

**THE WATERLOO FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2008**

**Charity Number 1117535**

**CARSTON**

Chartered Accountants & Registered Auditors  
First Floor, Tudor House  
16 Cathedral Road  
Cardiff  
CF11 9LJ

**THE WATERLOO FOUNDATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

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**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT**  
**YEAR ENDED 31 DECEMBER 2008**

The trustees present their report and the financial statements of the charity for the year ended 31 December 2008.

**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  
Chartered Accountants  
& Registered Auditors  
First Floor, Tudor House  
16 Cathedral Road  
Cardiff  
CF11 9LJ

**Bankers** Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

**Solicitors** Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trustees are pleased to present this second report together with the financial statements of the Foundation for the period ended 31st December 2008.

The financial statements have been prepared in accordance with the requirements of the Charities Act 1993, the applicable accounting standards in the United Kingdom and the requirements of the Statement of Recommended Practice ("SORP 2005") "Accounting and Reporting by Charities".

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

### **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 five or six times a year. New Trustees are appointed in accordance with the Foundation's trust deed. The Trustees will (bearing in mind the recent establishment of the Foundation) 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 of Trustees overseeing the work of the Foundation's office. The team comprises Grant Research Officers, one for each of the key funds (World Development, Environment, Child Development and for Projects in Wales), plus a part-time Finance Officer and part-time General Administrator.

Each Grant Research Officer 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. Annual reviews of employees are scheduled and carried out by the Chair of Trustees. A different Trustee is available to staff in case of dispute.

### **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.

### **Risk Management**

The Waterloo Foundation operates documented lines of authority and delegation, which are reviewed regularly by its Auditors and Board of Trustees. 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 an investment report is produced for every Trustee meeting.

### **Reserves**

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

**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2008**

**OBJECTIVES AND 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.

**Grant making activities**

<b>2008</b>	<b>Value (£)</b>	<b>No of Projects</b>
World Development	1,408,139	54
Environment	1,454,175	52
Child Development	612,185	30
Wales	495,353	23
Exceptional	385,104	37
	-----	---
Totals	4,354,956	196



# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

**YEAR ENDED 31 DECEMBER 2008**

### **ACHIEVEMENTS AND PERFORMANCE**

This is the second Report of the Trustees for the Waterloo Foundation since its inception in January 2007, and initial donation in March 2007. In that time, the Foundation has grown from a 2-woman team (plus Trustees) to a team of 5 plus the Chair of Trustees working out of small offices in Llandaff, Cardiff where we have been since October 2007.

In 2008 the Foundation received 528 applications through its website of which 196 were successful, with the Foundation paying out just over £4.8million of grants in its second year of operation. The reports from our four main funds now follow.

#### **World Development Fund**

In 2008, we reviewed our areas of development work, focusing on enterprise, education and water projects. On the entrepreneurial front, aiming to help people start businesses to get out of poverty, we made some successful links:

- funded MicroLoan Foundation so they could extend microfinance to women's groups in rural Zambia, who would otherwise have no access to capital to establish small businesses
- supported the development of fair trade initiatives, including the work of the Fairtrade Foundation who are developing standards for 'Fairtrade gold' in Colombia to meet the global demand for ethical jewellery
- helped promote bee-keeping as an income-generating activity, supporting FARM-Africa to develop market links for bee-keepers and funding Bees for Development and the National Bee Unit to disseminate relevant information in a number of sub-Saharan countries
- continued our long-standing relationship with the Mangalakara school and vocational centre which supports disadvantaged young people in the rural Anantapur District of India.

We continued to pursue our desire to have more young people across the world in receipt of good quality education and supported a variety of approaches:

- funded the Windle Trust to develop a teacher-training course for teachers from Southern Sudan, which will lead to the training of significant numbers of teachers as a first step to the rehabilitation of the education system
- supported Link Community Development to work with government education officials in Ethiopia, to strengthen their relationship with schools and ensure resources are targeted more effectively
- provided small amounts of funding to support a number of committed individuals to improve the infrastructure of badly under-resourced schools in a variety of countries.

We recognised the importance of sanitation and access to clean drinking water as a key need for urban and rural communities across the world, and supported a number of organisations to take action:

- partnered with Concern Universal to support community-led initiatives to establish bore-holes and hand pumps in rural parts of Kenya affected by severe droughts
- funded WaterAid to promote sanitation, build toilets and provide access to safe drinking water in remote regions of Nepal.

Throughout the year we strengthened our links with organisations working in a large number of developing countries across the world, whilst also recognising the geographical imbalance of

**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2008**

the funding requests we received. These factors motivated us to choose a small number of countries to prioritise in our 2009 funding programme: Benin, Congo, Lesotho, Mali, Madagascar and Liberia.

**Environment Fund**

In 2008, The Waterloo Foundation Environment Fund continued to make substantial headway in terms of tropical forests, both supporting projects which directly support existing forests or reduced their loss. We also supported lobbying activity to keep forests on the global climate change agenda:

- we gave substantial support to the Greenpeace campaign to protect the rainforest peat lands of Indonesia from felling for palm oil plantations by creating a moratorium (a ban) on forest conversion and industrial logging
- we helped fund the Prince's Rainforest Project - a major initiative which has now involved governments and global leaders, and has called for an emergency fund to pay rainforest nations to keep their standing forests intact.
- we continued to support the Global Canopy Programme and its vital, science-based lobbying work
- we gave core funding to the Forest Stewardship Council to continue its work in establishing a viable certification process to sustainably manage forests.
- Tropical Forest Trust in their Community Mahogany Project in Java, helping subsistence farmers and communities manage their forest sustainably and develop sustainable livelihoods from their forests
- Oxfam in Colombia which is working to build the capacity of local communities to sustainably manage their forest, govern the territory and manage natural resources in order to protect the forest, increase the livelihoods of local people and protect local people from armed conflict in the area
- planting the "Waterloo Forest" of mixed species, replicating the natural local forest, in Thailand with Plant A Tree Today
- funded an Ashden Award for avoided deforestation, awarded to the Gaia Association in Ethiopia who developed an ethanol-fuelled stove (the ethanol is produced from locally-available molasses, a sugar by-product which previously caused pollution) to reduce firewood needs.

We also started to work in the marine area where current over-fishing has taken stocks to dangerously low levels:

- we supported Oceana in their various work including, their "cut the bait" campaign - which aims to establish strict limits and conservation standards, through the world trade organisation, on worldwide fisheries subsidies
- we gave some core funding to the Marine Stewardship Council in the UK, to continue its fishery certification and eco-labelling system which promotes sustainable fishing and seafood
- helped Blue Ventures conservation to research the economic impacts of Marine Protected Areas



# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2008

in Madagascar.

We also got busy with bees (vital links in the food chain with crop pollination); looked at stabilised soil block technology for sustainable building in the developing world (very encouraging) and looked at local organic food production here in Wales with Riverside Community Market Association. We were also able to invest some of the Foundation's funds into Canopy Capital, the first ever financial vehicle to allow investors to pay for the eco-system services of tropical rainforests, in this case in the Iwokrama reserve in Guyana.

#### **Child Development Fund**

In 2008, the Child Development Fund supported many different organisations and projects which had as their focus, childhood neuro-developmental conditions. Substantial funding was provided to organisations working in the area of Autism and ASD, including funding:

- the first Wales Chair in Autism Research at the School of Psychology. The position is part of the Welsh National Autism Strategy and is supported by the Welsh Assembly Government.
- a 'Help!' programme in Wales run by the National Autistic Society for parents of children who have recently received a diagnosis of autism or ASD. The programme helps parents to come to terms with the diagnosis and deal with the subsequent impact on family life.
- a training consultant at Priors Court Foundation, experts in the field of education and care of young people with Autism. The Consultant will work with schools and organisations to promote the Prior Approach and help them apply it to their own environment.
- development of the Research Autism website, including 'Easy read' versions of key publications for people with autism.

In the area of Epilepsy and Dyslexia, TWF provided funding for the following:

- a Ketogenic Dietician position through the Daisy Garland registered charity. The diet is especially successful in the treatment of children who have 'drug resistant' epilepsy.
- a PhD post at the Oxford Brookes University to research the different elements of writing skills in children aged 8-11 with dyslexia.

The Foundation has a keen interest in nutrition and the role it has to play in some of the above conditions. In June 2008, we held our first conference, "The National Children's Nutrition Conference" in Cardiff. International experts presented their most recent research in nutrition and how it links to behaviour, learning and well being. The conference was a great success, attended by academics, health and educational professionals, GPs, parents, nutritionists and those working with young people in youth services. In addition to the conference, TWF has also funded:

- A PhD project at the University of Surrey looking at levels of Iodine and Selenium in pregnant women and the effect on cognitive development of their infants.
- A further series of UK conferences for public and professionals on: Food additives/allergies/intolerances and Behaviour; Eating for Health; Mental Performance and Wellbeing; Nutrition in Neuro-developmental Conditions and Mothers' and Children's Diets. The conferences will be run by Food and Behaviour Research.

TWF has also funded a small number of projects working in the area of children's mental health and brain abnormalities including:



# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2008

- a Training Handbook for Educational Psychologists produced by the Brain and Spine Foundation. The handbook addresses Acquired Brain Injury in children, its causes, effects and ways to improve standards of care for these children.

- Barnardo's Caterpillar Project in Cardiff, which works with young people aged 14-25 who are experiencing, at risk of, or are recovering from mental health problems.

- a Cerebra sleep counsellor for children with brain-related conditions. The counsellor addresses issues such as bedwetting, night waking, night terrors, head banging/rocking, sleep walking and spasms.

#### **Wales Fund**

During 2008, we made a number of strategic awards to support the third sector in Wales:

- **IWA Institute of Wales Affairs**, funding (for three years) for the appointment of a Deputy Director with specific responsibility to market the organisation; promote and develop the conference programme, increase membership, develop their on-line presence and identify new funding and income streams

- **Community Foundation in Wales**, support for core costs for one year as the organisation looks to increase its revenue from endowments

- **Small Charities Coalition**, a contribution towards the costs of establishing a Wales presence for this capacity-building charity.

However, in May, we decided to conduct a review of the third sector in Wales and our funding priorities. With 12 months of grant making completed, there was a good understanding of the demand but more information was required to facilitate decision making and to refine the funding criteria. We re-opened for applications in September with two specific funding priority areas identified: 1)Working Wales 2) Caring Wales.

The Working Wales programme supports the development of an enterprise culture in Wales through the funding of projects that promote enterprise and employment across the board and/or address "barriers to work". Funding in 2008 included:

- **Prince's Trust Cymru**, support for three years for the re-launch of the Business Programme in Wales offering small loans and mentoring for young people (under 25) starting their own businesses

- **Your Pets Warehouse** a pet supplies social enterprise offering valuable retail training and employment to young people with learning disabilities

- **Enterprise Education Trust** funding for a research project into what happens to young offenders when they leave prison to help evaluate the enterprise programme in Parc prison

- **Cycle Training Wales** core salary costs for two years to enable this community project to develop a commercial base that will enable the project to become self-financing

The Caring Wales programme funds organisations and projects that are helping individual carers (particularly if those carers are working with children with the neurological problems identified in the Child Development programme) and young carers. Amongst others grants were made to:

- **Shared Care Network Cymru**, for the establishment of an Autism Academy for carers of children

**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2008**

with autism to provide a short break and access to information and best practice

- **Contact a Family Wales**, for the appointment of a Workshop Development Officer to provide support and advice for carers supporting a relative with disabilities
- **Cardiff & the Vale Parenting Federation**, to develop an advice service for parents of children with a learning disability.

There was also provision made for a relatively small number of single grants to be paid to long-established, successful organisations struggling with coming to the end of funding from other organisations and looking to become sustainable, "Best of Wales". We made just one award under this programme;

- **Valley Kids**, this well established and well respected organisation is struggling to compete with the "new kids", and is largely a victim of its own success with few opportunities to generate viable alternative income streams itself.

#### **FINANCIAL REVIEW**

The Waterloo Foundation's investment income derives from share dividends, interest earned on bonds and other securities and bank interest. The Foundation's biggest asset is 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 and a smaller investment portfolio of ethical investment funds.

In 2008 the Foundation's investments resulted in an investment income of over £4.5m.



# **THE WATERLOO FOUNDATION**

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

### **YEAR ENDED 31 DECEMBER 2008**

#### **PLANS FOR FUTURE PERIODS**

The Waterloo Foundation has no radical plans to alter either its mode of operation nor its strategy for grant-making over the coming months. Rather, it plans to refine the specific areas it is supporting.

Our key area of work going forward in 2009 will be to review past funding in our Child Development area. Although we will continue to fund projects and research in the fields of autism, ADHD, dyslexia, epilepsy and children's diet, we expect to refine our focus during the year, and amend our criteria (as displayed on our website) correspondingly.

On the world development front, The Waterloo Foundation will continue to look for projects in the fields of enterprise, education and water, but also to favour projects arising from the countries of Congo-Brazzaville and Benin, in particular, and Mali, Lesotho, Liberia and Madagascar in general.

The key environmental focus on tropical forests continues at both project and strategic levels, but is joined by an emphasis on work relating to the marine environment and fish stocks. Support for projects (particularly in the UK) relating to education or awareness of climate change is not planned for, nor for technology-based projects. However, the Foundation retains a strong interest in bees.

In Wales, the future focus will be on projects that either relate to getting individuals into work, or those supporting carers in Wales. General support for a broad range of NGO's is not planned.

#### **RESPONSIBILITIES OF THE TRUSTEES**

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2008**

**AUDITOR**

A resolution to re-appoint Carston as auditor for the ensuing year will be proposed at the Annual General Meeting.

Signed on behalf of the trustees

Heather Stevens

Trustee

HEATHER STEVENS

Name

.....

**THE WATERLOO FOUNDATION**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE**  
**WATERLOO FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2008**

We have audited the financial statements of the Waterloo Foundation for the year ended 31 December 2008 on pages 31 to 48, which have been prepared on the basis of the accounting policies set out on pages 35 to 37.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR**

The responsibilities of the trustees for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities of the Trustees on pages 23 to 24.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, and whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**THE WATERLOO FOUNDATION**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE**  
**WATERLOO FOUNDATION** *(continued)*  
**YEAR ENDED 31 DECEMBER 2008**

*Carston*

First Floor, Tudor House  
16 Cathedral Road  
Cardiff  
CF11 9LJ

CARSTON  
Chartered Accountants  
& Registered Auditors

13 July 2009



**THE WATERLOO FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2008**

		Total Funds Year to 31 Dec 08 £	Total Funds Period from 15 Dec 06 to 31 Dec 07 £
<b>INCOMING RESOURCES</b>			
Incoming resources from generating funds:			
Voluntary income	2	2,374	99,090,430
Investment income	3	4,554,097	4,786,039
<b>TOTAL INCOMING RESOURCES</b>		<u>4,556,471</u>	<u>103,876,469</u>
<b>RESOURCES EXPENDED</b>			
Charitable activities	4/5	(4,931,821)	(1,703,561)
Governance costs	6	(60,022)	154,539
<b>TOTAL RESOURCES EXPENDED</b>		<u>(4,991,843)</u>	<u>(1,549,022)</u>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	7	(435,372)	102,327,447
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
Unrealised gains/(losses) on fixed asset investments		(11,737,849)	6,608,319
Gains / (losses) on sale of investment assets		—	(1,650,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>(12,173,221)</u>	<u>107,285,766</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		107,285,766	—
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>95,112,545</u>	<u>107,285,766</u>

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 WATERLOO FOUNDATION

## BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	9	56,919	77,476
Investments	10	94,748,909	106,564,171
		<u>94,805,828</u>	<u>106,641,647</u>
<b>CURRENT ASSETS</b>			
Debtors	11	73,753	16,157
Cash at bank and in hand		564,412	641,582
		<u>638,165</u>	<u>657,739</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(331,448)</u>	<u>(13,620)</u>
<b>NET CURRENT ASSETS</b>		306,717	644,119
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>95,112,545</u>	<u>107,285,766</u>
<b>NET ASSETS</b>		<u>95,112,545</u>	<u>107,285,766</u>
<b>FUNDS</b>			
Unrestricted income funds	15	95,112,545	107,285,766
<b>TOTAL FUNDS</b>		<u>95,112,545</u>	<u>107,285,766</u>

These financial statements were approved by the members of the committee on the 20/5/09 and are signed on their behalf by:

E. Oakes Trustee X

[Signature] Trustee X

CAROLINE OWEN Name X

DAVID STEWART Name X

The notes on pages 15 to 20 form part of these financial statements.

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

**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, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Charities Act 1993.

**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.

**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 2008**

**2. VOLUNTARY INCOME**

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
<b>Donations</b>			
Donations	<u>2,374</u>	<u>2,374</u>	<u>99,090,430</u>

**3. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Income from UK listed investments	3,545,911	3,545,911	4,408,264
Income from non-UK listed investments	558,785	558,785	—
Income from UK unlisted investments	13,948	13,948	—
Bank interest receivable	168,184	168,184	377,775
Other interest receivable	<u>267,269</u>	<u>267,269</u>	<u>—</u>
	<u>4,554,097</u>	<u>4,554,097</u>	<u>4,786,039</u>

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

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Grants & project funding	4,762,702	4,762,702	1,636,697
Support costs	<u>169,119</u>	<u>169,119</u>	<u>66,864</u>
	<u>4,931,821</u>	<u>4,931,821</u>	<u>1,703,561</u>

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

	Provision of grants £	Grant funding activities £	Support costs £	Total Funds 2008 £	Total Funds 2007 £
Grants & project funding	<u>103,229</u>	<u>4,659,473</u>	<u>169,119</u>	<u>4,931,821</u>	<u>1,703,561</u>

**6. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Accountancy fees	4,021	4,021	69
Audit fees	5,750	5,750	3,525
Legal fees	1,463	1,463	10,562
Costs of trustees' meetings	4,028	4,028	582
Foreign currency loss / (gain)	<u>44,760</u>	<u>44,760</u>	<u>(169,277)</u>
	<u>60,022</u>	<u>60,022</u>	<u>(154,539)</u>

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**6. GOVERNANCE COSTS** *(continued)*

There were no amounts paid to individual trustees during the period. All trustees are entitled to claim reimbursement of the cost of attending meetings but waive that right.

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

This is stated after charging/(crediting):

	Year to 31 Dec 08 £	Period from 15 Dec 06 to 31 Dec 07 £
Depreciation	22,351	7,321
Auditors' remuneration:		
- audit of the financial statements	5,750	3,525
Exchange (gains)/losses	<u>44,760</u>	<u>(169,277)</u>

**8. STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows:

	Year to 31 Dec 08 £	Period from 15 Dec 06 to 31 Dec 07 £
Wages and salaries	96,752	31,076
Social security costs	8,851	2,242
	<u>105,603</u>	<u>33,318</u>

No trustee received any emoluments during the period.

**Particulars of employees:**

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

	Year to 31 Dec 08 No	Period from 15 Dec 06 to 31 Dec 07 No
Number of administrative staff	2	2
Number of support staff	3	3
	<u>5</u>	<u>5</u>

No employee received emoluments of more than £60,000 during the year (2007 - Nil).

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**9. TANGIBLE FIXED ASSETS**

	Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>			
At 1 January 2008	55,887	28,910	84,797
Additions	—	1,794	1,794
<b>At 31 December 2008</b>	<u>55,887</u>	<u>30,704</u>	<u>86,591</u>
<b>DEPRECIATION</b>			
At 1 January 2008	5,909	1,412	7,321
Charge for the year	16,493	5,858	22,351
<b>At 31 December 2008</b>	<u>22,402</u>	<u>7,270</u>	<u>29,672</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2008</b>	<u>33,485</u>	<u>23,434</u>	<u>56,919</u>
At 31 December 2007	<u>49,978</u>	<u>27,498</u>	<u>77,476</u>

**10. INVESTMENTS**

**Movement in market value**

	2008 £	2007 £
Market value at 1 January 2008	106,564,171	—
Acquisitions at cost	49,707,296	130,015,852
Disposals at opening book value	(49,784,563)	(30,060,000)
Net gains on revaluations in the year ended 31 December 2008	(11,737,995)	6,608,319
<b>Market value at 31 December 2008</b>	<u>94,748,909</u>	<u>106,564,171</u>
<b>Historical cost at 31 December 2008</b>	<u>99,955,816</u>	<u>99,955,816</u>

**Analysis of investments at 31 December 2008 between funds**

	Total Funds Year to 31 Dec 08 £	Total Funds Period from 15 Dec 06 to 31 Dec 07 £
<b>Listed investments</b>		
UK Quoted Shares	70,993,046	75,585,999
Non-UK Quoted Shares	17,274,311	—
	<u>88,267,357</u>	<u>75,585,999</u>
<b>Other investments</b>		
Other UK Investments	4,020,644	—
UK Cash held as part of Portfolio	2,460,908	30,978,172
	<u>6,481,552</u>	<u>30,978,172</u>
	<u>94,748,909</u>	<u>106,564,171</u>



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**10. INVESTMENTS** *(continued)*

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	0.1p ordinary shares	6,884,000	61,955,740

There is no restriction on the realisation of this investment.

**11. DEBTORS**

	2008 £	2007 £
Other debtors	50,331	920
Prepayments	23,422	15,237
	<u>73,753</u>	<u>16,157</u>

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

	2008 £	2007 £
Trade creditors	325,314	1,221
Taxation and social security	—	1,536
Accruals	6,134	10,863
	<u>331,448</u>	<u>13,620</u>

**13. OPERATING LEASE COMMITMENTS**

The charity is committed to paying £23,441 plus service charges per annum until 2012 in respect of rent.

**14. OTHER COMMITMENTS**

The charity was committed to make donations worth £3,086,008 as at 31 December 2008.

**15. UNRESTRICTED INCOME FUNDS**

	Balance at 1 Jan 08 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Dec 08 £
General Funds	<u>107,285,766</u>	<u>4,559,152</u>	<u>(4,994,524)</u>	<u>(11,737,849)</u>	<u>95,112,545</u>

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

	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Income Funds</b>	<b>56,919</b>	<b>94,748,909</b>	<b>306,717</b>	<b>95,112,545</b>
<b>Total Funds</b>	<b>56,919</b>	<b>94,748,909</b>	<b>306,717</b>	<b>95,112,545</b>

**17. 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. No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities.