

**THE WATERLOO FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2014**

**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 2014**

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# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2014

The trustees present their report and the financial statements of the company for the year ended 31 December 2014.

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

**Investment adviser** Julius Baer Portfolio Managers Limited  
1 St Martin's Le Grand  
London  
EC1 A 4AS

**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2014**

**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 2014**

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

The Trustees are pleased to present the eighth report together with the financial statements of the Foundation for the period ended 31st December 2014.

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.

#### **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 5 Fund Managers one for each of the main funds (World Development, Environment, Child Development, Projects in Wales) plus a Fund Manager/Executive Assistant to the Chair, a Grants and Research Assistant (supporting the World Development and Environment Funds), a Finance Manager/Company Secretary and an Office Administrator.

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 2014**

**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 contribution of £6,499,800 was made, and in 2014 a further contribution of £3,002,500 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 bi-monthly finance report is produced and monthly bank reconciliations are signed off by a Trustee. Investment reports are reviewed on a regular basis and our Investment Advisors Julius Baer attend a Trustee Meeting once a year.

**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 2014

#### ACHIEVEMENTS AND PERFORMANCE

This is the eighth report of the Trustees of The Waterloo Foundation since its inception in January 2007, and initial donation in March 2007. The Foundation consists of a team of 8 plus the Chair of Trustees, based in Llandaff, Cardiff where we have been since October 2007.

In 2014, the Foundation's eighth year of operation, we received 604 full applications, and committed to funding a total of just over £7.2m to 232 new projects across all of our funds. During this period the Foundation also paid out just over £7.1m in project payments, a proportion of which were granted in previous years and due for payment in 2014. In total 320 individual payments were made.

#### Grant Making Activities

2014 Funds	Value (£)	No of Grants Awarded
World Development	2,890,985	85
Environment	2,085,728	30
Child Development	721,105	14
Wales	749,529	43
Other	794,029	60
	-----	-----
<b>Totals</b>	<b>7,241,376</b>	<b>232</b>

#### Grant Payments Made

In 2014	Value (£)	No of Project Payments
World Development	2,844,459	136
Environment	2,019,523	54
Child Development	640,715	26
Wales	901,092	58
Other	721,664	46
	-----	-----
<b>Totals</b>	<b>7,127,453</b>	<b>320</b>

The reports from our four main funds, now follow.

#### A. World Development Fund

In 2014 we continued 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. Each of these partners has continued to grow in income, and the scale of the programmes they are able to deliver over the course of the year.

As well as our strategic collaborations, we continued in 2014 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.

We had the opportunity in 2014 to continue to support a number of organisations with further funding to achieve these aims, including:

- A further grant to WaterSHED to support a substantial expansion of their sanitation marketing programme in Cambodia. WaterSHED aims to build on the success of having enabled over 80,000

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2014

households to purchase a latrine, many for the first time. Their three year programme expansion aims to further support the development of market chains and improve the design of low-cost but desirable household latrines. The aspiration is for an extra 130,000 households to purchase a latrine over the three year period.

- A grant to support Red Earth Education to expand their teacher training programme in Uganda. Their programme to support improved teaching standards and promote interactive learning has achieved positive results, and their willingness to share learning with other organisations has impressed. A further grant will continue the professional development programme for teachers in the Masindi District, and enable more of the project leadership to be undertaken by District officials and local teachers.
- Additional support to Village Water to extend hygiene and sanitation education, and provide a new source of safe water, in 65 new communities in western Zambia. The programme will also revisit previously supported communities to repair existing water points that have fallen into disrepair. Manual drilling enterprises will be supported to become commercially sustainable, and their experience will be used to launch a new programme in Mozambique.

We were also able to support a small number of new partners with grants, or focus on specific topics of growing interest to us, including:

- A grant to Developments in Literacy (DIL) to support a programme to improve the quality of teaching in government and non-government schools in rural Pakistan. Materials will be developed to support distance and campus learning in key subjects such as English and Early Childhood Education. Our grant will directly help train 350 teachers, and provide the resources for the ongoing expansion of the training programme.
- A project with UNICEF to enable them to work with the Indian Government to bring about practical improvements to school toilets, to make them more accessible for girls during menstruation. The project seeks to engage Government officials from the outset, and persuade them of the importance of helping girls manage their periods whilst in school. It is anticipated that the project will directly lead to improved facilities at thousands of schools, as well as raising awareness of menstrual hygiene.

Early in 2014 we undertook a successful visit to Sierra Leone and a small number of our partners operating in the country. Following the subsequent and devastating Ebola outbreak, we were able to provide additional assistance to a number of partners to address the immediate medical emergency (Medecins Sans Frontieres); engage communities with the important health messages (Restless Development); and support ongoing work to reunite orphaned and abandoned children with their extended families (Street Child). We have also been able to provide investment support to Root Capital to enable them to continue investment in agribusinesses in West Africa despite the risks posed by the spread of Ebola. We feel especially humbled by the incredible efforts of people who have put themselves at risk to help very vulnerable communities in the Ebola-affected region.

Looking ahead to 2015 we intend to continue to support strong performing partners in our key themes. We have also reviewed the support we had provided in 2013 to a small number of family planning and sexual and reproductive health projects. As a result we have agreed to extend our support for IPPF and Marie Stopes International's work on family planning interventions. We recognise the value of empowering women and men to plan their families, and the indirect impact this can have on all our other development and environment objectives.

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 to NGOs local to the countries in which they operate. Examples in 2014 included:

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2014

- A grant to Lively Minds to support the employment of a Ghana-based Training and Development Manager. This has enabled the introduction of a new Pre-School Play Scheme Model, increasing the scale and efficiency of their activities in Ghana. Through the programme, greater responsibilities are being handed to the Ghana Education Service and local teachers.
- A grant to ANZA to assist them in expanding their current KiliPads programme in the Kilimanjaro Region of Tanzania. This is a reusable, affordable sanitary product that is locally produced and sold through small social enterprises. Products are delivered alongside feminine health and menstrual hygiene management workshops, facilitated by community representatives.
- A first grant to Give Hope International's beekeeping project in Malawi. The grant assisted the charity to purchase beekeeping equipment, to provide training to local beekeepers and to improve their marketing strategy.

#### **B. Environment Fund**

The priorities of our Environment Fund in 2014 remained focussed on protecting tropical rainforests and conserving marine fish stocks.

We have introduced an improved system for applicants, with 2 marine and 2 forest deadlines each year. This has achieved its goal of supporting potential grantees in better planning of projects and fundraising strategies, and has also resulted in an increased number of relevant and strong applications being received by the Foundation.

#### Protecting Tropical Rainforests:

Avoided deforestation remained the focus of those rainforest projects we supported in 2014. Our aim is to support both strategic work as well as local protection projects; this includes market-based approaches in particular looking at the issue of supply chains alongside projects that recognise the value of standing tropical forests and the right of forest dependent people to manage their own resources.

- We renewed our support to the Greenpeace campaign to protect the rainforest and peat lands of Indonesia from conversion to palm oil and pulp and paper plantations, by exposing illegal practices within supply chains and supporting industry to create and implement forest conservation policies.
- We funded Well Grounded to strengthen the participation of civil society in forest policy and legal reform processes currently underway in the Republic of Congo. This will be achieved through building the capacity of the Platform on Sustainable Forest Management to be more strategic and effective.
- We gave further support to the Size of Wales initiative which continues to sustain an area of tropical forest, equivalent to the size of Wales (2.06m hectares). This continuing support is enabling Size of Wales to sustain the forest through their partners and to implement environmental education in Wales and engage Welsh civil society.
- We helped fund Canopy's "CanopyStyle" campaign which aims to prevent clothing from becoming a new major market for forest-based fibres and thus a major driver of deforestation in Indonesia. In the first year of the campaign, Canopy has managed to secure a number of corporate commitments including the world's two largest clothing brands, H&M and Inditex/Zara. These partners are all engaging their viscose (forest fibre) suppliers to eliminate any fibre from suppliers associated with deforestation in Indonesia and South East Asia.
- We supported Cool Earth to implement two community-based conservation projects in Papua New Guinea which will help conserve 84,000ha of tropical rainforest and provide the communities with an alternative income to the logging and palm oil concessions they have been offered.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

- We funded Amazon Watch to work with indigenous people to protect their ancestral lands and forests from the extractives industry in the headwaters of the Amazon. The aim of the campaign is for the rainforests to be protected and to gradually form a mosaic of mostly indigenous titled lands and protected areas that are off limits to industrial scale resource extraction. The campaign will support and strengthen indigenous peoples' capacity to legalise, govern and protect their sacred ancestral territories.

### Conserving Marine Fish Stocks

Our marine work in 2014 continued to prioritise the conservation of marine fish stocks. We aim to achieve this by focussing on sustainable fishing and fishing practices through work focused on fisheries policy and protection of important fish habitats, in particular mangroves.

- We continued to support Oceana to implement their aims of rebuilding ocean fisheries; securing seafood for growing populations; protecting marine wildlife and places; and stopping ocean pollution.
- We funded Chatham House to support the next two International Forums on Illegal, Unreported and Unregulated (IUU) Fishing. The aim of the forum is to promote sustainable fisheries and strong action on IUU fishing amongst policy makers and strengthen cooperation between stakeholders working on these issues.
- We continued funding Wetlands International to undertake Phase II of their Mangrove Capital programme. Wetlands International will coordinate and manage the Mangrove Capital initiative which aims to combine science with policy and practical work in Indonesia to protect mangroves and promote sustainable economic activity.
- We supported Whale and Dolphin Conservation to implement a fisheries management project that aims to conserve the Moon Reef Marine Protected Area and the wider Dawasamu area in Fiji, through researching fishing capacity, writing a management plan and building the capacity of the local community to manage the area.
- We helped the Zoological Society of London (ZSL) to host the Turning the Tide on Mangrove Loss Symposium. This is a two day symposium and a two day workshop which aims to bring together stakeholders from the mangrove community, spanning academic experts, conservation NGO representatives and policy makers to focus their attentions on improving conservation success and influencing policy. The symposium will be followed by a two-day IUCN Mangrove Specialist Group workshop.

### **C. Child Development Fund**

In 2014, 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>. However, the year brought changes to the way in which the Fund was apportioned and delivered, owing largely to the commencement of a new and significant financial partnership with the recently established Neuroscience and Mental Health Research Institute (NMH RI) at Cardiff University.

Under the auspices of this strategic partnership, the Foundation has committed funds to support:

1. **Funding for five Waterloo Foundation Research Fellowships:** to be awarded over the course of the five years, with three of these fellowships ring-fenced for researchers working within the field of neurodevelopment.

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<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

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**YEAR ENDED 31 DECEMBER 2014**

2. **Innovation funding:** a modest pot of unrestricted funding to be used to further research projects within the Institute (e.g. consumables for particular studies).
3. **Engagement support:** assisting the Institute in communicating their vision and achievements to both the academic community and the general public. As part of this strand, the Foundation is supporting an annual public lecture and an annual research conference to be held in Cardiff and the salary costs for the only Genetic Counsellor in the UK, who is currently based at the Institute.

The first tranche of funding within this partnership was formally paid in January 2014. To allow for this substantial award, there was a decrease in the level of funding we typically award to smaller-scale discrete research and practical projects. We did, however, put out calls for new applications within the fields of **Rolandic Epilepsy (also known as BECCTS)**, **Dyslexia** and **factors under parental influence (diet/sleep)**. To date, we have awarded the following grants:

- We supported a new large-scale study that aims to definitively describe the broader phenotype in children with **Rolandic Epilepsy**. In particular, the work will focus on detecting deficits in language, reading abilities and attention. It is hoped that this work will shape the support that children with RE are offered, particularly in relation to these often co-occurring difficulties.
- We awarded a grant within a quasi-fellowship framework to enable the continuation of an exciting programme of research which assesses cognitive function - and in particular reading, language ability and attention - of children with **Rolandic Epilepsy** and their **siblings**. The research involves using neuroimaging to determine whether there are alterations in brain structure and function in the specific regions that underpin reading, language and attention, which may suggest a basis for these impairments. A further novel aspect of the study is to determine whether any of these impairments recover following seizure remission.

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 any of our priority disorders. The following provides a snapshot of our funding in this regard:

- We extended our funding to a particularly impressive research group who will be following up on their existing work on executive function in children with **DCD**.
- We provided funding for four stipends to enable four women to attend the Women In MRI Forum at the 2014 Annual Scientific Meeting of the International Society for Magnetic Resonance in Medicine.
- We awarded a donation towards the maintenance and development of the fledgling **Epilepsy Deaths Register**.
- We contributed towards a number of conferences for professionals, researchers and families within the field of **Autism**, with a particular focus on reaching those families who do not live in South East England.
- 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 supported a young Welsh student to compete in the International Brain Bee Neuroscience Finals in Washington D.C.

We continued to use external peer review as part of our assessment of applications throughout 2014. 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. Thank you all!

**THE WATERLOO FOUNDATION**  
**TRUSTEES ANNUAL REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2014**

Towards the end of 2014, we also made the difficult but necessary decision to temporarily suspend our calls for new research applications to the Child Development Fund. We have made this considered decision on the basis of likely staff capacity for the forthcoming funding year, but are committed to reopening the Fund for business as usual from April 2016.

**D. Wales Fund**

During 2014, we continued to fund projects under our **Working Wales**, **Caring Wales** and **Community Energy** programmes.

Our **Working Wales** funding programme continued to focus on supporting a small number of targeted initiatives that help people set up businesses or, in some cases, help people gain permanent paid employment. Projects and organisations supported in 2014 under Working Wales include:

- **Creative Rural Communities**  
TWF awarded Creative Rural Communities a grant to enable them to run a bursary scheme. This was set up to provide grants up to a maximum of £3k for individuals and groups of young people aged 18-30 years old intending to start a new business or community enterprise in the Vale of Glamorgan. The scheme aimed to promote conditions which would help young people to implement their ideas for businesses or community enterprises. They provided advice and expert support to develop a business idea, also providing the necessary equipment and/or resources to start a business, and helped with business location costs, etc.
- **Prince's Trust Cymru**  
TWF continued 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 and test their ideas with the support of an experienced mentor.
- **Autism Spectrum Connections Cymru (ASCC)**  
ASCC were awarded a grant towards the costs of developing a One Stop Shop for people with autism, in Cardiff. A key component of the work that ASCC undertake through the OSS is around employment and the creation of occupational and work based opportunities for people using the service as well as other activities which encourage good mental health and social integration.

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. Projects and organisations awarded a grant in 2014 under our **Caring Wales** programme include:

- **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 YMCA**  
YMCA's "Time 4 Me Young Carers Project" supports children aged 7 - 18 who find themselves as carers to a family member such as a parent, sibling, grandparent or other family member. YMCA help the young carer by providing help and support when appropriate, assessing and supporting their needs, supporting their passage through schools, social services, and offering a range of respite activities in both group and individual environments.
- **Carers Wales**  
TWF supported the development costs of Carers Wales' "Reach, Connect, Support" programme which helps identify, support and connect around 3,000 carers across Wales. It also recruits and trains up to 30 "Carer Ambassadors" across Wales over 3 years. This vital network will help make the difference

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2014

between finding support and being able to cope, compared to feeling isolated and alone. The project aims to proactively identify and work with people in Wales, whose unpaid caring responsibilities have left them isolated, vulnerable and without a network of support.

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. Organisations awarded a grant in 2014 under our **Community Energy** programme include:

- **Glyncoch Community Regeneration Ltd**  
TWF awarded Glyncoch Community Regeneration a match funding grant, to install photo voltaic panels on the roof of the Glyncoch Community Centre thus significantly reducing their energy costs.
- **Dyffryn Crawnön Green Energy Community Interest Company**  
Having supported the Dyffryn Crawnön GECIC in exploring their ambition of constructing a micro hydro scheme on the Nant-y-Wenyon river, TWF awarded a further grant to address the shortfall in funds to ensure the project reached fruition.

Also, in 2014 the Foundation funded a number of initiatives to support the **reduction of offending**, particularly **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 and HMP Prescoed, Usk, underpinned by a 3 year grant from The Waterloo Foundation, 2012-2015. Peer Mentors also established by St Giles, offers essential support, advice and guidance both in in prison and on release for those offenders moving back into the community, in and around Cardiff and the Vale of Glamorgan. Through the Gatès Cymru will be robustly monitored throughout the 3 year length of the project in collaboration with the University of South Wales.

In addition to our significant support for St Giles' Trust, the Foundation also supported a number of smaller initiatives in Wales, one training initiative looked to reduce re-offending through skills and employment. Another Hafal's Link project, supports female offenders leaving HMP Eastwood Park and returning to Wales.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

### 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 2014) and since then with Julius Baer.

Throughout 2014 we continued to support our philanthropic aims not just through our 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.

Given that the Trustees consider climate change to be one of society's biggest challenges, in 2014 the Foundation took further specific steps in relation to our investments to address this challenge. In addition to avoiding investments in direct equity or fixed income investments in companies whose primary activity is the exploration for and/or the extraction of fossil fuels, we have also actively divested ourselves of our few inadvertent or historic holdings in this area. We have worked with Julius Baer to incorporate additional levels of scrutiny within our investment screening process so as to safeguard our stance, including using investment grade credit ratings from MSCI's ESG research process and Carbon Disclosure Project report scores, as well as considering the impact of investee companies' actions on the rainforests. In employing these measures, we aim to achieve a sub 1% exposure to the fossil fuel branch of the energy sector at all times.

Triodos Bank continues to meet our main banking requirements, with CAF Bank handling 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 have reviewed the Family Planning projects which we supported during 2014 and intend to extend our support for IPPF and Marie Stopes International's work on family planning interventions. We also expect to review the small grants that we have provided under our World Development fund, and improve the guidance we are able to give to smaller charities applying to us.

The Environment Fund has no planned changes and will continue to support marine fisheries and the protection of tropical rainforests.

Under our Wales Fund and in line with our view that "our education today is our economy tomorrow", the Foundation has introduced a new strand of funding which supports organisations that reduce the impact that poverty has on the educational attainment of young people. In addition to this, the Foundation also supports programmes that aim to inspire young people from diverse backgrounds to pursue further qualifications or careers in STEM subjects in order to address the current downward trend in Wales.

Within our Child Development Fund, we have made the difficult but necessary decision to temporarily suspend our calls for new research applications to the Fund for 2015. We have made this considered decision on the basis of likely staff capacity during the year, but are committed to reopening the Fund for business as usual from April 2016.

# THE WATERLOO FOUNDATION

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

### 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;
- 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

CAROLINE OAKES  
Name

Date 20/5/2015

**THE WATERLOO FOUNDATION**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE**  
**WATERLOO FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2014**

We have audited the financial statements of the Waterloo Foundation for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement 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 company's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 2014

### 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 21 May 2015

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 2014**

	Note	Total Funds 2014 £	Total Funds 2013 £
<b>INCOMING RESOURCES</b>			
Incoming resources from generating funds:			
Voluntary income	2	3,002,500	6,499,800
Investment income	3	5,342,392	5,034,583
<b>TOTAL INCOMING RESOURCES</b>		<b>8,344,892</b>	<b>11,534,383</b>
<b>RESOURCES EXPENDED</b>			
Costs of generating funds:			
Investment management costs	4	(193,778)	(340,890)
Charitable activities	5/6	(8,321,399)	(7,268,436)
Governance costs	7	(19,351)	(14,707)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(8,534,528)</b>	<b>(7,624,033)</b>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	8	<b>(189,636)</b>	<b>3,910,350</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
Unrealised gains/(losses) on fixed asset investments		3,928,981	4,335,251
Gains / (losses) on sale of investment assets		259,384	(66,511)
<b>NET MOVEMENT IN FUNDS</b>		<b>3,998,729</b>	<b>8,179,090</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		110,542,783	102,363,693
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>114,541,512</b>	<b>110,542,783</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 WATERLOO FOUNDATION

## BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	10	24,440	28,656
Investments	11	113,527,279	109,684,727
		<u>113,551,719</u>	<u>109,713,383</u>
<b>CURRENT ASSETS</b>			
Debtors	12	493,775	698,301
Cash at bank and in hand		1,686,633	703,554
		<u>2,180,408</u>	<u>1,401,855</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(1,190,615)</u>	<u>(572,456)</u>
<b>NET CURRENT ASSETS</b>		<b>989,793</b>	<b>829,399</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>114,541,512</b>	<b>110,542,782</b>
<b>NET ASSETS</b>		<b>114,541,512</b>	<b>110,542,782</b>
<b>FUNDS</b>			
Unrestricted income funds	16	114,541,512	110,542,782
<b>TOTAL FUNDS</b>		<b>114,541,512</b>	<b>110,542,782</b>

These financial statements were approved by the members of the committee and authorised for issue on the 20/5/2015 and are signed on their behalf by:

E. Oakes Trustee

John Alexander Trustee

CAROLINE OAKES Name

JANET ALEXANDER Name

The notes on pages 19 to 25 form part of these financial statements.

# THE WATERLOO FOUNDATION

## CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>19</b>	<b>(4,437,372)</b>	<b>(884,393)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Income from UK Listed Investments		4,134,000	3,675,936
Income from other fixed asset investments		1,342,926	1,423,764
Interest received		<u>(134,534)</u>	<u>(65,117)</u>
Net cash inflow from returns on investments and servicing of finance		5,342,392	5,034,583
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(8,370)	(4,839)
Acquisition of other investments		(9,411,883)	(16,247,101)
Disposal of other investments		<u>10,845,901</u>	<u>10,826,847</u>
Net cash inflow/(outflow) from capital expenditure		1,425,648	(5,425,093)
Cash inflow/(outflow) before use of liquid resources		<u>2,330,668</u>	<u>(1,274,903)</u>
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Net cash (outflow)/inflow from other liquid investments		<u>(1,347,589)</u>	<u>828,155</u>
Net cash (outflow)/inflow from management of liquid resources		(1,347,589)	828,155
<b>INCREASE/(DECREASE) IN CASH</b>	<b>20</b>	<u><u>983,079</u></u>	<u><u>(446,748)</u></u>

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**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 2014**

**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 2014 £	Total Funds 2013 £
<b>Donations</b>			
Donations	3,002,500	3,002,500	6,499,800

**3. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Income from UK listed investments	4,134,000	4,134,000	3,675,936
Income from non-UK listed investments	1,342,926	1,342,926	1,423,764
Bank interest receivable	2,063	2,063	2,075
Other interest receivable	(136,597)	(136,597)	(67,192)
	<u>5,342,392</u>	<u>5,342,392</u>	<u>5,034,583</u>

**4. INVESTMENT MANAGEMENT COSTS**

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Investment management fees	193,778	193,778	340,890

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

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Grants & project funding	8,197,772	8,197,772	7,146,135
Support costs	123,627	123,627	122,301
	<u>8,321,399</u>	<u>8,321,399</u>	<u>7,268,436</u>

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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

	Provision of grants £	Grant funding activities £	Support costs £	Total Funds 2014 £	Total Funds 2013 £
Grants & project funding	<u>225,316</u>	<u>7,972,456</u>	<u>123,627</u>	<u>8,321,399</u>	<u>7,268,436</u>

**7. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Accountancy fees	1,648	1,648	2,253
Audit fees	10,500	10,500	7,140
Legal fees	2,743	2,743	3,531
Costs of trustees' meetings	4,460	4,460	1,783
	<u>19,351</u>	<u>19,351</u>	<u>14,707</u>

All trustees are entitled to claim reimbursement of the cost of attending meetings, one trustee was reimbursed £30 (£243 : 2013) for travelling costs to attend meetings.

**8. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

	2014 £	2013 £
Staff pension contributions	18,588	11,332
Depreciation	12,586	12,017
Auditors' remuneration: - audit of the financial statements	<u>10,500</u>	<u>7,140</u>

**9. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	2014 £	2013 £
Wages and salaries	211,571	209,343
Social security costs	21,796	20,436
Other pension costs	18,588	11,332
	<u>251,955</u>	<u>241,111</u>

No trustee received any emoluments during the period. Included within project expenses is an amount of £8,204 paid to three trustees to cover expenses in relation to visiting projects on behalf of the charity.

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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

**Particulars of employees:**

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

	2014	2013
	No	No
Number of administrative staff	2	2
Number of support staff	5	5
	<u>7</u>	<u>7</u>

No employee received remuneration of more than £60,000 during the year (2013 - Nil).

**10. TANGIBLE FIXED ASSETS**

	Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>			
At 1 January 2014	87,297	30,727	118,024
Additions	8,370	—	8,370
<b>At 31 December 2014</b>	<u>95,667</u>	<u>30,727</u>	<u>126,394</u>
<b>DEPRECIATION</b>			
At 1 January 2014	68,192	21,176	89,368
Charge for the year	10,676	1,910	12,586
<b>At 31 December 2014</b>	<u>78,868</u>	<u>23,086</u>	<u>101,954</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2014</b>	<u>16,799</u>	<u>7,641</u>	<u>24,440</u>
At 31 December 2013	<u>19,105</u>	<u>9,551</u>	<u>28,656</u>

**11. INVESTMENTS**

**Movement in market value**

	2014 £	2013 £
Market value at 1 January 2014	109,684,727	100,757,376
Acquisitions at cost	18,110,653	22,053,051
Disposals at opening book value	(18,197,082)	(17,460,952)
Net gains on revaluations in the year ended 31 December 2014	3,928,981	4,335,252
<b>Market value at 31 December 2014</b>	<u>113,527,279</u>	<u>109,684,727</u>
<b>Historical cost at 31 December 2014</b>	<u>96,385,753</u>	<u>98,177,553</u>

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**11. INVESTMENTS** *(continued)*

**Analysis of investments at 31 December 2014 between funds**

	Total Funds 2014 £	Total Funds 2013 £
<b>Listed investments</b>		
UK Quoted Shares	70,501,265	62,946,465
Non-UK Quoted Shares	38,819,500	43,713,039
	<u>109,320,765</u>	<u>106,659,504</u>
<b>Other investments</b>		
Other UK Investments	1,692,957	1,859,255
UK Cash held as part of Portfolio	2,268,342	186,674
Non-UK Cash held as part of Portfolio	245,215	979,294
	<u>4,206,514</u>	<u>3,025,223</u>
	<u><u>113,527,279</u></u>	<u><u>109,684,727</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	4,384,000	58,000,320

There is no restriction on the realisation of this investment.

**12. DEBTORS**

	2014 £	2013 £
Other debtors	260,735	319,514
Prepayments	233,040	378,787
	<u>493,775</u>	<u>698,301</u>

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

	2014 £	2013 £
Trade creditors	1,179,906	565,254
Accruals	10,709	7,202
	<u>1,190,615</u>	<u>572,456</u>

**14. OPERATING LEASE COMMITMENTS**

The charity is committed to paying £17,500 plus service charges per annum until 2019 in respect of rent.

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**15. OTHER COMMITMENTS**

The charity was committed to make donations worth £5,572,131 (£7,242,119 : 2013) as at 31 December 2014.

**16. UNRESTRICTED INCOME FUNDS**

	Balance at 1 January 2014 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 December 20 14 £
General Funds	<u>110,542,783</u>	<u>8,344,892</u>	<u>(8,534,528)</u>	<u>4,188,365</u>	<u>114,541,512</u>

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

	Tangible fixed assets £	Investments £	Other net assets £	Total £
Unrestricted Income Funds	<u>24,440</u>	<u>113,527,279</u>	<u>989,793</u>	<u>114,541,512</u>
Total Funds	<u>24,440</u>	<u>113,527,279</u>	<u>989,793</u>	<u>114,541,512</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 donation of £3,002,500 (2013: £6,499,800) was made from the same trustees.

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

- £71,000 to National Botanic Gardens
- £131,761 to Oceana
- £200,000 to Size of Wales

**19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net (outgoing)/incoming resources before transfers	(189,636)	3,910,350
Income from investments	(5,476,926)	(5,099,700)
Interest receivable	134,534	65,117
Gains / (losses) on sale of investment assets	259,385	(66,511)
Depreciation	12,586	12,017
Decrease/(Increase) in debtors	204,526	(59,899)
Increase in creditors	<u>618,159</u>	<u>354,233</u>
Net cash outflow from operating activities	<u>(4,437,372)</u>	<u>(884,393)</u>

**THE WATERLOO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**20. RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS**

	2014	2013
	£	£
Increase/(Decrease) in cash in the period	983,079	(446,748)
Change in net funds	983,079	(446,748)
Net funds at 1 January 2014	703,554	1,150,303
Net funds at 31 December 2014	<u>1,686,633</u>	<u>703,554</u>

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 Jan 14	Cash flows	31 Dec 14
	£	£	£
Cash in hand and at bank	<u>703,554</u>	<u>983,079</u>	<u>1,686,633</u>