

**THE WATERLOO FOUNDATION
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2009**

Charity Number 1117535

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

THE WATERLOO FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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THE WATERLOO FOUNDATION

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2009

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2009.

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|------------------------------------|--|
| Registered charity name | The Waterloo Foundation |
| Charity registration number | 1117535 |
| Principal office | 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 (Cardiff) Limited
Chartered Accountants
& Statutory Auditor
1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Investment adviser Merrill Lynch
Pierce, Fenner & Smith Incorporated
Merrill Lynch Financial Centre
2 King Edward Street
London
EC1A 1HQ

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

Solicitors Veale Wasborough
Orchard Court
Orchard Lane
Bristol
BS1 5WS

THE WATERLOO FOUNDATION
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are pleased to present this third report together with the financial statements of the Foundation for the period ended 31st December 2009.

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".

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 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'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 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.

THE WATERLOO FOUNDATION
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2009

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.

Heather Stevens is a trustee of the National Botanic Garden of Wales. She is also a trustee of Artes Mundi and they received a grant of £50,000 from the Waterloo Foundation.

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 2009

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

| 2009 | Value (£) | No of Projects |
|-------------------|-----------|----------------|
| World Development | 1,762,451 | 67 |
| Environment | 1,561,788 | 61 |
| Child Development | 886,813 | 34 |
| Wales | 828,540 | 37 |
| Exceptional | 545,726 | 40 |
| | ----- | ----- |
| Totals | 5,585,318 | 239 |

THE WATERLOO FOUNDATION
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2009

ACHIEVEMENTS AND PERFORMANCE

This is the third Report of the Trustees for The Waterloo Foundation since its inception in January 2007, and initial donation in March 2007. The Foundation has grown to a team of 6 plus the Chair of Trustees, based in Llandaff, Cardiff where we have been since October 2007.

In 2009 the Foundation received 519 applications through its website of which 239 were successful, with the Foundation paying out just over £5.5m of grants in its third year of operation. The reports from our four main funds now follow.

World Development Fund

In 2009, we continued to focus on 3 key themes: education, enterprise and water and sanitation projects.

We continued to enable more young people to access a good quality primary and secondary **education**, and supported a variety of approaches:

- We provided Camfed with support towards the costs of educating 800 girls in secondary schools in Tanzania, and improving the quality of learning outcomes at their partner schools.
- We supported ActionAid to enhance the involvement of parents in their children's learning and the management of local schools, in Burundi and Malawi.
- We 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.

On the **entrepreneurial** front, aiming to help people start businesses to get out of poverty, we made further successful links:

- We provided further support for the MicroLoan Foundation to extend their network of microfinance branches in Malawi, providing capital to women's groups to establish small businesses.
- We continued to support the development of fair trade initiatives, including the work of Tuareg Relief who are partnering with artisans in Mali to increase their access to international markets.
- We continued our long-standing relationship with the Mangalakara School and Vocational Centre, supporting them to provide sewing and IT training to disadvantaged young people in the rural Anantapur District of India.

We further increased our support towards programmes, which improve **sanitation**, hygiene and access to clean drinking **water**, recognising the key role of these issues in the development of communities:

- We provided further support to Concern Universal to expand community-led initiatives to establish boreholes and latrines in rural parts of Kenya affected by significant droughts and water shortages.
- We funded Village Water to carry out water, sanitation, and hygiene education programmes in a large number of rural villages and schools in Zambia.
- We continued our partnership with WaterAid to promote sanitation, build toilets and provide access to safe drinking water in remote regions of Nepal. Several of our team went to visit this and other projects in the region.

THE WATERLOO FOUNDATION

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

We continued to support a number of projects in developing countries where they are led by social entrepreneurs from the UK and especially from Wales.

Although we supported a number of projects in our identified priority countries for 2009, which included Benin and the Republic of Congo, effective engagement with some of these countries proved challenging and this policy was reviewed at the end of the year.

Environment Fund

In 2009, we continued our commitment to saving tropical forests, both supporting projects through the Environment Fund, which directly supported existing forests or reduced their loss. We also made considerable headway in tackling marine issues.

Marine issues addressed in 2009 included depletion of fish stocks, creation of marine protection areas and lobbying for sustainable fishing and fishing practices.

- We supported the Marine Conservation Society's fisheries programme, which aims to promote sustainable seafood and develop sustainable fisheries policy at a UK and EU level, in particular through the reform of the Common Fisheries Policy.
- We funded the Environmental Justice Foundation to combat illegal fishing in Sierra Leone and stop the importing of these illegal fish into European markets through their 'Save the Sea' Campaign. The project also included campaigning for the closure of the loophole in international law, which allows Flags of Convenience to continue.
- *The End of the Line* is the world's first major documentary about the devastating effect of overfishing. We helped support the screening of *The End of the Line* film and developed the campaign to accompany it in order to raise awareness of the issue of over-exploitation of fish stocks and what we could do to halt their decline.

Our support for forest projects continued to be based around the key theme of avoided tropical deforestation. It included market-based approaches that recognised the role of tropical forests.

- We continued our support of 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 supported an innovative initiative called The Size of Wales Project, which aims to engage Welsh civic society in sustaining an area of tropical forest, equivalent to the size of Wales (2.06m hectares).
- We helped fund the Tropical Forest Trust in their new educational institution, the Centre for Social Excellence (CSE) which aims to build in-country capacity of social forestry skills within the Congo Basin.
- We gave funding to MEDA Peru to undertake a study of the economic valuation of the ecosystem services of the Tumbes National Mangrove Sanctuary in Peru. The project will also develop an agro-forestry system in the buffer zone to re-forest the area and provide sustainable livelihoods for local people.
- We gave a further grant to the Global Canopy Programme to launch The Forest Footprint Disclosure (FFD) Project to help investors identify how an organisation's activities and supply chains contribute to deforestation.

THE WATERLOO FOUNDATION

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

- We funded an Ashden Award for avoided deforestation to highlight the link between energy and deforestation, awarded to Kampala Jellitone Suppliers, Uganda for producing biomass briquettes made from coffee and agricultural waste and the fuel efficient stoves to burn them.

In addition to the above, we also supported a number of local projects, such as: The Green Valleys initiative to create a number of micro-hydro projects within the Brecon Beacons; Awel Aman Tawe to build a community owned wind farm in the Swansea Valley; and the Centre for Alternative Technology to produce the Zero Carbon Britain report, an Alternative Energy Strategy for the UK.

Child Development Fund

In 2009, the Child Development Fund gained additional momentum from the appointment midway through the year of a full-time officer with a background in psychological research to take the Fund forward. The new officer conducted a thorough review of both past projects and current criteria and from this the trustees agreed the following; to continue funding in the areas of Autism, Epilepsy (particularly Rolandic Epilepsy), ADHD, Dyslexia, Developmental Co-ordination Disorder, and diet. We also agreed to some funding into the impact on neurodevelopment of trauma and neglect in childhood. As a consequence the Foundation plans to reduce its support for various intervention projects and adolescent mental health initiatives.

On the **epilepsy** front, we

- funded a piece of neurobiology research examining the aetiology and consequence of Rolandic Epilepsy (also termed Benign Epilepsy of Childhood with Centrotemporal Spikes; BECCTS), which will quantify imaging markers of interictal neural activity, sensory behaviour, motor behaviour, and Developmental Coordination Disorder (DCD) in children with Rolandic Epilepsy.
- funded St David's Medical Foundation to employ a researcher on the e-biobank for 3-years, which will enable them to collect samples from people with Epilepsy and so examine genetic and other causes of Epilepsy as well as look at gene-environment interactions.

On the **autism** front, we

- funded Research Autism to investigate the effectiveness of weighted blankets as an intervention to improve sleep in Autism, which will give parents much needed information about whether or not to use them.
- funded a research assistant to write a module about anxiety in Autistic Spectrum Disorders, for use in Autism Cymru's *Inclusive Schools* training programme.

In addition, we

- funded a post-doctoral research position to conduct sophisticated statistical analysis on a large dataset investigating factors predicting the onset of conduct problems.
- funded Food and Behaviour Research to run an international conference on essential fatty acids and neurodevelopment at Oxford University, which led to researchers and professionals networking and sharing advances in the field.
- funded a conference about Foetal Alcohol Spectrum Disorder.
- funded a research assistant at the Dyscovery Centre to develop their *Box of Ideas* website, which will enable parents and practitioners to access up-to-date research findings and practical tips for helping children with developmental disorders.
- funded Relate West Surrey to conduct training courses for parents of children with ADHD.

THE WATERLOO FOUNDATION
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2009

Wales Fund

During 2009, we continued to fund projects under our **Working Wales** and **Caring Wales** programmes.

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 2009 included:

- National Autistic Society, towards a specialised employment service for people with Asperger's Syndrome in Cardiff, using a specialist 'employment consultant' who helped people with Asperger find a job and supported them early on. They also provided advice to employers. This project complemented well one of the areas of interest in the Child Development fund.
- Gofal Cymru, to help people recovering from a mental health problem back into employment, through identifying barriers to them getting back into work, re-building confidence and establishing a personal action plan. One key to the success of this programme was the element of educating potential employers about mental health.
- Enterprise Education Trust, for a research project looking into the provision of enterprise education in schools across Wales, and a feasibility study for bringing the NFTE model to schools in Wales.
- PRIME Cymru, to develop their over 50's mentoring scheme, which links over 50's seeking new economic direction in their lives with mentors who had the professional experience, background, aptitude and skills to advise them, particularly on small businesses.

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:

- Carers Wales, to develop their participation and training programme, which supported and trained carers to know their rights and become actively involved in the design, development and delivery of health and social care services that were essential to them and the people they looked after.
- Barnardo's, for their young carers schools advocacy workers' posts in Flintshire and Carmarthenshire, which aimed to facilitate young carers' educational experiences, ensuring that they can access the educational support and understanding that they deserve. They worked as one-to-one liaison officers, providing a drop in session in each school, and also gave awareness raising training to pupils, teachers, staff and governors of schools on the issues affecting young carers.
- Crossroads Mid and West Wales, to enable them to provide end-of-life care, for carers looking after a person with any terminal condition. TWF's support allowed them to support carers living in rural, isolated areas of Wales where there is no residential hospice and little palliative care provision.
- Age Concern Cardiff and the Vale, to develop formal and informal support opportunities for grandparents raising grandchildren, and to provide advocacy services for carers of older people and grandparent carers throughout Cardiff and the Vale of Glamorgan.

In October we hosted the "Time to Talk about Wales" Conference in Cardiff, which aimed to bring together UK-based trusts and foundations with a shared interest in Wales to talk over common themes and news from Wales-based think tanks about current issues.

THE WATERLOO FOUNDATION

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

FINANCIAL REVIEW

The Waterloo Foundation's investment income continues to derive 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.

During 2009 we decided to support our philanthropic aims not just through grant giving but also through the allocation of our investment funds. To this end, we have switched some assets into microfinance funds and are looking for opportunities to deploy venture capital and other forms of equity in developing countries. We are also looking at ways of investing to support our Environment and Wales Fund goals.

The Foundation's investments continued to perform well and resulted in an investment income of over £4m.

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.

We will be conducting a wide ranging review within the World Development Fund of the funded work to date and therefore future criteria.

In the Child Development Fund, 2010 will see a readjustment as our funding priorities have been amended.

The key Environment Fund's 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. We plan to continue our heavy involvement with the Size of Wales project.

RESPONSIBILITIES OF THE TRUSTEES

The charity's trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law 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 charity and of the incoming resources and application of resources 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;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 charity will continue in operation.

THE WATERLOO FOUNDATION
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2009


RESPONSIBILITIES OF THE TRUSTEES *(continued)*

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. 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.

AUDITOR

Carston & Co (Cardiff) Limited have been re-appointed as auditor for the ensuing year.

Signed on behalf of the trustees


.....
Trustee

D.G. STEVENS
.....
Name

19/5/10
.....
Date

THE WATERLOO FOUNDATION

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

YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of The Waterloo Foundation for the year ended 31 December 2009 on pages 13 to 20, which have been prepared on the basis of the accounting policies set out on pages 15 to 16.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 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 (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees on pages 9 to 10.

We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees Annual Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these 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.

THE WATERLOO FOUNDATION

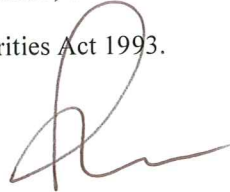
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE WATERLOO FOUNDATION *(continued)*

YEAR ENDED 31 DECEMBER 2009

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 2009 and of its incoming resources and application of resources, for the year then ended; and
- have been prepared in accordance with the Charities Act 1993.



PHILIPPA KEANE (Senior statutory auditor)
For and on behalf of
CARSTON & CO (CARDIFF) LIMITED
Chartered Accountants
& Statutory Auditor

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

26 May 2010

THE WATERLOO FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2009

| | Note | Total Funds 2009 £ | Total Funds 2008 £ |
|--|------|--------------------------|--------------------------|
| INCOMING RESOURCES | | | |
| Incoming resources from generating funds: | | | |
| Voluntary income | 2 | 3,000 | 2,374 |
| Investment income | 3 | 4,065,803 | 4,554,097 |
| TOTAL INCOMING RESOURCES | | 4,068,803 | 4,556,471 |
| RESOURCES EXPENDED | | | |
| Charitable activities | 4/5 | (6,170,034) | (4,931,821) |
| Governance costs | 6 | (17,032) | (60,022) |
| TOTAL RESOURCES EXPENDED | | (6,187,066) | (4,991,843) |
| NET OUTGOING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES | 7 | (2,118,263) | (435,372) |
| OTHER RECOGNISED GAINS AND LOSSES | | | |
| Unrealised gains/(losses) on fixed asset investments | | 8,660,454 | (11,737,849) |
| Gains / (losses) on sale of investment assets | | 8,488,808 | — |
| NET MOVEMENT IN FUNDS | | 15,030,999 | (12,173,221) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | 95,112,545 | 107,285,766 |
| TOTAL FUNDS CARRIED FORWARD | | 110,143,544 | 95,112,545 |

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 15 to 20 form part of these financial statements.



THE WATERLOO FOUNDATION

BALANCE SHEET

31 DECEMBER 2009

| | Note | 2009 £ | 2008 £ |
|---|------|---------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 46,799 | 56,919 |
| Investments | 10 | 109,482,123 | 94,748,909 |
| | | <u>109,528,922</u> | <u>94,805,828</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 474,527 | 73,753 |
| Cash at bank and in hand | | 550,605 | 564,412 |
| | | <u>1,025,132</u> | <u>638,165</u> |
| CREDITORS: Amounts falling due within one year | 12 | <u>(410,510)</u> | <u>(331,448)</u> |
| NET CURRENT ASSETS | | 614,622 | 306,717 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>110,143,544</u> | <u>95,112,545</u> |
| NET ASSETS | | <u>110,143,544</u> | <u>95,112,545</u> |
| FUNDS | | | |
| Unrestricted income funds | 15 | <u>110,143,544</u> | <u>95,112,545</u> |
| TOTAL FUNDS | | <u>110,143,544</u> | <u>95,112,545</u> |

These financial statements were approved by the members of the committee on the 19/5/10 and are signed on their behalf by:


.....Trustee

.....Trustee

D.G. STEVENS
.....Name
C. OAKES
.....Name

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 2009

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 2009

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 2009 £ | Total Funds 2008 £ |
|------------------|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Donations | <u>3,000</u> | <u>3,000</u> | <u>2,374</u> |

3. INVESTMENT INCOME

| | Unrestricted Funds £ | Total Funds 2009 £ | Total Funds 2008 £ |
|---------------------------------------|----------------------------|--------------------------|--------------------------|
| Income from UK listed investments | 2,856,063 | 2,856,063 | 3,545,911 |
| Income from non-UK listed investments | 774,762 | 774,762 | 558,785 |
| Income from UK unlisted investments | — | — | 13,948 |
| Bank interest receivable | 5,399 | 5,399 | 43,313 |
| Other interest receivable | 429,579 | 429,579 | 392,140 |
| | <u>4,065,803</u> | <u>4,065,803</u> | <u>4,554,097</u> |

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

| | Unrestricted Funds £ | Total Funds 2009 £ | Total Funds 2008 £ |
|--------------------------|----------------------------|--------------------------|--------------------------|
| Grants & project funding | 5,842,960 | 5,842,960 | 4,762,702 |
| Support costs | 327,074 | 327,074 | 169,119 |
| | <u>6,170,034</u> | <u>6,170,034</u> | <u>4,931,821</u> |

5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

| | Provision of grants £ | Grant funding activities £ | Support costs £ | Total Funds 2009 £ | Total Funds 2008 £ |
|--------------------------|-----------------------------|-------------------------------------|-----------------------|--------------------------|--------------------------|
| Grants & project funding | <u>127,534</u> | <u>5,715,426</u> | <u>327,074</u> | <u>6,170,034</u> | <u>4,931,821</u> |

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6. GOVERNANCE COSTS

| | Unrestricted Funds | Total Funds 2009 | Total Funds 2008 |
|--------------------------------|-----------------------|---------------------|---------------------|
| | £ | £ | £ |
| Accountancy fees | 427 | 427 | 4,021 |
| Audit fees | 5,750 | 5,750 | 5,750 |
| Legal fees | 9,101 | 9,101 | 1,463 |
| Costs of trustees' meetings | 1,754 | 1,754 | 4,028 |
| Foreign currency loss / (gain) | — | — | 44,760 |
| | <u>17,032</u> | <u>17,032</u> | <u>60,022</u> |

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.

Following a change in accounting policy the foreign currency loss / (gain) are now accounted for in the unrealised gains / (losses).

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

This is stated after charging:

| | 2009 £ | 2008 £ |
|-------------------------------------|-----------|---------------|
| Depreciation | 16,725 | 22,351 |
| Auditors' remuneration: | | |
| - audit of the financial statements | 5,750 | 5,750 |
| Exchange (gains)/losses | <u>—</u> | <u>44,760</u> |

8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

| | 2009 £ | 2008 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 115,520 | 96,752 |
| Social security costs | 9,401 | 8,851 |
| | <u>124,921</u> | <u>105,603</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:

| | 2009 No | 2008 No |
|--------------------------------|------------|------------|
| Number of administrative staff | 2 | 2 |
| Number of support staff | 4 | 3 |
| | <u>6</u> | <u>5</u> |

No employee received remuneration of more than £60,000 during the year (2008 - Nil).

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9. TANGIBLE FIXED ASSETS

| | Equipment £ | Fixtures & Fittings £ | Total £ |
|----------------------------|----------------|-----------------------------|---------------|
| COST | | | |
| At 1 January 2009 | 55,887 | 30,704 | 86,591 |
| Additions | 4,822 | 1,783 | 6,605 |
| At 31 December 2009 | <u>60,709</u> | <u>32,487</u> | <u>93,196</u> |
| DEPRECIATION | | | |
| At 1 January 2009 | 22,402 | 7,270 | 29,672 |
| Charge for the year | 11,896 | 4,829 | 16,725 |
| At 31 December 2009 | <u>34,298</u> | <u>12,099</u> | <u>46,397</u> |
| NET BOOK VALUE | | | |
| At 31 December 2009 | <u>26,411</u> | <u>20,388</u> | <u>46,799</u> |
| At 31 December 2008 | <u>33,485</u> | <u>23,434</u> | <u>56,919</u> |

10. INVESTMENTS

Movement in market value

| | 2009 £ | 2008 £ |
|--|--------------------|-------------------|
| Market value at 1 January 2009 | 94,748,909 | 106,564,171 |
| Acquisitions at cost | 176,274,422 | 49,707,296 |
| Disposals at opening book value | (170,201,663) | (49,784,563) |
| Net gains on revaluations in the year ended 31 December 2009 | 8,660,455 | (11,737,995) |
| Market value at 31 December 2009 | <u>109,482,123</u> | <u>94,748,909</u> |
| Historical cost at 31 December 2009 | <u>94,526,251</u> | <u>99,955,816</u> |

Analysis of investments at 31 December 2009 between funds

| | Total Funds 2009 £ | Total Funds 2008 £ |
|---------------------------------------|--------------------------|--------------------------|
| Listed investments | | |
| UK Quoted Shares | 52,287,808 | 70,993,046 |
| Non-UK Quoted Shares | 43,357,623 | 17,274,311 |
| | <u>95,645,431</u> | <u>88,267,357</u> |
| Other investments | | |
| Other UK Investments | 5,573,472 | 4,020,644 |
| UK Cash held as part of Portfolio | 6,326,677 | 2,460,908 |
| Non-UK Cash held as part of Portfolio | 1,936,543 | - |
| | <u>13,836,692</u> | <u>6,481,552</u> |
| | <u>109,482,123</u> | <u>94,748,909</u> |

than 5% of

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10. INVESTMENTS *(continued)*

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

| | | Holding | Market Value £ |
|-------------------|-----------------------|-----------|----------------------|
| Admiral Group plc | 1189p ordinary shares | 3,634,000 | 43,208,260 |

There is no restriction on the realisation of this investment.

11. DEBTORS

| | 2009 £ | 2008 £ |
|---------------|----------------|---------------|
| Other debtors | 50,135 | 50,331 |
| Prepayments | 424,392 | 23,422 |
| | <u>474,527</u> | <u>73,753</u> |

12. CREDITORS: Amounts falling due within one year

| | 2009 £ | 2008 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 388,227 | 325,314 |
| Taxation and social security | 4,143 | — |
| Accruals | 18,140 | 6,134 |
| | <u>410,510</u> | <u>331,448</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 £2,779,472 (£3,086,008 : 2008) as at 31 December 2009.

15. UNRESTRICTED INCOME FUNDS

| | Balance at 1 January 2009 £ | Incoming resources £ | Outgoing resources £ | Gains and losses £ | Balance at 31 December 2009 £ |
|---------------|-----------------------------------|----------------------------|----------------------------|--------------------------|-------------------------------------|
| General Funds | <u>95,112,545</u> | <u>4,068,803</u> | <u>(6,187,066)</u> | <u>17,149,262</u> | <u>110,143,544</u> |

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets | Investments | Other net assets | Total |
|----------------------------------|----------------------------------|--------------------|-----------------------------|--------------------|
| | £ | £ | £ | £ |
| Unrestricted Income Funds | 46,799 | 109,482,123 | 614,622 | 110,143,544 |
| Total Funds | 46,799 | 109,482,123 | 614,622 | 110,143,544 |

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. Heather Stevens is a trustee of the National Botanic Gardens of Wales. She is also a trustee of Artes Mundi and they received a grant of £50,000 from the Waterloo Foundation.