membership and Engagement Committee. Other members of the committee are: Asma El Kasmi, Diane d'Arras, Marie-Pierre Whaley, Perry Rivera, Peter Vanrolleghem, Xiaochang Wang and S Mohan. Mr Thomas Mollenkopf (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: Daniela Bemfica (Strategic Programmes &

Engagement Director); Hong Li (Regional Engagement Director); Keith Hayward (Marketing & Communications Director); Keith Robertson (Operations Director); Kizito Masinde (Events and Awards Director); Satkunam Murugathas (Finance Director & Company Secretary); Tao Li (Water Intelligence Director) and Varghese Babu (IT & Digital Transformation Director).

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.

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

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 NGOs in Kenya – called IWA Africa – and in India – called IWA Water Foundation. Both have remained dormant since their 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. This plan remains effective as the strategic foundation for the day-to-day activities of the organisation. We are actively progressing further implementation of the plan, 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. This is backed by a strong Board-level commitment to champion diversity throughout the organisation. Actions to progress diversity include working across the Association's many structures, rotating roles to extend this diversity, and monitoring our progress. For 2022, IWA anticipates being able to escalate its plans of achieving more comprehensive progress on diversity, especially in terms of supporting and securing more equal participation by developing countries and individuals and organisations from developing countries, with the support of funding received from the Bill & Melinda Gates Foundation.

We will also continue to 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. This will be done by building on the progress with Open Access achieved during 2021.

Also in 2022, IWA will roll out implementation of its new digital membership platform, on which work has been underway throughout 2021. This platform will both improve on core needs, such as membership administration, and provide the basis for enhanced and expanded functionality in terms of information sharing and of networking, all of which will support a strengthening of IWA's membership offering.

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' RESPONSIBILITIES 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 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.

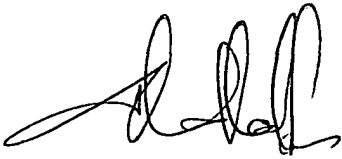
Disclosure of information to auditor

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: 6 June
2022

Independent auditor's report

To the members of

International Water Association

Independent auditor's report to the members of International Water Association

Opinion

We have audited the financial statements of International Water Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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

Independent auditor's report

To the members of

International Water Association

on International Water 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 other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

Independent auditor's report

To the members of

International Water Association

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Independent auditor's report

To the members of

International Water Association

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditor's report

To the members of

International Water Association

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

10 August 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

International Water Association

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Charitable activities							
Membership subscriptions		733,927	-	733,927	757,672	-	757,672
Income from projects and grants		56,980	118,030	175,010	-	377,946	377,946
Income from conferences		138,069	-	138,069	18,045	-	18,045
Other trading activities							
Income from publications		4,104,502	-	4,104,502	4,436,967	-	4,436,967
Income from Nanjing operation		837,191	-	837,191	527,965	-	527,965
Other sales income		68,393	-	68,393	34,926	-	34,926
Investments		24,310	-	24,310	23,450	-	23,450
Other		-	-	-	-	-	-
Total income		5,963,372	118,030	6,081,402	5,799,025	377,946	6,176,971
Expenditure on:							
Raising funds							
Investment management costs	2	11,074	-	11,074	10,031	-	10,031
Publications costs	2	1,969,540	-	1,969,540	2,073,353	-	2,073,353
Nanjing operations costs	2	599,342	-	599,342	452,228	-	452,228
Charitable activities							
Engaged & collaborative membership	2	1,598,509	-	1,598,509	1,829,627	-	1,829,627
Source of leading-edge water knowledge	2	400,691	-	400,691	383,110	-	383,110
Platform for water knowledge exchange	2	385,995	-	385,995	345,452	-	345,452
Bridging science to practice	2	706,295	175,680	881,975	356,881	281,721	638,602
Total expenditure		5,671,446	175,680	5,847,126	5,450,682	281,721	5,732,403
Net income / (expenditure) before taxation		291,926	(57,650)	234,276	348,343	96,225	444,568
Taxation on Nanjing operation		(8,415)	-	(8,415)	(13,023)	-	(13,023)
Net income / (expenditure) after taxation, before net gains on investments		283,511	(57,650)	225,861	335,320	96,225	431,545
Net gains on investments		102,256	-	102,256	40,826	-	40,826
Net income / (expenditure) for the year	3	385,767	(57,650)	328,117	376,146	96,225	472,371
Transfers between funds		(23,344)	23,344	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		362,423	(34,306)	328,117	376,146	96,225	472,371
Actuarial losses on defined benefit pension schemes		-	-	-	(40,341)	-	(40,341)
Net movement in funds		362,423	(34,306)	328,117	335,805	96,225	432,030
Reconciliation of funds:							
Total funds brought forward		2,524,804	79,269	2,604,073	2,188,999	(16,956)	2,172,043
Total funds carried forward		2,887,227	44,963	2,932,190	2,524,804	79,269	2,604,073

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20a to the financial statements.

International Water Association

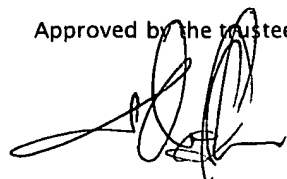
Balance sheets

Company no. 03597005

As at 31 December 2021

	Note	The group		The charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets:					
Intangible assets	8	106,700	174,562	-	-
Tangible assets	9	443,247	560,332	396,429	488,505
Investments	10	1,337,045	1,221,552	1,487,048	1,371,555
		1,886,992	1,956,446	1,883,477	1,860,060
Current assets:					
Stock	13	52,953	44,701	-	-
Debtors	14	1,733,713	2,293,509	1,565,278	1,698,129
Cash at bank and in hand		2,940,672	1,381,923	2,076,380	728,116
		4,727,338	3,720,133	3,641,658	2,426,245
Liabilities:					
Creditors: amounts falling due within one year	15	(3,562,140)	(2,952,506)	(2,927,794)	(1,788,681)
Net current assets		1,165,198	767,627	713,864	637,564
Total assets less current liabilities					
		3,052,190	2,724,073	2,597,341	2,497,624
Creditors: amounts falling due after one year	17	(120,000)	(120,000)	(120,000)	(120,000)
Net assets excluding pension asset / (liability)		2,932,190	2,604,073	2,477,341	2,377,624
Defined benefit pension scheme asset	18	-	-	-	-
Total net assets		2,932,190	2,604,073	2,477,341	2,377,624
Funds:					
Restricted income funds	20a	44,963	79,269	44,963	79,269
Unrestricted income funds:					
Designated funds		1,004,796	898,537	549,947	368,505
Revaluation reserve		327,004	225,419	327,004	283,645
General funds		1,555,427	1,400,848	1,555,427	1,646,205
Non-charitable subsidiary funds		-	-	-	-
Pension reserve		-	-	-	-
Total unrestricted funds		2,887,227	2,524,804	2,432,378	2,298,355
Total funds		2,932,190	2,604,073	2,477,341	2,377,624

Approved by the trustees on 6 June 2022 and signed on their behalf by



Thomas Mollenkopf
President and Chairman

International Water Association

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	2021	2020
		£	£
Cash flows from operating activities			
Net income for the reporting period (as per the statement of financial activities)		328,117	472,371
Depreciation charges		130,624	124,474
Amortisation charges		67,862	67,862
Gains on investments		(102,256)	(40,826)
Dividends, interest and rent from investments		(24,310)	(23,450)
Finance and administrative costs in respect of defined benefit pension scheme		-	(90,000)
Foreign exchange loss		264	41,699
(Increase)/decrease in stocks		(8,252)	7,245
(Increase)/decrease in debtors		559,796	(801,387)
Increase in creditors		609,634	355,778
Net cash provided by operating activities		1,561,479	113,766
Cash flows from investing activities:			
Investment income		24,310	23,450
Purchase of tangible and intangible fixed assets		(13,539)	(519,562)
Proceeds from sale of investments		233,110	439,008
Purchase of investments		(239,580)	(456,789)
Change in cash held by investment manager		(7,031)	-
Net cash provided used in investing activities		(2,730)	(513,893)
Change in cash and cash equivalents in the year		1,558,749	(400,127)
Cash and cash equivalents at the beginning of the year		1,381,923	1,792,506
Change in cash and cash equivalents due to exchange rate movements		-	7,958
Cash and cash equivalents at the end of the year		2,940,672	1,400,337

1 Accounting policies

a) Company status

The Association is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Export Building, First Floor, 1 Clove Crescent, London, E14 2BA.

b) 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 FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the Association and its wholly-owned subsidiaries IWA Publishing Limited and Nanjing IWA Science & Technology Co. Ltd. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Association itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

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 £.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) 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 2021 reports net current assets of £XXXX (2020: net current assets of £767,627). The Trustees also highlight that the investments carried within fixed assets of £XXXX (2020: £1,221,552) 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.

1 Accounting policies (continued)

e) 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
- Judgements 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.

f) Income

All income is recognised once the Association or group has entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and that 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 gifts, professional services and donated facilities are recognised on the basis 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.

g) 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 of 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.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, It is probable that settlement will be required and the amount of the obligation can be measured reliably. 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 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Engaged & collaborative membership	58%
● Source of leading-edge water knowledge	12%
● Platform for water knowledge exchange	10%
● Bridging science to practice	19%
● Support costs	0%
● Governance costs	1%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

● Engaged & collaborative membership	25%
● Source of leading-edge water knowledge	25%
● Platform for water knowledge exchange	25%
● Bridging science to practice	25%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Tangible fixed assets

Assets are capitalised where the purchase price exceeds £500.

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 the fixed assets, less their estimated residual value over their expected useful lives on the following basis:

● 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

k) Intangible fixed assets

Assets are capitalised where the purchase price exceeds £500.

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 equipment	5 years straight line
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l) 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

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

1 Accounting policies (continued)

m) 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. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

n) Taxation

The Association is an exempt charity within the meaning of schedule 3 of the Charities Act 2021 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.

o) 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.

p) 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.

q) 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.

r) 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.

s) 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.

t) 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 for the difference between actual and expected returns in 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 and 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.

u) 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.

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

v) 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 holds 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 2021

2a Analysis of expenditure (current year)

	Raising funds			Charitable activities				Governance costs £	Support costs £	2021 Total £	2020 £	Total £
	Investment Management £	Publications £	Nanjing Operation £	Engaged & collaborative membership £	Source of leading-edge water knowledge £	Platform for water knowledge exchange £	Bridging science to practice £					
Staff costs (Note 4)	-	836,557	443,665	1,030,422	194,193	160,145	316,931	20,000	59,999	3,061,912	3,230,501	
Other costs	-	807,643	109,415	158,030	115,531	149,366	421,869	3,466	-	1,765,320	1,568,720	
Investment management costs	11,074	-	-	-	-	-	-	-	-	11,074	10,031	
Support costs within subsidiaries	-	64,600	-	-	-	-	-	-	229,365	293,965	450,266	
Rents, rates and services	-	91,279	15,165	-	-	-	-	-	187,195	293,639	183,173	
Legal and professional fees	-	14,563	5,188	-	-	-	-	-	29,865	49,616	65,864	
IT costs	-	39,182	1,232	-	-	-	-	-	51,187	91,601	63,438	
Insurance	-	12,975	1,237	-	-	-	-	-	21,991	36,203	30,721	
Depreciation and impairment	-	93,741	20,158	-	-	-	-	-	105,615	219,514	80,021	
Audit	-	9,000	3,282	-	-	-	-	-	12,000	24,282	18,750	
AGM and Trustee meetings	-	-	-	-	-	-	-	-	-	-	30,918	
	11,074	1,969,540	599,342	1,188,452	309,724	309,511	738,800	23,466	697,217	5,847,126	5,732,403	
Support costs	-	-	-	401,690	82,601	68,118	134,808	10,000	(697,217)	-	-	
Governance costs	-	-	-	8,367	8,366	8,366	8,367	(33,466)	-	-	-	
									1969540	(1,969,540)		
Total expenditure 2021	11,074	1,969,540	599,342	1,598,509	400,691	385,995	881,975	-	-	5,847,126		
Total expenditure 2020	10,031	2,073,353	452,228	1,829,627	383,110	345,452	638,602	-	-		5,732,403	

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

2b Analysis of expenditure (prior year)

	Raising funds			Charitable activities					Support costs £	2020 Total £
	Investment Management £	Publications £	Nanjing Operation £	Engaged & collaborative membership £	Source of leading-edge water knowledge £	Platform for water knowledge exchange £	Bridging science to practice £	Governance costs £		
Staff costs (Note 4)	-	843,277	361,459	1,237,067	220,997	252,791	314,910	-	-	3,230,501
Other costs	-	846,308	24,271	254,185	97,034	18,220	230,958	1,650	96,093	1,568,720
Investment management costs	10,031	-	-	-	-	-	-	-	-	10,031
Support costs within subsidiaries	-	383,768	66,498	-	-	-	-	-	-	450,266
Rents, rates and services	-	-	-	-	-	-	-	-	183,173	183,173
Legal and professional fees	-	-	-	-	-	-	-	-	65,864	65,864
IT costs	-	-	-	-	-	-	-	-	63,438	63,438
Insurance	-	-	-	-	-	-	-	-	30,721	30,721
Depreciation and impairment	-	-	-	-	-	-	-	-	80,021	80,021
Audit	-	-	-	-	-	-	-	18,750	-	18,750
AGM and Trustee meetings	-	-	-	-	-	-	-	30,918	-	30,918
	10,031	2,073,353	452,228	1,491,252	318,031	271,011	545,868	51,318	519,310	5,732,403
Support costs	-	-	-	307,944	59,226	67,746	84,394	-	(519,310)	-
Governance costs	-	-	-	30,431	5,853	6,695	8,340	(51,318)	-	-
Total expenditure 2020	10,031	2,073,353	452,228	1,829,627	383,110	345,452	638,602	-	196,954 (1,969,540)	5,732,403

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

3 Net income / (expenditure) after taxation, before net gains on investments

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	130,624	124,474
Amortisation of intangible fixed assets	67,862	67,862
Loss or profit on disposal of fixed assets		
Auditor's remuneration:		
Statutory audit	16,900	16,300
Other services	1,500	1,500
Foreign exchange gains or losses	-	-
	<u> </u>	<u> </u>

4 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff and consultants costs were as follows:

	2021 £	2020 £
Salaries and wages	2,323,346	2,517,597
Redundancy and termination costs		
Social security costs	276,401	308,957
Other pension costs	315,149	248,781
Consultants charges	147,016	155,166
	<u>3,061,912</u>	<u>3,230,501</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	4	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£130,001 - £140,000	-	1
£140,001 - £150,000	2	1
£250,001 - £260,000	1	1
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £979,197 (2020: £854,787).

The total contributions to the defined contribution pension schemes during the year was £131,599 (2020: £145,528). At the year end £0 (2020: £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 £258,700 during the year (2020: £255,561). 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 £682 (2020: £30,918) in respect of international travel, subsistence and venue costs for 1 (2020: 14) Board members.

During the year the Association maintained an Indemnity Insurance cover for its officers for up to £10 (2020: £10 million) at a cost of £5,500 per annum (2020: £5,000).

5 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 52 (2020:

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

	2021 No.	2020 No.
Charitable activities	34	34
Publishing activities	14	13
Management and administration	4	4
	<u>52</u>	<u>51</u>

6 Related party transactions

During the year Trustees received reimbursement of expenses as set out in note 4.

The following transactions took place during the year with the Trustees Enrique Cabrera and Peter Vanrolleghem. Book royalties of £25 (2020: £20) was payable to Enrique Cabrera and book royalties of £25 (2020: £19) was payable to Peter Vanrolleghem. The total amount of £50 (2020: £39) was outstanding as at 31 December 2021.

The payment of royalties are made at a 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 (2020: none).

7 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary IWA Publishing Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	<u>-</u>	<u>-</u>

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

8 Intangible fixed assets

The group	Online platform £	Total £
Cost		
At the start of the year	339,311	339,311
Additions in year	-	-
Disposals in year	-	-
At the end of the year	<u>339,311</u>	<u>339,311</u>
Amortisation		
At the start of the year	164,749	164,749
Charge for the year	67,862	67,862
Eliminated on disposal	-	-
At the end of the year	<u>232,611</u>	<u>232,611</u>
Net book value		
At the end of the year	<u>106,700</u>	<u>106,700</u>
At the start of the year	<u>174,562</u>	<u>174,562</u>

All of the above assets are used for charitable purposes.

9 Tangible fixed assets

The group	Leasehold improvement £	Fixtures and fittings £	Office equipment £	Computers £	Total £
Cost					
At the start of the year	120,000	521,000	28,558	109,730	779,288
Additions in year	-	-	-	13,539	13,539
Disposals in year	-	-	(16,716)	(9,945)	(26,661)
At the end of the year	120,000	521,000	11,842	113,324	766,166
Depreciation					
At the start of the year	12,000	110,824	4,761	91,371	218,956
Charge for the year	12,000	86,833	15,903	15,888	130,624
Eliminated on disposal	-	-	(16,716)	(9,945)	(26,661)
At the end of the year	24,000	197,657	3,948	97,314	322,919
Net book value					
At the end of the year	96,000	323,343	7,894	16,010	443,247
At the start of the year	108,000	410,176	23,797	18,359	560,332
The charity					
Cost					
At the start of the year	120,000	420,619	28,558	74,668	643,845
Additions in year	-	-	-	13,538	13,538
Disposals in year	-	-	(16,717)	-	(16,717)
At the end of the year	120,000	420,619	11,841	88,206	640,666
Depreciation					
At the start of the year	12,000	70,104	4,761	68,475	155,340
Charge for the year	12,000	70,103	15,903	7,608	105,614
Eliminated on disposal	-	-	(16,717)	-	(16,717)
At the end of the year	24,000	140,207	3,947	76,083	244,237
Net book value					
At the end of the year	96,000	280,412	7,894	12,123	396,429
At the start of the year	108,000	350,515	23,797	6,193	488,505

All of the above assets are used for charitable purposes.

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

10 Investments

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Fair value at the start of the year	1,221,552	1,144,531	1,371,555	1,294,534
Additions at cost	239,580	456,789	239,580	456,789
Disposal proceeds	(233,110)	(439,008)	(233,110)	(439,008)
Net gain / (loss) on change in fair value	83,580	40,826	83,580	40,826
	<u>1,311,602</u>	<u>1,203,138</u>	<u>1,461,605</u>	<u>1,353,141</u>
Cash held by investment broker pending reinvestment	25,443	18,414	25,443	18,414
Fair value at the end of the year	<u>1,337,045</u>	<u>1,221,552</u>	<u>1,487,048</u>	<u>1,371,555</u>

Investments comprise:

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Shares listed on the London Stock Exchange	686,851	597,787	686,851	597,787
Overseas listed investments	600,194	573,765	600,194	573,765
Unlisted income bonds in the UK	50,000	50,000	50,000	50,000
Investment in subsidiaries	-	-	150,003	150,003
	<u>1,337,045</u>	<u>1,221,552</u>	<u>1,487,048</u>	<u>1,371,555</u>

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

11 **Subsidiary undertakings**

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 IWA Water Foundation (India), whose details are given below.

IWA Publishing Limited

The charity owns the whole of the issued ordinary share capital of IWA Publishing Limited, a company registered in England. The company number is 03690822. The registered office address is Export Building, First Floor, 1 Clove Crescent, London, E14 2BA.

The subsidiary is used for non-primary purpose trading activities, these being the publishing of books, periodicals and video recordings. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustees Kalanithy Vairavamoorthy, Enrique Cabrera Rochera, Marie-Pierre Whaley and Peter Vanrolleghem are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	4,104,474	4,436,555
Cost of sales	(725,822)	(846,308)
Cost of sales related to purchases from parent undertaking	-	-
Gross profit	3,378,652	3,590,247
Administrative expenses	(1,243,718)	(1,227,045)
Profit on ordinary activities before interest and taxation	2,134,934	2,363,202
Interest receivable and similar income	28	412
Profit on ordinary activities before taxation	2,134,962	2,363,614
Taxation on profit on ordinary activities	-	-
Profit for the financial year	2,134,962	2,363,614
Retained earnings		
Total retained earnings brought forward	-	-
Profit for the financial year	2,134,962	2,363,614
Distribution under Gift Aid to parent charity	(2,134,962)	(2,363,614)
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	1,654,346	2,036,841
Liabilities	(1,504,346)	(1,886,841)
Reserves	150,000	150,000

Amounts owed to the parent undertaking were: £830,153 (2020: £837,132).

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

11 Subsidiary undertakings (continued)

Nanjing IWA Science & Technology Co. Ltd

The charity owns the whole of the issued ordinary share capital of Nanjing IWA Science & Technology Co. Ltd, a company registered in China. The company's activities in 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 publications of the useful results of such research; to share advances technologies and best practices with water professionals and organisations.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are held in the company for future operations.

A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	836,156	527,629
Turnover from sales to parent undertaking	-	-
Cost of sales	(391,582)	(259,854)
Cost of sales related to purchases from parent undertaking	-	-
Gross profit/(loss)	444,574	267,774
Administrative expenses	(207,764)	(192,374)
Management charge payable to parent undertaking	-	-
Management charge due from parent undertaking	-	-
Other operating income	-	-
Profit/(loss) on ordinary activities before interest and taxation	236,810	75,401
Interest receivable and similar income	1,035	336
Interest payable	-	-
Interest payable to parent undertaking	-	-
Profit on ordinary activities before taxation	237,845	75,737
Taxation on profit on ordinary activities	(8,415)	(13,023)
Profit for the financial year	229,431	62,714
Retained earnings		
Total retained earnings brought forward	225,419	162,705
Profit for the financial year	229,431	62,714
Total retained earnings carried forward	454,850	225,419
The aggregate of the assets, liabilities and reserves was:		
Assets	508,492	317,395
Liabilities	(53,642)	(91,976)
Reserves	454,850	225,419

Amounts owed to/from the parent undertaking were: £0 (2020: £162,705)

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

12 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	1,139,709	1,212,039
Result for the year	<u>(2,240,791)</u>	<u>(2,035,609)</u>

13 Stock

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Goods held for resale	52,953	44,701	-	-
	<u>52,953</u>	<u>44,701</u>	<u>-</u>	<u>-</u>

14 Debtors

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	1,189,365	1,463,851	169,557	137,573
Other debtors	202,615	242,779	192,846	223,839
Prepayments and accrued income	340,635	586,879	278,138	498,488
Amounts due from subsidiary undertakings	1,098	-	924,737	838,229
	<u>1,733,713</u>	<u>2,293,509</u>	<u>1,565,278</u>	<u>1,698,129</u>

15 Creditors: amounts falling due within one year

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	459,939	333,267	288,581	214,838
Other creditors	595,117	385,687	465,834	225,807
Social security costs	65,597	111,203	48,536	81,734
Specialist Group funds	160,467	140,765	160,467	140,765
Accruals and deferred income (note 16)	2,281,021	1,981,584	1,964,377	1,125,537
	<u>3,562,140</u>	<u>2,952,506</u>	<u>2,927,794</u>	<u>1,788,681</u>

16 Deferred income

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

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Balance at the beginning of the year	1,981,584	-	1,125,537	-
Amount released to income in the year	(1,981,584)	-	(1,125,537)	-
Amount deferred in the year	2,281,021	-	1,964,377	-
Balance at the end of the year	<u>2,281,021</u>	<u>-</u>	<u>1,964,377</u>	<u>-</u>

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

17 Creditors: amounts falling due after one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Provision for dilapidation	120,000	120,000	120,000	120,000
	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>

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.

18 Pension scheme

Group and company

The group operates a Defined Benefit Pension Scheme.

The amounts recognised in the Balance Sheet are as follows:

	2021	2020
	£	£
Present value of funded obligations	(2,950,000)	(3,084,000)
Fair value of scheme assets	3,190,000	3,317,000
Surplus not recognised	<u>(240,000)</u>	<u>(233,000)</u>
Surplus in scheme at end of the year and available to the Association	<u>-</u>	<u>-</u>

The latest actuarial valuation at 31 December 2021 shows a pension surplus of £240,000 (2020:£233,000). The surplus valuation results in 2021 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:

	2021	2020
	£	£
Interest on obligation	(42,000)	(61,000)
Expected return on scheme assets	45,000	63,000
	<u>3,000</u>	<u>2,000</u>

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

	2021	2020
	£	£
Opening defined benefit obligation	3,084,000	3,127,000
Interest cost	42,000	61,000
Actuarial losses	15,000	84,000
Benefits paid	(288,000)	(278,000)
Administration cost	97,000	90,000
Closing defined benefit obligation	<u>2,950,000</u>	<u>3,084,000</u>

18 Pension scheme (continued)

Group and company

Changes in the fair value of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	3,317,000	3,246,000
Expected return on assets	45,000	63,000
Actuarial gains	(27,000)	157,000
Contribution by employer	143,000	128,000
Benefits paid	(288,000)	(278,000)
	<u>3,190,000</u>	<u>3,316,000</u>

The group expects to contribute £147,300 to its Defined Benefit Pension Scheme in 2022 (2021: £128,000).

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

	2021 £	2020 £
Discount rate at 31 December	1.90%	1.40%
Future pension increases	3.30%	2.95%
Retail price inflation	3.40%	3.00%
	<u>8.60%</u>	<u>7.35%</u>

Longevity assumptions as at 31 December 2021

Males (M) or Females (F)	2021	2020
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 along 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 2021

19a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Revaluation reserve £	Restricted funds £	Total funds £
Intangible fixed assets	-	106,700	-	-	106,700
Tangible fixed assets	-	443,247	-	-	443,247
Investments	1,010,041	-	327,004	-	1,337,045
Net current assets	665,386	454,849	-	44,963	1,165,198
Long term liabilities	(120,000)	-	-	-	(120,000)
Net assets at 31 December 2021	1,555,427	1,004,796	327,004	44,963	2,932,190

19b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Revaluation reserve £	Restricted funds £	Total funds £
Intangible fixed assets	-	174,562	-	-	174,562
Tangible fixed assets	-	560,332	-	-	560,332
Investments	937,910	-	283,642	-	1,221,552
Net current assets	462,939	225,419	-	79,269	767,627
Long term liabilities	-	(120,000)	-	-	(120,000)
Net assets at 31 December 2020	1,400,849	840,313	283,642	79,269	2,604,073

International Water Association

Notes to the financial statements

For the year ended 31 December 2021

20a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Improving water security for the poor	(15,459)	15,429	-	30	-
Citywide inclusive sanitation	66,800	-	(67,210)	410	-
GIZ Carbon Neutrality in Water	14,531	-	(22,146)	-	(7,615)
Aquarating - Mongolia	(35,936)	-	-	35,936	-
Aquarating - Zambia	14,009	-	-	(14,009)	-
Climate Resilient WSP's	(30,140)	47,510	(17,370)	-	-
Operation and Maintenance Network	5,951	33,217	(28,035)	-	11,133
Diffuse Pollution SG Fund	21,164	-	-	-	21,164
Prime Water	32,843	-	(33,320)	477	-
Water-Wise Cities Project	-	21,874	(7,099)	-	14,775
Reach Project	-	-	(500)	500	-
LAC HRWS	5,506	-	-	-	5,506
Regulators NBS	-	-	-	-	-
Total restricted funds	79,269	118,030	(175,680)	23,344	44,963
Unrestricted funds:					
Designated funds:					
Tangible and intangible assets	614,894	-	(64,947)	-	549,947
Nanjing Fund	225,419	837,191	(607,761)	-	454,849
Total designated funds	840,313	837,191	(672,708)	-	1,004,796
Revaluation reserve	283,642	102,256	-	(58,894)	327,004
General funds	1,400,849	5,126,181	(5,007,153)	35,550	1,555,427
Total unrestricted funds	2,524,804	6,065,628	(5,679,861)	(23,344)	2,887,227
Pension reserve	-	-	-	-	-
Total funds	2,604,073	6,183,658	(5,855,541)	-	2,932,190

The narrative to explain the purpose of each fund is given at the foot of the note below.

20b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
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
Climate Resilient WSPs	(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	-	-
Total restricted funds	(16,956)	377,946	(281,721)	-	79,269
Unrestricted funds:					
Designated funds:					
Tangible and intangible assets	287,666	-	(192,334)	519,562	614,894
Nanjing Fund	162,705	527,965	(465,251)	-	225,419
Total designated funds	450,371	527,965	(657,585)	519,562	840,313
Revaluation reserve	337,447	40,826	-	(94,631)	283,642
General funds	1,401,181	5,271,060	(4,806,120)	(465,272)	1,400,849
Total unrestricted funds	2,188,999	5,839,851	(5,463,705)	(40,341)	2,524,804
Pension reserve	-	-	(40,341)	40,341	-
Total funds	2,172,043	6,217,797	(5,785,767)	-	2,604,073

Purposes of restricted funds**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.

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. The fund currently having a deficit balance, pending payment receivable from the donor.

Movements in funds (continued)

Purposes of restricted funds

Aquarating

The funds received from Millennium Corporation, USA 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 and Aquarating Sierra Leone fund currently having a deficit balance, pending payment receivable from the donor.

Water-Wise Cities Project

Funded by SIAAP towards help city leaders ensure that everyone in their cities has access to safe water and sanitation. One of the aims is to ensure that water is integrated in planning and design in cities to provide increased resilience to climate change, livability, efficiencies, and a sense of place for urban communities. The ultimate goal of these Principles is to encourage collaborative action, underpinned by a shared vision, so that local governments, urban professionals, and individuals actively engage in addressing and finding solutions for managing all waters of the city.

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.

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.

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.

Movements in funds (continued)

Purposes of restricted funds

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.

Purposes of designated funds

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 to acknowledge 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.

21 Operating lease commitments payable as a lessee

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

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	226,485	75,495	2,900	-
One to five years	1,132,425	1,132,425	10,150	-
Over five years	301,980	528,465	-	-
	1,660,890	1,736,385	13,050	-

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

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	226,485	75,495	2,900	-
One to five years	1,132,425	1,132,425	10,150	-
Over five years	301,980	528,465	-	-
	1,660,890	1,736,385	13,050	-

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.