

**THE WATERLOO FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2013**

**Charity Number 1117535**

**CARSTON & CO**  
Chartered Accountants & Statutory Auditor  
1st Floor, Tudor House  
16 Cathedral Road  
Cardiff  
CF11 9LJ

**THE WATERLOO FOUNDATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT**  
**YEAR ENDED 31 DECEMBER 2013**

The trustees present their report and the financial statements of the company for the year ended 31 December 2013.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	The Waterloo Foundation
<b>Charity registration number</b>	1117535
<b>Principal office</b>	46 - 48 Cardiff Road Llandaff Cardiff CF5 2DT

**The trustees**

The trustees who served the company during the period were as follows:

Mrs H. V. Stevens  
Mr D.G. Stevens  
Ms J.V. Alexander  
Mrs C.A. Oakes

**Senior management**

Janice Matthews (finance manager)

**Auditor**

Carston & Co  
Chartered Accountants  
& Statutory Auditor  
1st Floor, Tudor House  
16 Cathedral Road  
Cardiff  
CF11 9LJ

**Investment advisers**  
(up to July 2013)

Merrill Lynch Portfolio Managers Limited  
Bank of America Merrill Lynch Financial Centre  
2 King Edward Street  
London  
EC1A 1HQ

(from July 2013)

Julius Baer Portfolio Managers Limited  
1 St Martin's Le Grand  
London  
EC1A 4AS

**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2013**

**Bankers**

Triodos Bank  
Deanery Road  
Bristol  
BS8 3NN

CAF Bank  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

**Solicitors**

Veale Wasborough  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS



# **THE WATERLOO FOUNDATION**

## **TRUSTEES ANNUAL REPORT *(continued)***

### **YEAR ENDED 31 DECEMBER 2013**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trustees are pleased to present the seventh report together with the financial statements of the Foundation for the period ended 31st December 2013.

The financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the applicable accounting standards in the United Kingdom and the requirements of the Statement of Recommended Practice ("SORP 2005") "Accounting and Reporting by Charities"

#### **Governing Document**

The Waterloo Foundation is a registered charity governed by a trust deed dated 15th December 2006

#### **Recruitment and Appointment**

The Waterloo Foundation is managed by its Board of Trustees, which meets six times a year. New Trustees are appointed in accordance with the Foundation's trust deed. The Trustees will in due course develop a policy in respect of Trustee recruitment and induction, which will deal with amongst other issues, the skill set required by the Board.

#### **Induction and Training**

All Trustees are provided with comprehensive information relating to their duties and responsibilities under charity and company law, including a copy of the Foundation's trust deed and the Charity Commission's guidance on the duties of charity Trustees.

#### **Organisational Structure**

The Foundation is a small body and has a simple organisational structure, with the Chair and Trustees overseeing the work of the Foundation office. The team comprises of 5 Fund Managers (previously termed Grant Research Officers), one for each of the key funds (World Development Main, World Development Small Grants, Environment, Child Development, Projects in Wales) plus a Fund Manager/Executive Assistant to the Chair, a Finance Manager, Office Administrator and part time Grants and Research Assistant.

Each Fund Manager proposes a series of researched projects to the Board of Trustees who either accept, reject or defer them. These decisions are minuted by the Secretary to the Board, and then actioned by the office team.

An independent HR consultant has been employed to ensure all staff have proper contracts, and that there is a Waterloo Foundation Employee Handbook. This is updated regularly as statutory requirements change. Annual reviews of employees are scheduled and carried out by a designated Trustee or by the Chair of Trustees. A different Trustee is available to staff in case of dispute.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

### **Related Parties**

In 2007 Heather Stevens (Chair) and David Stevens (Trustee) donated to the Waterloo Foundation, Admiral Group plc shares to a value of £99 million. David Stevens remains the Chief Operating Officer of Admiral and both David and his wife Heather Stevens are current shareholders. In 2013 a further contribution of £6,499,800 was made from the same Trustees.

Details of all transactions between related parties for this period can be found in note 18 of the Financial Statements.

### **Risk Management**

The Waterloo Foundation operates documented lines of authority and delegation, which are reviewed regularly by the Board of Trustees and annually by the Auditors. The Foundation also has segregation of duties in regard to governance, management, grant-making, finance and investment. Procedures are in place for documentation of decisions, actions and issues.

The Foundation's strategic plan and budget are approved by Trustees and the Board regularly reviews actual results against budgets and forecasts.

At every Trustee meeting the current financial position is reviewed, a monthly finance report is produced and signed off by a Trustee and an investment report is produced at every Trustee meeting and signed off.

### **Reserves**

Due to the Foundation's sound financial situation, the Trustees feel there is no requirement for an explicit reserves policy.

### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities.

The objectives of the Foundation are as follows:

- a) To relieve poverty and distress for the benefit of the public in any part of the world, particularly in developing countries.
- b) To promote sustainable development for the benefit of the public in any part of the world by promoting the preservation, conservation and protection of the environment and the prudent use of natural resources (and "sustainable development" means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs")
- c) To promote physical and mental development of children and the mental health of adults for the benefit of the public in any part of the world, including research into these areas.
- d) To advance such objects or purpose which are exclusively charitable according to the law of England and Wales for the benefit of the public in Wales and in such manner as the Trustees may in their absolute discretion think fit; and
- e) To advance such other objects or purpose, which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion think fit.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

### ACHIEVEMENTS AND PERFORMANCE

This is the seventh report of the Trustees of The Waterloo Foundation since its inception in January 2007, and initial donation in March 2007. The Foundation has grown to a team of 9 plus the Chair of Trustees, based in Llandaff, Cardiff where we have been since October 2007.

In 2013, the Foundation's seventh year of operation, we received 586 full applications, and committed to funding a total of just under £7.5m to 230 new projects across all of our funds. During this period the Foundation also paid out just over £6.5m in project payments, a proportion of which were granted in previous years and due for payment in 2013. In total 270 individual payments were made.

#### Grant Making Activities

2013 Funds	Value (£)	No of Grants Awarded
World Development	2,934,114	61
Environment	2,000,483	28
Child Development	999,753	43
Wales	750,721	44
Other	797,157	54
Totals	7,482,228	230

#### Grant Payments Made

In 2013	Value (£)	No of Project Payments
World Development	2,740,768	82
Environment	1,540,974	43
Child Development	589,992	29
Wales	621,192	44
Other	836,034	69
Size of Wales	250,000	3
Totals	6,578,961	270

The reports from our four main funds, now follow.

#### A. World Development Fund

In 2013 we strengthened our strategic partnerships with Camfed, Concern Universal and WaterAid. These multi-annual partnerships are intended to provide flexible funding that enables organisational development as well as delivery of effective development programmes. We had the opportunity to visit each of these partners on a successful trip undertaken by staff and Trustees to Malawi in the summer. We were very impressed by the quality of the development and partnership work each was undertaking, and the scale and breadth of their achievements. The visit allowed us the chance to engage with communities, local NGO partners and district authorities, and reinforced our belief that community-led development is essential for achieving sustained impact.

As well as our strategic collaborations, we continued in 2013 to support NGOs delivering programmes in our key thematic areas of education; water, sanitation and hygiene; and enterprise development. We continued to develop a particular focus on the challenges faced by girls and women, and helped increase their access to educational opportunities and microfinance, as well as reducing the burden and risks associated with poor access to water and sanitation.



# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2013

We had the opportunity in 2013 to continue to support a number of organisations with further funding to achieve these aims, including:

- A grant to support The Citizens Foundation to continue to operate female-led schools in Pakistan, offering educational opportunities to thousands of young people.
- A further grant to Jhpiego to continue their impressive community-led work to improve sanitation in slum communities in Nairobi, Kenya. This substantial grant aims to support youth-led enterprise development, hygiene education in schools and promotion of family planning advice.
- Additional support to MicroLoan Foundation to further expand their growing microfinance programme in eastern Zambia. Loans are focused on supporting women to start and expand small businesses, and are targeted at rural areas beyond the reach of existing financial services.

We were also able to support a small number of new partners with grants, including:

- A partnership with the STARS Foundation which helped them to launch a new Water, Sanitation and Hygiene Impact Award. Through the Awards process substantial due diligence is undertaken to identify strong performing NGOs local to the countries in which they operate. The 2013 Award for the Africa and Middle East region was awarded to Water Schools Uganda.
- A grant to Opportunity International to support provision of loans and financial training to privately-run schools, increasing the schools' ability to become financially sustainable. The programme also included support for parents to access loans for school fees and enterprise training for girls in school.

During 2013 we also took forward our research into the issues related to high population growth rates in some sub-Saharan African countries. As a result we agreed to provide funding to a small number of organisations (Marie Stopes International, IPPF and Restless Development) which provide family planning services or increase knowledge about sexual and reproductive health. We anticipate reviewing the progress of these projects through 2014 to determine if this is a theme of development work we can add further value to, in particular by incorporating family planning into the work of some of our existing partners.

As well as providing substantial grants to sizeable charities, we have also continued to provide some support to smaller projects led by smaller NGOs based in Wales, as well as the rest of the UK and occasionally NGOs local to the countries in which they operate. Examples in 2013 included:

- A grant to support The SAFE Foundation's Operational Director. This funding gave SAFE the capacity to review their existing income generation streams, including membership packages, trade schemes, international volunteer scheme and corporate sponsorships to further the development of the organisation.
- Additional funding to Water Works to extend their community-led water and sanitation projects to a further 20 villages in Lilongwe, Malawi. This supported their local team in Lilongwe to install water points, achieve improved sanitation and deliver an effective hygiene awareness campaign in rural communities.
- A grant to Irise to support the second phase of a Menstruation Hygiene Management pilot project, working with Irise's partner RCMI in the town of Jinja, Uganda. This assessed the feasibility of setting up a social enterprise to produce pads and ongoing market research to develop the product.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

### B. Environment Fund

The priorities of our Environment Fund in 2013 remained the protection of tropical forests and the conservation of marine fish stocks.

The fund decided to look at the timing of our grants in 2013 and as a result initiated deadlines to enable potential grantees to better plan their projects and fundraising strategies and for the foundation to prioritise the high demand for funding and run a clearer, more transparent system.

The focus of our forest projects in 2013 continued to be avoided tropical deforestation. It included market-based approaches in particular looking at the issue of supply chains and projects that recognised the value of standing tropical forests and the right of forest dependent people to manage their own resources.

- We continued our support of the Greenpeace campaign to protect the rainforest and peat lands of Indonesia from palm oil plantations, by creating a moratorium on forest conversion and industrial logging and exposing illegal practices within supply chains.
- We helped fund Conservation International to undertake the Konashen Community-Owned Conservation Area Project which aimed to develop and implement a management plan to protect 625,000ha of rainforest in Guyana and to register the area as an official National Protected Area in order to access long term funding.
- We gave continuing support to the Size of Wales initiative which achieved its target of sustaining an area of tropical forest, equivalent to the size of Wales (2.06m hectares); the continuing support will enable Size of Wales to sustain the forest through their partners as well as develop environmental education in Wales and engage Welsh civic society.
- We supported Forest Peoples Programme in partnership with Sustainable Development Institute of Liberia and FERN to work with communities in Liberia and potentially help protect up to 1m hectares of forests from deforestation from oil palm concessions.
- We funded the Environmental Investigation Agency to stop illegal deforestation in Aceh, Indonesia by building the capacity of local NGOs to document and expose evidence of illegal deforestation to be used in the enforcement of forest legislation.

Halting the depletion of fish stocks continued to be the focus of our marine work in 2013. A particular priority of our marine funding was encouraging sustainable fishing and fishing practices through work focused on the reform of the EU common fisheries policy and initiatives to manage marine protection areas. We also continued to prioritise mangrove conservation projects.

- We continued to support the Fish Fight Campaign which aimed to raise public awareness about the problems inherent in the Common Fisheries Policy, and to campaign across Europe for its reform. The core message of the campaign was 'a call for a discard ban *and* the use of more selective fishing techniques in order to reduce overfishing'.
- We funded Wetlands International to undertake their Mangrove Capital project to research the benefits of mangroves for fisheries, undertake pilot projects (in Indonesia) and aim to change policy for mangrove conservation.
- We continued supporting Fauna and Flora International to support the development of Beach Management Units to implement community conservation areas in Southern Kenya for the sustainable management of inshore fisheries.



# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2013

- We helped support Seas at Risk work on EU fisheries and aquaculture policies, and build capacity amongst NGOs to achieve policies that integrate environmental considerations, apply an ecosystem-based approach to management, and result in fisheries and aquaculture activities which are sustainable from an environmental point of view.
- We continued our support of Oceana who work to protect and restore the world's oceans. Through marine scientists, economists, lawyers and advocates Oceana aims to create policy changes to reduce pollution and to prevent the irreversible collapse of fish populations, marine mammals and other sea life.

#### C. Child Development Fund

In 2013, our Child Development Fund continued to focus on neurodevelopmental conditions that affect relatively large numbers of children and yet attract disproportionately little attention or research funding<sup>1</sup>. Within the year, around 80% of our total funding was ring-fenced for discrete research projects, which reflects our continued desire to support these neurodevelopment disorders at a causal, phenotypical and genotypical level, rather than limiting the scope of our funding to practical interventions alone.

To this end, we supported research investigating causes and treatments of **ADHD, Autism, Developmental Coordination Disorder (DCD), Dyslexia, Rolandic Epilepsy (also known as BECCTS), and Developmental Trauma**. For the first time in 2013, we also turned our attention to the other end of the lifespan, providing a small amount of funding for projects relating to neurodegenerative disorders which preclude dementia. As ever, we focused on research investigating co-occurrences between these conditions and funded a range of methodologies including genetic, brain imaging, cognitive and behavioural approaches.

We continued to use external peer review as part of our assessment of applications throughout 2013. We remain indebted to the many researchers, clinicians and practitioners who have given their time so generously to support our assessment process through the provision of independent reviews. This has helped us select the very best applications to fund, while also improving beyond question the quality of those projects that are ultimately selected to receive grants. We also decided to maintain a structured funding programme with deadlines for each of our priority topics, and this has continued to be an extremely successful framework for inviting applications.

Turning to our specific activities in 2013, the following are some particular highlights from our research programme:

- We supported a cross-syndrome research project which employs a battery of tests to compare **motor impairment** and spatial navigation in children with **ADHD** and children with Williams Syndrome, with the aim of building a motor profile specific to ADHD.
- We awarded a grant to a team who will investigate whether performance on a visuo-motor assessment tool can predict levels of **attentive functioning** and educational attainment in children. This study will 'bolt on' to an existing longitudinal study, utilizing a large epidemiological sample group (n=c.3500) which cuts across gender, race, socio-economic strata and medical history.
- We provided support for a review of existing road safety education for children, focusing on its appropriateness for children with **DCD**.
- We supported two epigenetics projects related to **childhood and developmental trauma**: one a research project investigating the impact of childhood stressors on gene expression, and the effects of this on later brain function and risk of mental illness; and a discrete investigation into the correlation between early **developmental adversity** (particularly witnessing/experiencing domestic and community violence) and psychological functioning.
- We awarded grants to two institutions who are investigating the impact of **sleep** on cognitive development. The first of these studies will define sleep quality and quantity in children with **ADHD**, and ascertain

<sup>1</sup> For a review, see Bishop, D. V. M. (2010). Which Neurodevelopmental Disorders Get Researched and Why? *PLoS ONE*, 5(11), e15112. doi:10.1371/journal.pone.0015112



# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

whether this affects daytime performance within attention-centric tasks. The second seeks to assess the impact of **sleep quality** on **language consolidation**, through a cross-syndrome comparison between children with **Dyslexia, ADHD, DCD** or a diagnosed **SLI**.

- In addition to this study, we have funded a further three research projects related to **language**, including an investigation into the co-occurrence of **language**, literacy and psychosocial difficulties in adolescence, and a brain-imaging project to assess whether there are atypicalities in whole-brain networks of **language processing** in children with **Rolandic Epilepsy** or **Dyslexia**.
- We awarded a further strategic award to an institution using brain imaging to investigate motor ability in children with **Rolandic Epilepsy**, to enable them to improve their existing sample size.
- We also reaffirmed our commitment to fostering collaboration between researchers and practitioners working within the field of **Idiopathic Focal Epilepsies**, by supporting a series of cross-disciplinary working groups, following the extremely successful Waterloo Symposium on Childhood Epilepsy in 2012.
- Finally, for the first time in 2013, we awarded grants to two discrete projects on **dementia**. One funds the Welsh branch of an RCT which will assess the viability of re-positioning an existing drug group for the treatment of **Vascular Dementia**. The second supports the development of an evidence-based recipe book for people who are either in the early stages of **Alzheimer's Disease** or **other forms of dementia**, or who wish to implement **diet** control to reduce their likelihood of developing dementia.

We also continued to give some support to the dissemination of such research through publications and conferences, and to projects supporting families in Wales and the UK who are affected by these disorders. The following provides a snapshot of our funding in this regard:

- We provided a grant to maintain an online resource for medical professionals to help them identify and diagnose children with **DCD**<sup>2</sup>.
- We awarded a grant that will enable the publication of recent evidence on parenteral nutrition in a reader-friendly format, for professionals working with prematurely born children.
- We supported a number of conferences for professionals, researchers and families across our fields of interest, including **Autism**, special education and handwriting.
- We pledged financial support towards a second symposium gathering world experts on **Rolandic Epilepsy** and other **Idiopathic Focal Epilepsies**, to take place in 2014.
- We provided further funding to a group of academics and clinicians who are increasing awareness about **language impairments** through the creation of video shorts for a dedicated YouTube channel called *Raising Awareness of Language Learning Impairments (RALLI)*<sup>3</sup>.
- We continued to support an online resource for professionals in the **Autism** field, called *Network Autism*<sup>4</sup>.
- We extended our funding of a Ketogenic Dietician post in Bristol, to provide an accessible source of support for this diet to children with **epilepsy** in Wales.
- We provided funding to make bursaries available for children who qualify to attend a specialist **Dyslexia** support centre, but for whom cost would otherwise be a prohibitive factor.

### D. Wales Fund

During 2013, we continued to fund projects under our **Working Wales** and **Caring Wales** programmes. We also placed our funding for **community energy** initiatives, previously held under the Environment Fund, under our Wales Fund, to ensure the majority of projects funded in Wales are done so through our Wales Fund.

Our **Working Wales** funding programme focused on employment and business in Wales. The move to support targeted initiatives rather than an open applications process, paid off, and in 2013 we fully allocated the funding to excellent projects which demonstrated strong potential for achieving paid employment or business start-up outcomes. Projects and organisations supported in 2013 included:

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<sup>2</sup> <http://www.boxofideas.org>

<sup>3</sup> <http://www.youtube.com/user/RALLIcampaign>

<sup>4</sup> <http://network.autism.org.uk/>

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

### - Young Enterprise

Young Enterprise run a programme in schools and colleges across Wales designed to inspire and equip young people with the skills needed to set up a business. We are supporting Young Enterprise with a grant towards their running costs, and for a programme of development which will help them take forward their work in Wales.

### - Prince's Trust Cymru

TWF continues to support the Prince's Trust Enterprise Programme in Wales. The Enterprise Programme teaches participants the basics of running a business, and helps them develop & test their idea with support of an experienced mentor.

The **Caring Wales** programme focuses on those organisations providing carer-centred holistic support services for those with demanding caring roles, especially young carers and carers of people with the conditions prioritised in our Child Development research fund.

### - Barnardo's

Barnardo's runs several young carers projects across Wales. TWF continued to support Barnardo's work with young carers projects in Merthyr Tydfil, in recognition of the strength of their work with this vulnerable group.

### - Cardiff & Vale Crossroads

Cardiff & Vale Crossroads support young carers across Cardiff & the Vale of Glamorgan with their 'Give Us a Break' project. We awarded a grant for them to continue this work for 3 years.

Our **Community Energy** programme provides small grants to community groups wishing to undertake renewable energy generation projects that will benefit both the environment and the community through cost savings or income generation. Grants are provided for stages of the project which are typically difficult to raise funding for elsewhere.

### - Abergwyngregyn Community Interest Company

Abergwyngregyn CIC has entered into a partnership with the National Trust on a micro hydro installation that will bring an income in to the community for development projects, and help to preserve the land managed by the National Trust in Snowdonia. A small grant was awarded towards the feasibility, design and permissions stages of the project.

### - Canton Community Gardens / Chapter Arts Centre

Canton Community Gardens has partnered with Chapter Arts Centre on a project to install solar PV at this popular and busy community facility, to help them become more energy efficient. They will use the project as an educational resource for school groups and the public.

In addition, in 2013 the Foundation continued to support a number of targeted initiatives to support the reduction of offending, particularly addressing the serious problem of re-offending which costs the UK economy around £13 billion each year. St Giles Trust, continued with their highly regarded Through the Gates peer mentoring project working with offenders at HMP Cardiff. This project has been underpinned with a 3 year grant from The Waterloo Foundation from 2012-2015 to offer essential support, advice and guidance both in HMP Cardiff and on release for those offenders moving back into the community in and around Cardiff and the Vale of Glamorgan. Through the Gates Cymru will be robustly monitored throughout the 3 year length of the project in collaboration with the University of Glamorgan. In addition to our significant support for St Giles' Trust, the Foundation has also supported a number of smaller initiatives in Wales aimed at addressing pathways to the reduction of offending including initiatives that aim to address the challenge of reducing re-offending through skills and employment.



# **THE WATERLOO FOUNDATION**

## **TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2013**

### **FINANCIAL REVIEW**

The Waterloo Foundation's investment income continues to come from share dividends, interest earned on bonds and other securities and bank interest. The Foundation's biggest asset continues to be a significant shareholding in Admiral Group, a UK-listed company. In addition, the Foundation has a diversified money-market and bond portfolio managed by Merrill Lynch (up to July 2013) and since then with Julius Baer. In July of 2013 our investment team at Merrill Lynch relocated to Julius Baer and we went with them. To date this has had no impact on the Foundation's smooth financial running.

During 2013 we continued to support our philanthropic aims not just through grant giving but also through the allocation of our investment funds. To this end, in addition to existing investments in global microfinance and renewable energy, we made investments in funds supporting small African and Latin American companies. We continue to look for opportunities to deploy loans, venture capital and other forms of equity in developing countries. At home we also continue to look for ways of investing to support our Wales' Fund goals.

Triodos Bank continue to meet our main banking requirements. In December 2013 an additional bank account was set up with CAF Bank to handle small general purchases.

### **PLANS FOR FUTURE PERIODS**

The Waterloo Foundation has no radical plans to alter either its mode of operation or its strategy for grant-making over the coming months.

Under World Development, we will look to support Menstrual Hygiene Management as a particular area of interest in the WASH projects we support, following a greater understanding of the challenges faced by girls and women in relation to MHM.

In the light of our decision to award Cardiff University a substantial multi-year grant towards the development of their Neuroscience and Mental Health Research Institute, we plan to run a restricted research programme under our Child Development Fund. We will actively support research relating to three topics instead of the usual six, namely Rolandic Epilepsy, Dyslexia and the impact of factors under parents' influence, such as diet and sleep. We shall then consider reintroducing DCD, ADHD and Trauma as research topics within our 2015 funding programme.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

### STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 company and of the incoming resources and application of resources of the company 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 the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

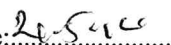
### AUDITOR

Carston & Co have been re-appointed as auditor for the ensuing year.

Signed on behalf of the trustees

  
Trustee

  
Name

Date: 

# **THE WATERLOO FOUNDATION**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE WATERLOO FOUNDATION**

**YEAR ENDED 31 DECEMBER 2013**

We have audited the financial statements of the Waterloo Foundation for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees Annual Report, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2013 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.



## THE WATERLOO FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE WATERLOO FOUNDATION *(continued)*

YEAR ENDED 31 DECEMBER 2013

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

*Carston & Co*

1st Floor, Tudor House  
16 Cathedral Road  
Cardiff  
CF11 9LJ

CARSTON & CO  
Chartered Accountants  
& Statutory Auditor

Date *2 June 2014*

Carston & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**THE WATERLOO FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2013**

	Note	Total Funds 2013 £	Total Funds 2012 £
<b>INCOMING RESOURCES</b>			
Incoming resources from generating funds:			
Voluntary income	2	6,499,800	2,325
Investment income	3	5,034,583	4,961,691
<b>TOTAL INCOMING RESOURCES</b>		<b>11,534,383</b>	<b>4,964,016</b>
<b>RESOURCES EXPENDED</b>			
Costs of generating funds:			
Investment management costs	4	(340,890)	(358,136)
Charitable activities	5/6	(7,268,436)	(6,291,440)
Governance costs	7	(14,707)	(12,412)
Other resources expended	8	—	(2,268)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(7,624,033)</b>	<b>(6,664,256)</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	9	<b>3,910,350</b>	<b>(1,700,240)</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
Unrealised gains/(losses) on fixed asset investments		4,335,251	11,660,320
Gains / (losses) on sale of investment assets		(66,511)	(264,395)
<b>NET MOVEMENT IN FUNDS</b>		<b>8,179,090</b>	<b>9,695,685</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		102,363,692	92,668,007
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>110,542,782</b>	<b>102,363,692</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore  
a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 17 to 22 form part of these financial statements.

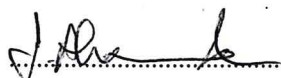
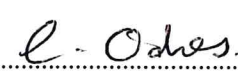
# THE WATERLOO FOUNDATION

## BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	11	28,656	35,834
Investments	12	109,684,727	100,757,376
		<u>109,713,383</u>	<u>100,793,210</u>
<b>CURRENT ASSETS</b>			
Debtors	13	698,301	638,402
Cash at bank and in hand		703,554	1,150,303
		<u>1,401,855</u>	<u>1,788,705</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(572,456)</u>	<u>(218,223)</u>
<b>NET CURRENT ASSETS</b>		829,399	1,570,482
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>110,542,782</u>	<u>102,363,692</u>
<b>NET ASSETS</b>		<u>110,542,782</u>	<u>102,363,692</u>
<b>FUNDS</b>			
Unrestricted income funds	16	110,542,782	102,363,692
<b>TOTAL FUNDS</b>		<u>110,542,782</u>	<u>102,363,692</u>

These financial statements were approved by the members of the committee and authorised for issue on the 21.5.14 and are signed on their behalf by:

 Trustee  Trustee

 Name  Name

The notes on pages 17 to 22 form part of these financial statements.

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

**Donations and legacies**

Donations and legacies are accounted for in the year of notification, where this is reasonably practicable.

**Investment assets and income**

Investments are included in the accounts at market value in accordance with the charity's statement of recommended practice.

Unrealised gains and losses are recognised in the statement of financial activities.

Dividends, including the appropriate tax credits where applicable, are credited to the statement of financial activities when they are received.

**Resources expended**

Resources expended are included in the statement of financial affairs on an accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in the costs relating to that activity. Where costs cannot be directly attributed to a specific activity, they have been allocated on a basis consistent with the use of the resource.

**Grants made**

Grants given are recognised as expenditure when the grant offer has been accepted by the grantee. If the offer is made before the year end but accepted after the year end the grant is considered to be a commitment but not expenditure in the year.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	- 33% reducing balance basis
Fixtures & fittings	- 20% reducing balance basis

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**1. ACCOUNTING POLICIES** *(continued)*

**Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 31 December. Surpluses and deficits arising from the translation of assets and liabilities at these rates of exchange are included in the statement of financial activities as unrealised gains and losses.

**2. VOLUNTARY INCOME**

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Donations</b>			
Donations	<u>6,499,800</u>	<u>6,499,800</u>	<u>2,325</u>

**3. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Income from UK listed investments	3,675,936	3,675,936	2,965,344
Income from non-UK listed investments	1,423,764	1,423,764	2,006,933
Bank interest receivable	2,075	2,075	1,952
Other interest receivable	(67,192)	(67,192)	(12,538)
	<u>5,034,583</u>	<u>5,034,583</u>	<u>4,961,691</u>

**4. INVESTMENT MANAGEMENT COSTS**

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Investment management fees	<u>340,890</u>	<u>340,890</u>	<u>358,136</u>

**5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Grants & project funding	7,146,135	7,146,135	6,143,222
Support costs	<u>122,301</u>	<u>122,301</u>	<u>148,218</u>
	<u>7,268,436</u>	<u>7,268,436</u>	<u>6,291,440</u>



**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Provision of grants £	Grant funding activities £	Support costs £	Total Funds 2013 £	Total Funds 2012 £
Grants & project funding	<u>214,674</u>	<u>6,931,461</u>	<u>122,301</u>	<u>7,268,436</u>	<u>6,291,440</u>

**7. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Accountancy fees	2,253	2,253	948
Audit fees	7,140	7,140	7,020
Legal fees	3,531	3,531	3,230
Costs of trustees' meetings	1,783	1,783	1,214
	<u>14,707</u>	<u>14,707</u>	<u>12,412</u>

All trustees are entitled to claim reimbursement of the cost of attending meetings, two trustees were reimbursed £243 (£298 : 2012) for travelling costs to attend meetings.

**8. OTHER RESOURCES EXPENDED**

	Total Funds 2013 £	Total Funds 2012 £
Losses on disposal of tangible fixed assets for charity's own use	<u>—</u>	<u>2,268</u>

**9. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR**

This is stated after charging:

	2013 £	2012 £
Staff pension contributions	11,332	12,440
Depreciation	12,017	10,478
Auditors' remuneration: - audit of the financial statements	<u>7,140</u>	<u>7,020</u>

**10. STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows:

	2013 £	2012 £
Wages and salaries	209,343	190,932
Social security costs	20,436	18,920
Other pension costs	11,332	12,440
	<u>241,111</u>	<u>222,292</u>

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**10. STAFF COSTS AND EMOLUMENTS** *(continued)*

No trustee received any emoluments during the period. Included within project expenses is an amount of £10,040 paid to four trustees to cover expenses in relation to visiting projects on behalf of the charity.

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2013	2012
	No	No
Number of administrative staff	3	2
Number of support staff	5	5
	<u>8</u>	<u>7</u>

No employee received remuneration of more than £60,000 during the year (2012 - Nil).

**11. TANGIBLE FIXED ASSETS**

	Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>			
At 1 January 2013	84,530	28,655	113,185
Additions	<u>2,767</u>	<u>2,072</u>	<u>4,839</u>
<b>At 31 December 2013</b>	<u>87,297</u>	<u>30,727</u>	<u>118,024</u>
<b>DEPRECIATION</b>			
At 1 January 2013	58,070	19,281	77,351
Charge for the year	<u>10,122</u>	<u>1,895</u>	<u>12,017</u>
<b>At 31 December 2013</b>	<u>68,192</u>	<u>21,176</u>	<u>89,368</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2013</b>	<u>19,105</u>	<u>9,551</u>	<u>28,656</u>
At 31 December 2012	<u>26,460</u>	<u>9,374</u>	<u>35,834</u>

**12. INVESTMENTS**

**Movement in market value**

	2013 £	2012 £
Market value at 1 January 2013	100,757,376	91,512,381
Acquisitions at cost	56,018,789	25,667,590
Disposals at opening book value	(51,426,690)	(28,082,914)
Net gains on revaluations in the year ended 31 December 2013	<u>4,335,252</u>	<u>11,660,319</u>
<b>Market value at 31 December 2013</b>	<u>109,684,727</u>	<u>100,757,376</u>
<b>Historical cost at 31 December 2013</b>	<u>98,177,553</u>	<u>90,704,379</u>

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**12. INVESTMENTS** *(continued)*

Analysis of investments at 31 December 2013 between funds

	Total Funds 2013 £	Total Funds 2012 £
<b>Listed investments</b>		
UK Quoted Shares	62,946,465	49,918,536
Non-UK Quoted Shares	43,713,039	46,441,108
	<u>106,659,504</u>	<u>96,359,644</u>
<b>Other investments</b>		
Other UK Investments	1,859,255	2,403,609
UK Cash held as part of Portfolio	186,674	1,436,037
Non-UK Cash held as part of Portfolio	979,294	558,086
	<u>3,025,223</u>	<u>4,397,732</u>
	<u><u>109,684,727</u></u>	<u><u>100,757,376</u></u>

The following investments, which are all listed on the UK Stock Exchange, represent more than 5% of the total value of the portfolio:

	Holding	Market Value £
Admiral Group plc                      131p ordinary shares	4,134,000	54,155,400

There is no restriction on the realisation of this investment.

**13. DEBTORS**

	2013 £	2012 £
Other debtors	319,514	180,000
Prepayments	378,787	458,402
	<u>698,301</u>	<u>638,402</u>

**14. CREDITORS: Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	565,254	194,093
Taxation and social security	—	2,360
Accruals	7,202	21,770
	<u>572,456</u>	<u>218,223</u>

**15. OTHER COMMITMENTS**

The charity was committed to make donations worth £7,242,119 (£4,610,778 : 2012) as at 31 December 2013.

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**16. UNRESTRICTED INCOME FUNDS**

	Balance at 1 January 2013 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 December 20 13 £
General Funds	<u>102,363,692</u>	<u>11,534,383</u>	<u>(7,624,033)</u>	<u>4,268,740</u>	<u>110,542,782</u>

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Investments £	Other net assets £	Total £
Unrestricted Income Funds	<u>28,656</u>	<u>109,684,727</u>	<u>829,399</u>	<u>110,542,782</u>
Total Funds	<u>28,656</u>	<u>109,684,727</u>	<u>829,399</u>	<u>110,542,782</u>

**18. RELATED PARTY TRANSACTIONS**

The charity has been under the control of the trustees since the charity was set up. The charity was started with an initial donation of £99 million from two of the trustees, David and Heather Stevens. During the year a further contribution of £6,499,800 was made from the same trustees.

The charity paid the following amounts to organisations of which Heather is a trustee:

- £50,000 to National Botanic Gardens
- £102,666 to Oceana
- £346,576 to Size of Wales