

CHARITY REGISTRATION NUMBER: 1117535

The Waterloo Foundation
Financial Statements
31 December 2019

CARSTON

Chartered accountants & statutory auditor
1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

The Waterloo Foundation

Financial Statements

Year ended 31 December 2019

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The Waterloo Foundation

Trustees' Annual Report

Year ended 31 December 2019

The trustees present their report and the financial statements of the charity for the year ended 31 December 2019.

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 charity during this period were as follows:

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

Senior management Kate Rauwerda (Head of Operations), to 26th July 2019
Helen Horn (Head of Operations), from 24th June 2019
Janice Matthews (Finance Manager)

Auditor Carston
Chartered Accountants & Statutory Auditor
1st Floor, Tudor House
16 Cathedral Road
Cardiff
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The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31st December 2019.

This is the 13th Annual Report of the Trustees of The Waterloo Foundation since its inception in January 2007 and initial donation in March 2007. The Foundation consists of the Board of Trustees, plus a team of 11 staff members based in Llandaff, Cardiff where we have been operating since October 2007.

OBJECTIVES AND ACTIVITIES

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.

ACHIEVEMENTS AND PERFORMANCE

In 2019, our 13th year of operation, we received **552** full applications and of these **236** were taken forward for assessment, and **76** applications were still under consideration at year end.

During the year we awarded **267** grants (from applications received 2019 and earlier) and committed ourselves to grant making activities of just over **£8.5** million, which included a proportion of project payments which were phased grants or approved in previous years.

The Waterloo Foundation

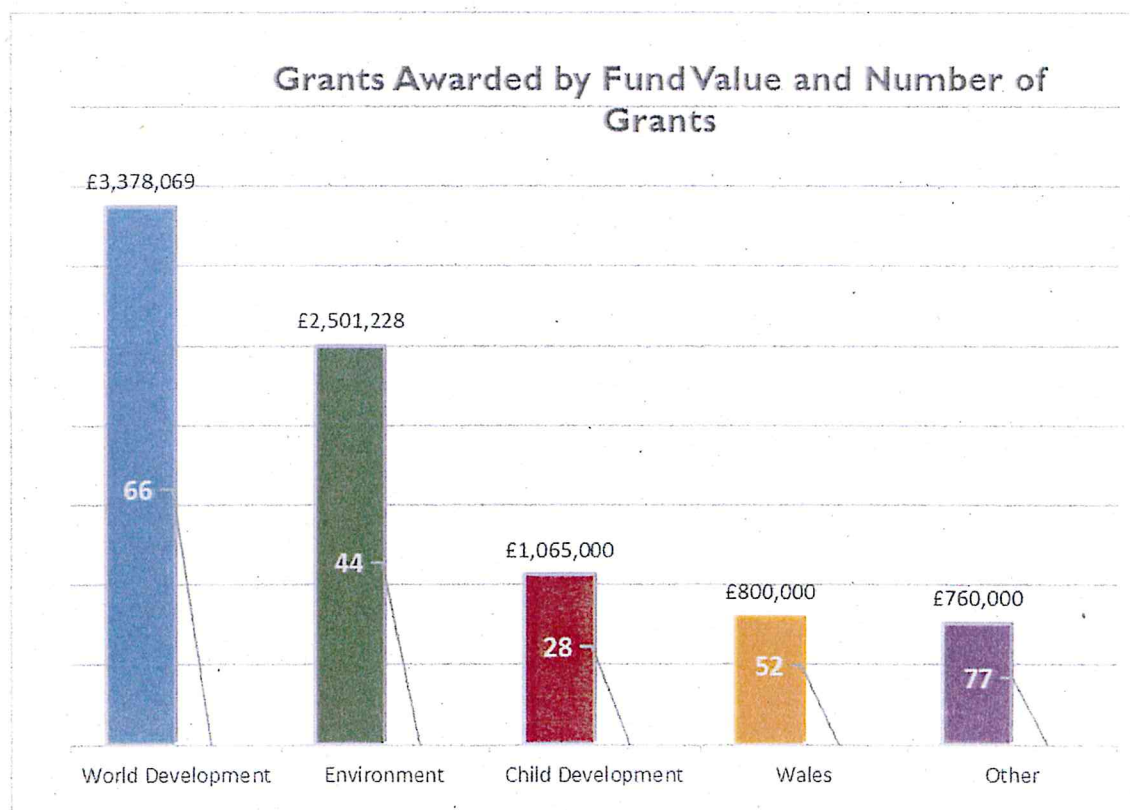
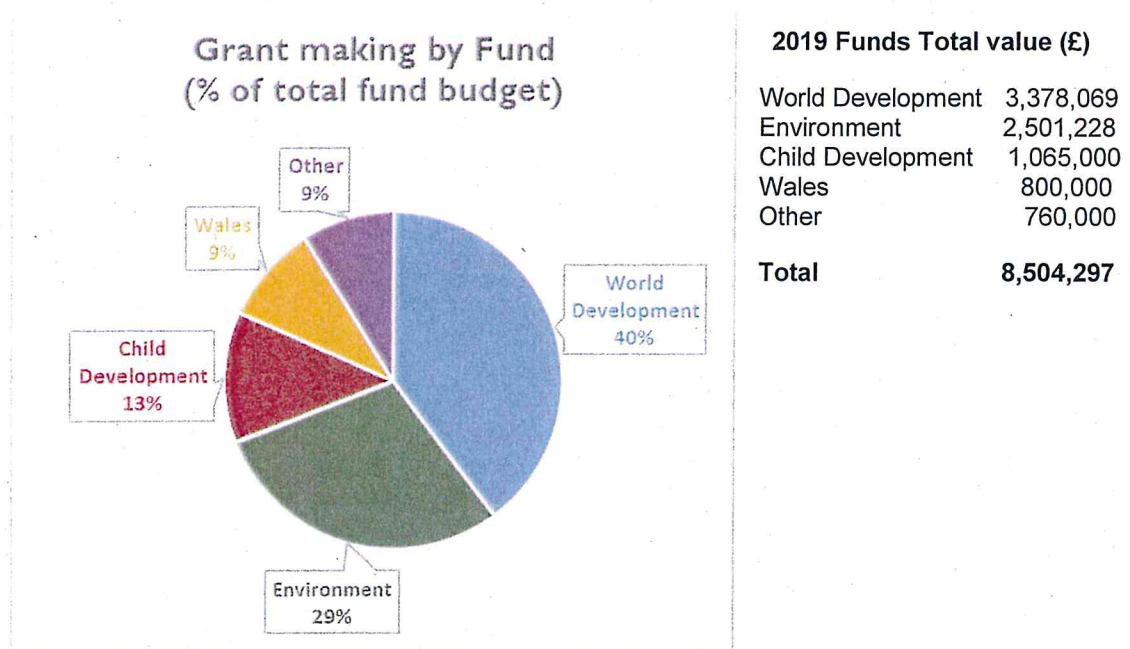
Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

Our grant-making activities in 2019

Our grant-making activities in 2019 can be summarised as follows.



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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

OUR FUNDING PROGRAMMES

A. World Development Fund

The Fund in numbers

In 2019, the World Development (WD) Fund awarded **66 grants** with a combined value of just under **£3.4 million**. No changes were made to our thematic priorities, which stayed as:

Education, WASH, Nutrition, and Sexual and Reproductive Health (SRH)/Family Planning.

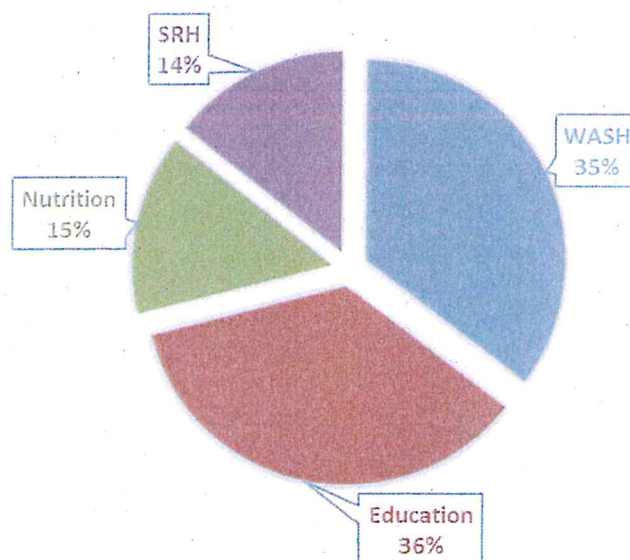
Education	WASH (Water, Sanitation and Hygiene)
We are broadly supportive of improving access to high quality education, and we continue with our overall focus of supporting girls to access better quality education. We are increasingly providing assistance for initiatives that address improving the impact that education has on graduates' job access, businesses development, or tertiary education attendance. This is in the backdrop of our overall focus of supporting girls to access better quality education. Further, we are prioritising support that is dedicated to improving schools' and education organisations' financial self-sufficiency and scaling mechanisms.	We support efforts to provide access to safe water and sanitation services and to promote good hygiene practices in economically disadvantaged communities. The Foundation prioritises interventions that strengthen local systems to deliver and sustain WASH services in households and institutions and that recognise the importance of integrating water, sanitation and hygiene work.
Sexual and Reproductive Health (SRH)/Family Planning	Nutrition
The Foundation prioritises SRH/Family Planning initiatives that aim to improve access to a range of modern contraceptive methods and wider sexual health and reproductive services. Specifically, we are focusing on three vital SRH/Family Planning needs: in-country financing improvement; alternative scaling of evidence-based implementation; and in-country capacity building.	Our nutrition grants are awarded to help prevent and tackle under-nutrition, in particular for mothers and young children. We aim to fund nutrition-specific interventions such as the promotion of good nutritional practices, and the provision of micronutrients.

The pie chart below illustrates how WD funding was awarded across these four focus themes in 2019. **WASH** and **Education** each received the largest allocation of funds, with **Nutrition** and **SRH/Family Planning** each receiving a smaller share. WASH and Education are the areas of work that TWF has funded for the longest and where we have developed more extensive networks of grantees. This has enabled us to continue our approach of proactively reaching out to potential grant partners to invite applications.

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Trustees' Annual Report *(continued)*
Year ended 31 December 2019

Achievements and performance *(continued)*

Proportion of WD funding awarded in 2019 by theme



Having funded WASH and Education work for over 10 years, the Foundation has also developed a number of **longer-term relationships** with some of our grantees; this is reflected in the large number of WASH and Education grants that were awarded in 2019 to organisations who we had previously funded, with just **18%** of Main grants (those over £10,000) awarded to new partners. Nutrition and SRH are newer focal themes for the Foundation and we continued to invite applications for these topics to help us to increase our knowledge of these sectors and the organisations working in them. In 2019 **56%** of Nutrition and SRH Main grants were awarded to organisations receiving funding from TWF for the first time. For all organisations, known and new, we carried out careful and appropriate due diligence.

In 2019, we continued to offer World Development funding in the form of '**Main Grants**' (over £10,000) and '**Small Grants**' (£10,000 or under) across all four of our priority thematic areas. As in previous years we sought to award Main Grants to organisations working at a district, regional or national scale that could demonstrate the sustained impact of their programmes and who we saw as contributing tangible added-value to their respective sectors. Our Small Grants programme continued to focus on supporting small UK-based organisations to deliver work at a smaller scale overseas; this could be through a particular connection with a single village or school or to help an organisation replicate a proven approach across a cluster of villages or schools. The majority of our funding continued to be given in the form of Main Grants, with **89%** of the 2019 WD budget allocated to these larger awards. However, our small grant portfolio typically makes up a significant proportion of the total number of grants awarded each year, and 2019 maintained this pattern with a total of **37 Small Grants** and **29 Main Grants** awarded over the year. We also continued our **multi-annual partnerships** with WaterAid and Camfed in 2019, which provided flexible unrestricted funding to support these organisations and their overall strategic aims.

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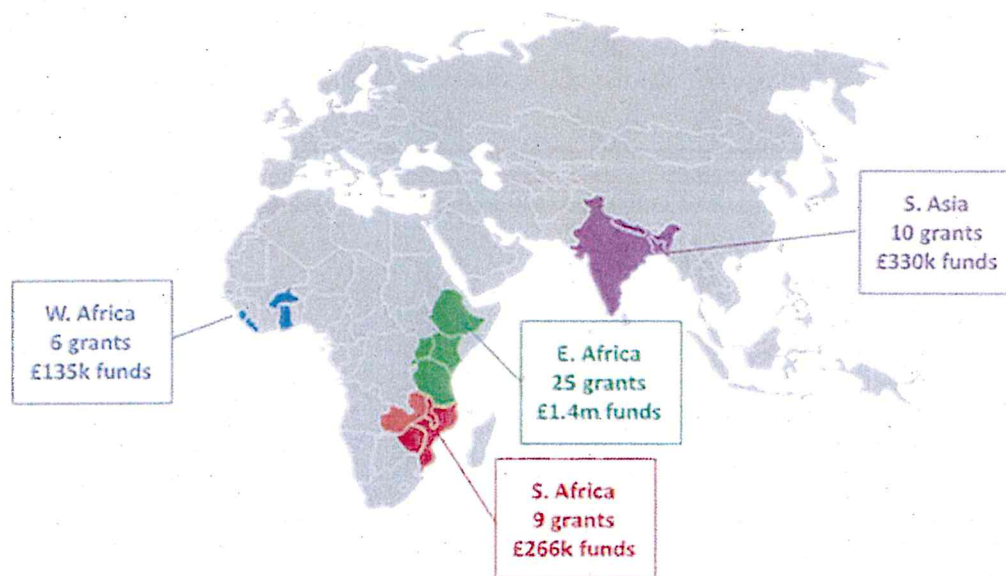
Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

The **geographic** priority of the WD Fund in 2019 continued to be to direct funding towards countries where there is the greatest need in relation to access to WASH and SRH services, education and employment statistics, and high levels of malnutrition. We also continued to prioritise work in countries where there is a sufficient level of in-country stability to work towards achieving sustained developmental impact, specifically seeking to support work that builds the capacity of in-country public and private sector to achieve this. Over the last year, this saw the largest number of grants, **42 grants** in total, awarded to support work in **Sub-Saharan Africa** and **10 grants** awarded to support work in **South Asia**. The remaining **14 grants** were predominantly awarded to support a range of organisations delivering work or improving impact at an **international scale**. The map below shows how grants awarded for project-specific work were distributed. It highlights that a large proportion of grants and funding was directed towards countries in **East Africa**, whereas **West Africa** received a smaller number of grants and lower level of funding. This is largely the result of having received a larger number of funding requests from East African countries since the Foundation began, which could be due to them being English speaking countries, as well as certain countries, such as Uganda, being a priority country for many of our implementing partners.

Distribution of WD project-specific funds and grants in 2019 by geography for Sub-Saharan Africa and South Asia – this map does not include grants that involved work across multiple countries.



Main Grants

Some highlights from our Main Grants portfolio in 2019 were:

Education Main Grants

- We began supporting **Going to School**, enabling them to invest in the final stage of a four-year programme that through the formal education system in India, focuses on developing women entrepreneurs in partnership with the Indian Government and local businesses. The students are prepared to operate their own businesses via a new curriculum developed by Going to School that is considered to be '21st century' as it is digital, interactive, and focuses on the development of post-education workplace skills.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

- 2019 saw the completion of one of our grants that was supporting **Promoting Equality in African Schools (PEAS)** to continue their development of 28 high-quality, financially sustainable schools. Over 13,000 students attend these schools annually.

WASH Main Grants

- In 2019 our Main grant WASH funding was particularly directed towards organisations and initiatives working towards achieving permanent and universal access to WASH services across at least one city or district through a change in the underlying **WASH systems** (operations, maintenance, funding, regulations and governance). Four grants were awarded under this systems-change heading. One of these was a two-year grant to **IRC** to continue the implementation of their District Master Plan for the Kabarole District in Uganda, working towards universal access to WASH services for 325,000 people by 2030. TWF funding was specifically directed towards improving household sanitation conditions and healthcare facilities in public institutions. A second grant was awarded to **Water and Sanitation for the Urban Poor (WSUP)** to enable them to pilot a deeper level of systems thinking analysis to sanitation markets in Lusaka, with a longer-term goal of increasing the efficiency of multi-million-pound sanitation programmes currently being implemented in the city.
- 2019 saw the completion of a three-year grant to **Safe Water Network (SWN)**, a safe-water enterprise in Ghana. Safe Water Network's model is to build water stations in rural towns which provide safe water for consumers to purchase at an affordable price through public standpipes or a household connection. TWF funding contributed to scaling up this approach and to refitting stations to make them more financially viable. Over the grant period, SWN established an additional 67 stations reaching 270,000 more people with safe water. They fitted a number of stations with solar pumps, extended their household connection programme and launched mobile money innovations and digital finance platforms.

Sexual and Reproductive Health/Family Planning (SRH) Main Grants

- In 2019 we supported **Marie Stopes International** and **Women and Children First** to work together in Ethiopia to develop an alternative scaling model for Women and Children's SRH demand creation-focused, grassroots model called Participatory Learning and Action (PLA) supports the development of women's action groups that, in regard to SRH, self-address what they need and want. Then, to create action steps to address these needs. Outside of Ethiopia the long-term goal is to provide Marie Stopes International with the ability to robustly evaluate the Participatory Learning and Action model, and then if successful, to integrate it into their world-wide toolbox of recommended approaches to potentially implement across their worldwide programmes.
- **Health Poverty Action (HPA)** completed a grant funded by us to support mobile and semi-mobile pastoralists in Dollo Ado and Bokolomayo districts in Ethiopia to improve upon their extremely low rate of contraception use of just 6%. HPA used a mix of both SRH demand creation and supply improvement approaches. The initiative was an outstanding success as it resulted in a 55% increase in new users of modern contraception, reinforcing the evidence that simultaneous implementation of the following are very effective in regard to improving SRH outcomes: grassroots created SRH demand; mass media or school created SRH demand; improved access to contraception; and the development of youth friendly SRH facilities at health centres.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

Nutrition Main Grants

- In October 2019 a first grant was awarded to **Phase Worldwide** for their work tackling malnutrition in mothers and children in western Nepal. The grant awarded aimed to improve the nutritional practices of just under 13,000 people through nutrition and agriculture training and community advocacy. Project impact will be evaluated by measuring improvements in under-5's malnutrition rates, dietary diversity scores, proportion of women exclusively breastfeeding in the first six months after birth, and nutritional quality of weaning foods.
- The completion of a one-year unrestricted grant to **GAIN** saw the organisation achieve their goal of strengthening government oversight of nutrition programmes in three regions of Tanzania. Each region now has a three to five-year nutrition strategy to guide nutrition interventions and investments in the region. Improvements were also made at the regional level to the monitoring and evaluation processes of salt iodisation (iodine being a key nutrient which is essential for normal processes of growth and development). A subsequent grant was made to follow up on this work, aiming to translate the regional strategy into district and city-level plans and supporting district and city authorities to begin the implementation of planned work.

Small Grants

Some examples of Small Grants which were awarded in 2019 are:

Education: In support of our focus on sustainability and supporting education's role in regard to post-school success, we awarded a first-time grant to **Raising Futures Kenya**, a small group that are transitioning from a do-it-all-group in Kenya to focusing on what they have done best -- developing successful vocational education services for rural and urban communities in Kenya. 80% of their graduates from their Centres can now completely support themselves and their families. We are supporting their transition plan to (1) phase out all other aspects of their work outside of their vocational support and then (2) develop income generation for the three Work-skills Centres to enable them to function without reliance on international philanthropy and 3) to become technical consultants for other private and public vocational schools throughout Kenya.

WASH: We awarded a further grant to **Water Works** whose sole focus is to support improved access to water and sanitation and better hygiene behaviours within communities in rural Malawi. Water Works work in particularly remote areas, and champion the use of simple rope pumps that can be easily repaired alongside the construction of basic latrines and community-driven behaviour change. The ongoing maintenance of water sources is often a challenge, in response to this Water Works have also established a waterpoint repair service. The funding provided by TWF was matched by funds raised by Water Works through the Big Give Christmas Challenge. The project is expected to enable Water Works to reach a further 8 villages, bringing improved WASH to just over 1,000 people.

SRH/Family Planning: We are supporting **School Club Zambia** to reduce teenage pregnancy by at least 5% at a school of over 500 girls in Zambia. This will be achieved by implementing a comprehensive array of SRH workshops and activities over four weekends. As a result, the girls will begin utilising the SRH services in their area that are already being funded by the Zambian Ministry of Health.

Nutrition: We awarded £8,500 as match-funding to **Forever Angels** to support their Maisha Matters programme over 2-years. This programme is run in rural Tanzania to provide nutritional support to the families of malnourished children in the form of training in good nutritional practices, micronutrient supplementation and de-worming. Forever Angels expect 800 children to benefit from an improvement in diet over this time, which families will be able to maintain themselves beyond the end of the project period.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

The 2019 Context

In 2019 there were a number of external factors that affected the implementation of active TWF grants and which impacted on our thinking of how new grants should be awarded:

- **In-country political changes:** This is an expected consideration each year as new policies and new leaders are routinely being developed and elected in the various countries where we support work. Two key examples in 2019 were:
 - **Nepal:** The Nepalese government is currently going through a restructuring process focused heavily on decentralisation, which has been accompanied by changes to laws regulating the operation of NGOs within the country. When talking to current and potential grantees working within Nepal, we are trying to get an understanding of how these regulatory changes could impact on their ability to operate.
 - **Zambia:** Allegations of government corruption has spurred DFID and other bilateral funding institutions to freeze all aid to Zambia. This, coupled with Zambia's mounting debt makes it an increasingly challenging environment for long-term development efforts. When looking at education programmes in Zambia we are also taking into account that rapidly changing policy is putting more stringent requirements on what schools can and cannot do. For example, schools are no longer allowed to acquire used or refurbished equipment as the government wants all technology and materials to be new, which has significantly altered the ability of some education focused charities in Zambia to operate.
- **Natural disasters** have and will continue to affect many of the regions that we support each year. In March 2019 cyclone Idai hit south-eastern Africa and led to catastrophic floods in an area of Mozambique where we were supporting long-term WASH work. We provided some additional assistance to our partner organisation working in the affected area, and took time to understand how this would impact on their planned activities.
- The **UK's** currency fluctuations continued to have noticeable effects on the logistics of transferring funds internationally (to areas operating in different currencies) as the ongoing Brexit talks resulted in many of the same financial ebbs and flows experienced in 2018.
- Changes in the designation of **UK and US Overseas Development Assistance**, and reductions in the Australian and Canadian overseas aid budgets pose a risk to the financial stability of some of our grant recipients, and to the sustainability of the wider development sector.

Looking ahead, 2020 will be an important year in International Development as we enter the ten-year run up to the Sustainable Development Goal 2030 targets. In 2020 we are looking forward to continuing to contribute to Education, WASH, Nutrition and SRH-related goals through grants to our existing and new grantees. We will continue our efforts to be a supportive and reactive funder by listening to our current and potential grantees' views and being open to adapting our funding and processes to best suit their needs as well as evolving best-practice recommendations. In recognition of the need for better collaboration across all of the sectors we work in, we will seek to promote collaborative approaches with our grant funding as well as looking to develop closer collaborations and better information sharing with other funders.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

B. Environment Fund

Overview

Our Environment Fund has maintained its focus on two core areas: protecting **Tropical Rainforests** and conserving and restoring **Marine Fisheries**. We have also continued to support a small number of projects related to post-Brexit environment policy.

In 2019 we increased our giving under our Environment Fund with a total spend of **£2,501,228** supporting **44** projects. A large focus of the environment sector and our funding has been on the upcoming 2020 policy 'super-year'. Many NGOs see this as an opportunity to create change and ensure that promised targets are implemented across a broad range of issues including climate, biodiversity, marine conservation, and sustainable development goals. The majority of our increased funding in 2019 was to support marine projects, with a particular focus on the upcoming UN High Seas Treaty.

To make sure we keep abreast of these topical issues and ensure that our funding stays relevant, we like to maintain a strong relationship with our grantees (outside of our standard reporting requirements). In 2019 this included hosting the "**Sacred Headwaters**" event which welcomed a delegation of Amazon indigenous leaders to London, to hear their inspiring and bold plans for forest protection. We also remained active within the **Environmental Funders Network** and **Funding Fish**.

The Fund in numbers

Our Environment Fund supports projects on a local, national and international level. The majority (46%) of our funding was awarded to projects working on strategic initiatives at an international level. The remainder was split (see figure 1 and 2) between Europe (predominantly marine policy work), and Asia, Africa and South America (predominantly supporting strategic and local forest projects). Where we identify gaps in our funding, we continue to work to ensure a more equal spread of funding.

Distribution of 54% EN Local Projects in 2019 by geography

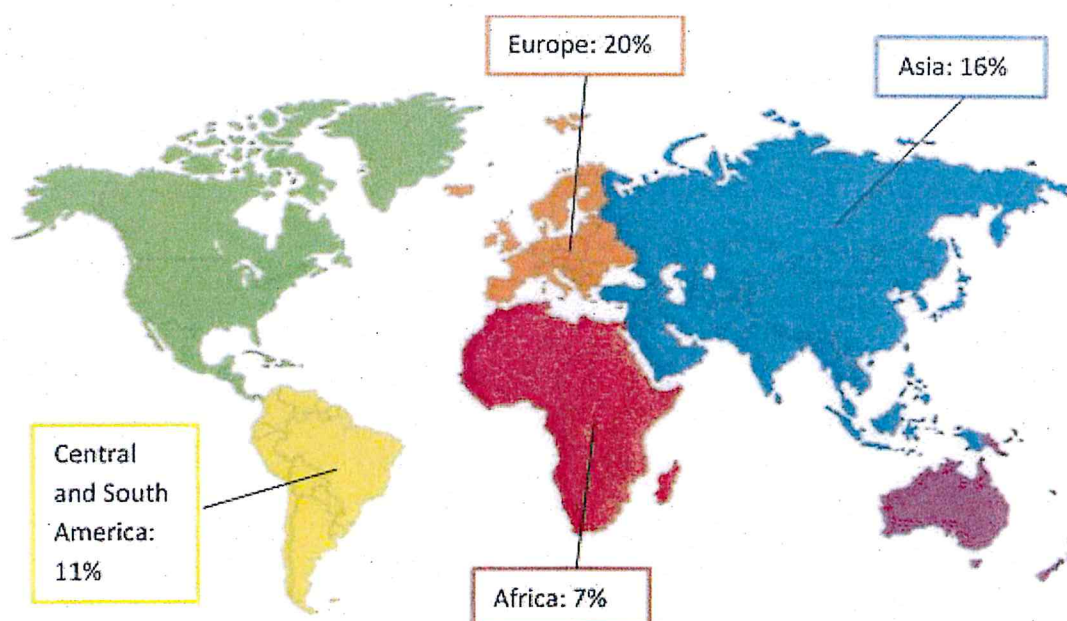


Figure 1

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

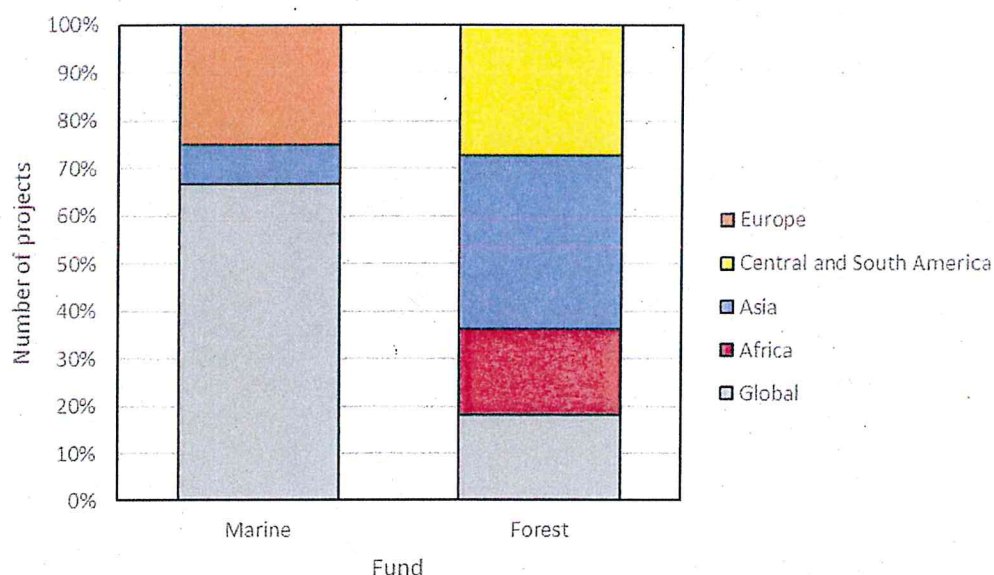


Figure 2

In addition to supporting projects across a range of geographies, the Foundation's Environment Fund likes to support different approaches, including both strategic and local projects, as well as one-off and more long-term initiatives. These types of funding are driven by, and are in response to, the needs of our grantees which we learn about through running open calls for applications via our website. Figures 3 and 4 show that the majority of grants were for long term strategic projects.

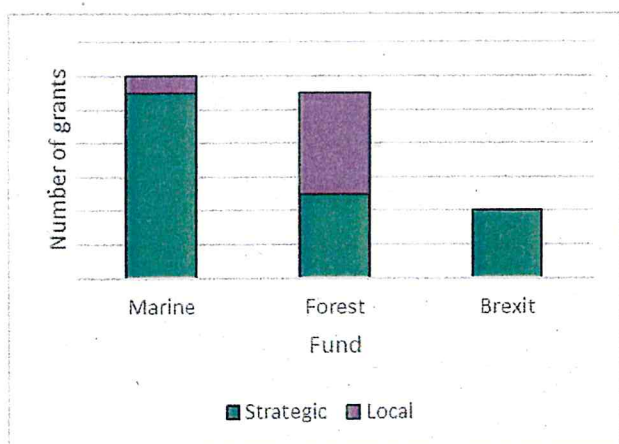


Figure 3

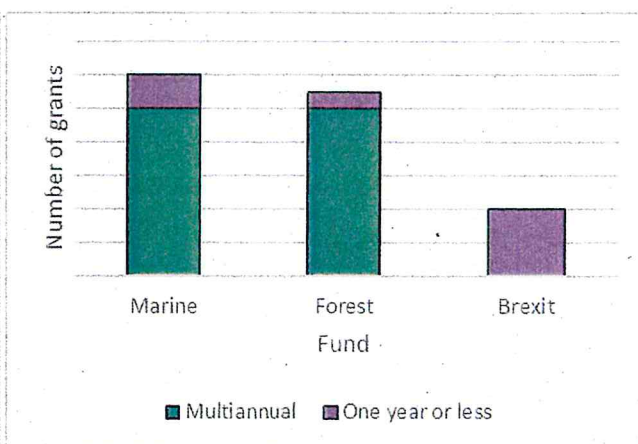


Figure 4

Across our Environment Fund 74% of our grants were for strategic projects. Figure 3 shows that the majority of the grants in the Marine fund were strategic, with a more equal split between strategic and local projects within our Rainforest Fund. Overall 74% of the grants awarded were multiannual commitments, except in the Brexit fund (Figure 4) where only single year grants were awarded, which reflects the unpredictable nature of this work.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

Funding from our Environment Fund looks to build a robust environment sector, and this is reflected in the number of grants awarded to existing projects and partners of the Foundation (see Figure 5). In 2019, 78% of our environment funding supported existing partners. We work with our grantees to ensure they are able to report back to us effectively on their progress and impact so that we are able to continue working with our strongest partners who can demonstrate their impact.

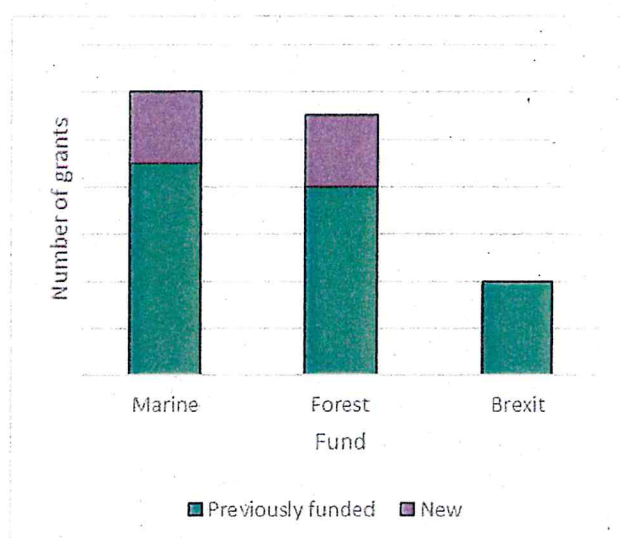


Figure 5

Projects Supported

Rainforest Fund

Funding from our rainforest fund was awarded to a very diverse range of projects, reflecting the many challenges faced by rainforests around the world and the vast array of initiatives aiming to protect them.

- Many governments and companies have made commitments to eliminate deforestation from their supply chains by 2020, which looks set to be a milestone year for tropical forests. Given this, we were pleased to see the progress made by one of our long-term partners, **Global Canopy**, who have launched the TRASE supply-chain mapping platform that aims to make connections between forest-risk commodities and the actions of companies, financial institutions and governments. Our support so far has helped Global Canopy to engage buyers of Brazilian soy in identifying more sustainable sourcing strategies, and with a new grant awarded in 2019 they are planning roll out coverage of more commodities, aiming to map 70% of all forest-risk commodity supply chains by 2021.
- **The Environmental Paper Network (EPN)**, has been working on addressing deforestation in the Indonesian paper and pulp industry. EPN has been able to demonstrate their impact, for example by supporting the capacity of Indonesian NGOs to collaborate and hold the industry to account. Getting companies to fully implement zero deforestation policies remains challenging, and we hope that our continuation funding to EPN will enable them to maintain their strategic response to limiting the climatic impact of this industry. EPN are now focusing on raising awareness and commitment in investors to divest from forest investments that are causing deforestation.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

- Another project we support in Indonesia is focused on the 2.6 million-hectare Leuser Ecosystem on the island of Sumatra. Here, local NGO **HakA** (Forest, Nature and Environment of Aceh) works to improve land and forest governance in one of the richest expanses of tropical rainforest in Southeast Asia. In 2016 TWF awarded HakA a grant to conduct training and capacity building for community members on the environmental evaluation process for new infrastructure projects, as a method of legally preventing environmentally destructive projects from going ahead. This work is proving successful, and in 2019 we awarded another grant to HakA to continue their legal campaigns.
- **Rainforest Foundation UK (RFUK)** is working with local indigenous organisations to prevent deforestation in the Madre de Dios region of Peru. They have developed a real-time community-based monitoring system called ForestLink, which helps indigenous forest monitoring programmes to report forest illegalities by sending alerts, at very low costs, from remote areas to local authorities. TWF funding since 2016 has helped RFUK to move from a pilot of the ForestLink technology to expanding out to 10 communities covering an area of 180,000 hectares of forest. A new grant awarded in 2019 aims to further consolidate and scale up this system to new communities who are heavily affected by illegal mining and logging.

Marine Fisheries

Here is a selection of our marine fisheries projects that reported back to us on the impact of their work in 2019 and were awarded a new grant, the majority of these projects are focussed on securing improved policies and practices by industry and governments:

- **Funding Fish** is a grant makers collaborative dedicated to achieving sustainable fisheries in Europe. We began supporting this initiative as a founding member in 2015 in order to ensure the effective implementation of the Common Fisheries Policy, with a particular focus on stocks achieving Maximum Sustainable Yield by 2020 and full catch accountability as priorities. Funding Fish has supported some great organisations and projects across Europe to achieve this goal, and has also supported philanthropic foundations to come together to benefit from working more closely and pooling resources. TWF renewed funding for this initiative for a further three years in 2019.
- Over the last few years we supported **Greenpeace** with a grant for their ocean campaign, with a focus on the global tuna fishing industry and arctic whitefish. This campaign resulted in real impact in terms of halting expansion of the industry in the Barents Sea, and sustainability commitments from major tuna seafood companies. Based on their ability to create change we agreed further funding for Greenpeace in 2019, with a refocus of their work on International and High Seas Fisheries, particularly the UN Global Ocean Treaty.
- We awarded **Environmental Justice Foundation (EJF)** a grant to support their Save the Sea Campaign. The project will work to reduce IUU fishing through improved monitoring, control and surveillance of industrial fishing fleets and greater transparency and traceability in supply chains within the fishing industry across the EU, West Africa and Asia. This grant continues their previous successful work on this issue over the last few years where they had achieved many of their expected outcomes.
- We are also continuing to support the **Open Seas Trust**, a UK-based organisation which works to halt damage to UK coastal seas. Their initial grant, which was completed in 2019, supported OST to change fisheries policy in Scotland to ban destructive fishing (particularly trawling and dredging) within inshore waters, and MPAs. They also work with the retail and catch industry to improve sustainability of seafood products from inshore waters. OST made positive progress and was awarded a further grant to continue this work over the coming years.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

Brexit

The Brexit Fund aims to ensure that environmental policy within the UK remains just as strong as, or even stronger than, existing regulation when the UK leaves the EU.

- Our support continues to focus on the Greener UK Coalition, whose primary campaign focus has been influencing on the Environment, Fisheries, Agriculture and Trade parliamentary bills. Greener UK produced various briefings at key moments in the Brexit process, and worked with members of parliament to influence the contents of the new bills. However, there are still many gaps remaining which is why we continued to focus on parliamentary engagement and legislative work in 2019, renewing our grants to **Green Alliance** and **Client Earth**.
- In 2019 we noticed that a missing link in our work around Brexit was engagement in our local Welsh environment sector. To rectify this, we awarded a grant to **Wales Environment Link** to coordinate work in Wales focussing on the environmental impact of leaving the EU. Wales Environment Link are coordinating a number of working groups focusing on promoting sustainable land management, strong marine and fisheries policies, and proper environmental governance in Wales after Brexit.

Challenges to our impact

2019 has continued to be a difficult year for the environment. In addition to many of the challenges already noted within this report that are impacting on the environment, mostly driven by our over-consumption of global resources, we also witnessed threats to weaken environmental policy in the UK posed by Brexit, as well as through the leadership of countries like the USA, the Philippines and Brazil. This is reflected in an increase in numbers of deaths of environmental defenders, which is particularly concerning.

As noted, 2020 will be a big year for the environment sector as global policy around Climate, Marine, Biodiversity and Forests could be agreed - this will be a big, resource-heavy year for many of the NGOs we support and could mean competition for our funding is high.

Changing public perceptions and political awakenings have also been seen throughout 2019, which demonstrates support from the wider public for environmental issues. As a result, we have seen a push for protection of the oceans, particularly from plastics, as well as a call for action on climate issues through climate strikes and protests. These in turn will hopefully all help push for positive change by Governments and businesses. We also saw the election of the greenest ever EU Parliament. These positive signs give us hope that there could be more widescale action on environmental issues in the years to come.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2019

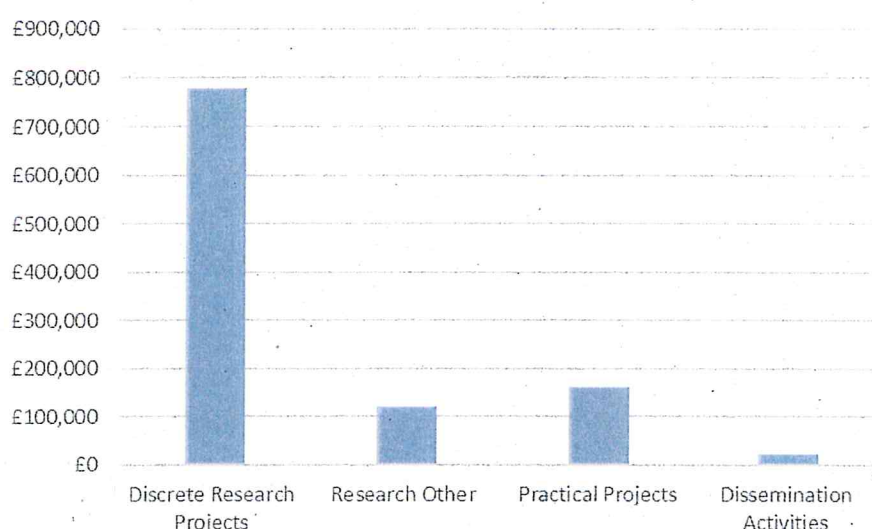
Achievements and performance *(continued)*

C. Child Development Fund

The Fund in numbers

In 2019 the Child Development Fund successfully awarded **28 new grants**, totalling **£1,065,000** of funding. While the majority (**72%**) of this funding was directed towards discrete research projects, we also provided more modest support towards other research and dissemination activities and practical projects.

Total funding awarded in 2019 by grant type



Across all awards we maintained our active interest in the psychological and behavioural development of our children. Our research funding focussed on the co-occurrences of neurodevelopmental disorders and the fact that each child has one brain. We remained interested in the common and co-occurring neurodevelopmental conditions of **Developmental Coordination Disorder (DCD)**, **ADHD** and **Rolandic Epilepsy**, with a particular interest in factors under parents' influence such as **Diet and the Microbiome** and **Sleep and Exercise**¹.

Funding calls for research proposals relating to each of these five topics were open to new applications throughout the year. Outside of these calls we also continued to build relationships and support projects related to **Polycystic Ovary Syndrome (PCOS)**, which was established as a new area of interest for the Foundation in 2018. Awards were evenly distributed across these core areas.

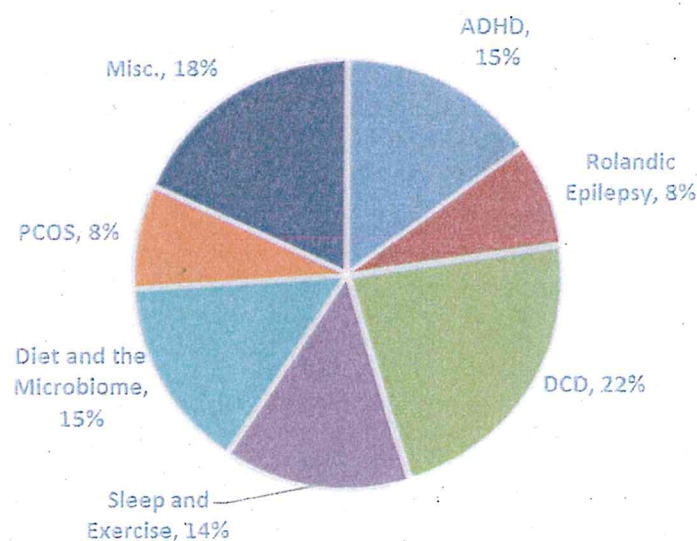
¹2019 saw a temporary change in management for the Child Development Fund covering a period of maternity leave. This reduced our capacity within the fund resulting in the decision to pause one of our active funding streams (Developmental Trauma) for 2019.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

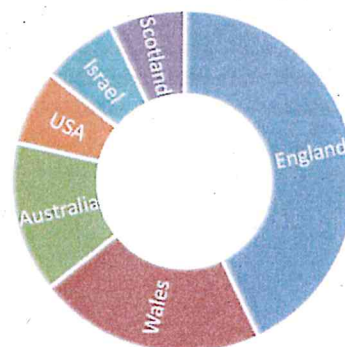
Achievements and performance *(continued)*



Across all of our research grants we try to strike a balance between funding pure science proposals that focus more on understanding the underlying mechanisms of a disorder and more practical intervention-based proposals that are more likely to have an immediate benefit to people affected. In 2019 we funded eight pure research and six intervention-based projects. We also like to ensure that our research is as relevant to the UK context as possible whilst also appreciating the expertise of international institutions. With this in mind we are delighted that the number of applications we are receiving internationally is increasing and that we are also seeing an increase in the number of different UK based universities applying to our fund.

Funding decisions for all of TWF's research proposals were made following our usual rigorous external peer review and internal assessment process. Again, we would like to take the opportunity to thank all of the many researchers, clinicians and practitioners who make up our anonymous peer reviewers, and who have generously given their time to ensure the quality of our research funding.

Location of research projects 2019



Outside of our research funding we worked with a number of organisations who work directly with our populations of interest or are involved in disseminating information to them. Over two thirds (72%) of these awards were to organisations with whom we have an on-going relationship. Decisions to repeat-fund continued to be based on an organisation's ability to demonstrate their effectiveness through structured reporting, and where possible in-person meetings and phone calls.

We are delighted to be able to detail some examples of our new grant-making activity in 2019, encompassing research, dissemination and practical interventions:

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

Research activity

- We funded researchers at the **University of Virginia** to conduct a clinical study into the effectiveness of spironolactone on ovulation rates in teenagers with androgen excess in relation to PCOS.
- We also awarded funding to researchers at **Tel Aviv University** to explore language impairment in adolescents with Rolandic Epilepsy and those in remission.
- We supported a project aiming to develop and pilot an intervention to improve executive functions in children with ADHD at **Edinburgh University**.
- We awarded funding to the **University of Salford** to explore whether an exercise intervention can improve the sleep of children with ASD and, in turn, whether the learning of new vocabulary items can be improved in these children.
- We approved a research proposal to trial a homebased tablet intervention designed to help improve everyday motor activities (such as tying shoe laces) in children with DCD at **Manchester Metropolitan University**.
- We began funding a project with researchers at **Brunel University London** to establish whether, and to what extent, a person's habitual diet, as measured by using genes associated with macro-/micro-nutrients and dietary patterns/preferences, would modify cognitive function and behavioural problems in children.

Dissemination activity

We helped support researchers at the **University of Sheffield** to create and disseminate family-friendly information resources for parents and families of children with newly identified childhood genetic disorders associated with co-occurrence of multiple neurodevelopmental conditions. A family-friendly information leaflet on general sleep and diet strategies for children with these conditions will also be produced and disseminated via the Unique website.

Practical projects

In 2019, we were delighted to continue to support the **Embracing Complexity coalition** of neurodevelopmental charities aiming to work together to better improve the lives of the 10% of the population with one or more neurodevelopmental disorder through more efficient diagnoses, services and research.

Measuring impact

In 2019, we continued to receive and review comprehensive reports from our grant recipients on an annual basis, and use this information to ensure projects are on-track and are performing effectively. This regular reporting also helps us keep up to date with any developments in a specific field which might affect future funding decisions or our assessment of current applications; in particular, information on difficulties in recruiting specific groups of participants, or the use of certain tasks or methodologies continues to be very useful to us.

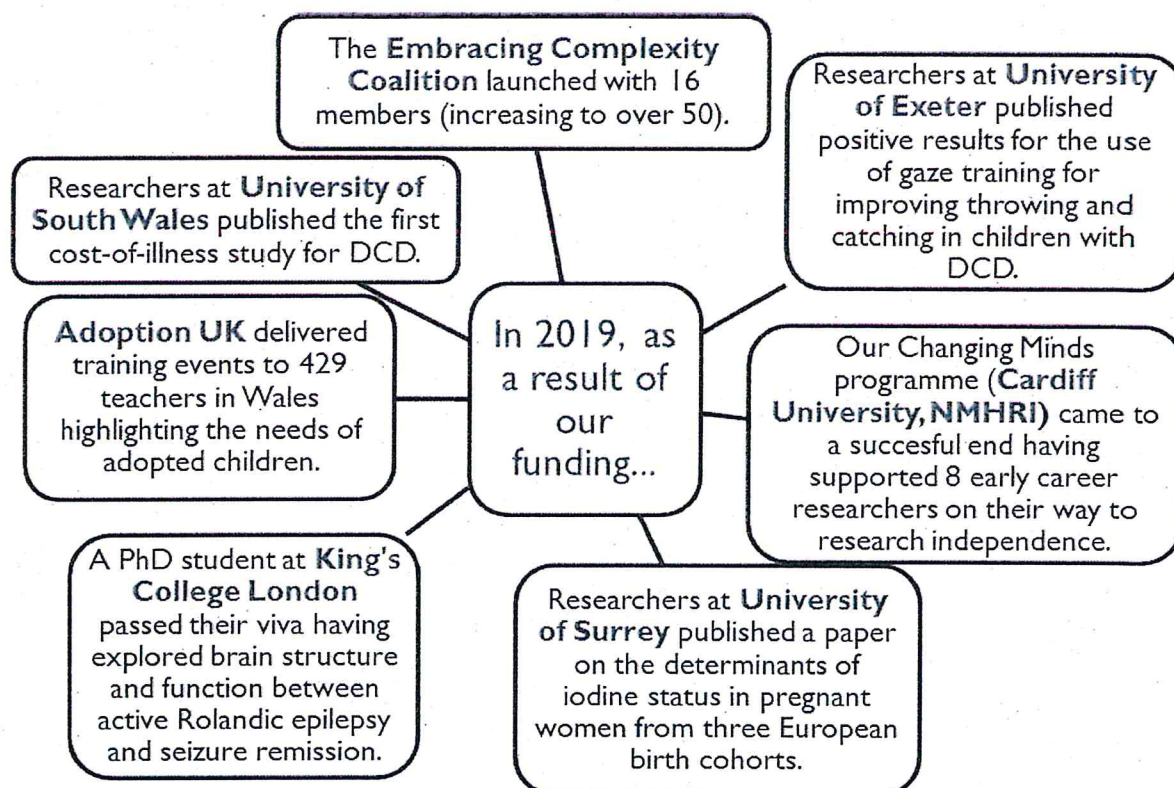
In addition to ongoing monitoring, grantees also report to us on their key research outcomes at the end of their awards. For our research projects, we understand that projected outcomes may not always be realised immediately following the end of active funding. To this end we therefore typically evaluate the main outcomes of research awards one year after project completion. For our research projects, we are most interested in final data analyses and results, where these have been presented and published, and how this research area will move forward in light of the results.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*



Challenges to our impact

As a charity funder we follow the Association for Medical Research Charities advice and only fund the direct costs of research with indirect costs available to be recouped from the Charity Research Support Fund. Nevertheless, feedback from a small number of our applicants suggests a movement within some universities to restrict research proposals to those that allow a percentage of full economic costs to be covered. At the moment this does not appear to have affected the number or quality of applications that we receive but is something we need to consider in the years ahead.

We will maintain our commitment to fund good quality, scientifically robust and potentially transformative research in critically underfunded areas beyond 2019.

D. Wales Fund

The Fund in numbers

During 2019, **52 grants** were awarded through our Wales Fund, totalling **£800,000** of funding. We awarded a number of larger grants which were well-aligned with our current priorities through our three main funding programmes: Working Wales (8 grants), Caring Wales (8 grants) and Educating Wales (10 grants). In addition, the Foundation continued our mission to be a good neighbour by also granting a high number of more modest 'Other' awards (26) to organisations whose work in Wales met the wider interests of the Foundation; for example, local community groups or small-scale charitable initiatives on our doorstep.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

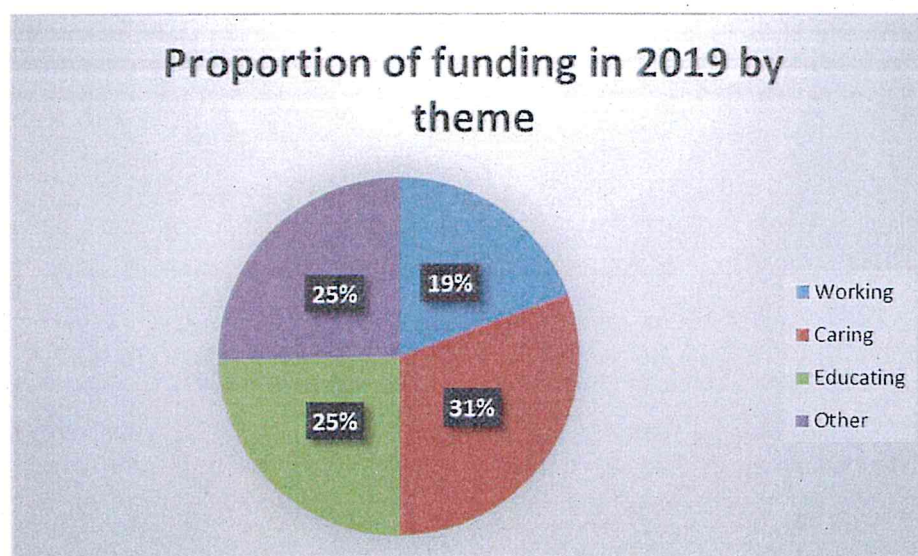
Year ended 31 December 2019

Achievements and performance *(continued)*

In 2019, the three main funding themes remained:

Working	Caring
Supporting organisations that help people set up their own business or enterprise. We also support those organisations that work hard to help increase an individual's employability skills so they are more likely to secure permanent, paid employment.	Supporting carer-centred organisations working to support unpaid carers, especially young carers and carers of people with the conditions prioritised in our Child Development Research fund.
Education	Other
Supporting organisations that aim to reduce the impact poverty has on the educational achievement of young people. We also welcome applications from organisations that aim to inspire young people from diverse backgrounds to pursue further qualifications or careers in STEM.	Although not a main funding theme, we also recognise the importance of our role in Wales as "a good neighbour" and therefore enjoy the flexibility of being able to offer more modest funding, at our discretion, to applicants who can demonstrate their positive impact within the local community here in Wales.

The chart below demonstrates the proportion of our overall Wales Fund budget which was awarded within each of these thematic areas in 2019.



We are delighted to share a snapshot of our new grant funding in 2019 across each of our thematic areas below.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Achievements and performance *(continued)*

Working Wales

In 2019, we continued to focus on supporting a small number of targeted initiatives that encourage people to set up business or, in some cases, help them to gain permanent paid employment:

- A two-year grant was awarded to **Llamau** to support young people who are amongst the most vulnerable and disenfranchised in the community and are considered to be the furthest away from accessing education, training or employment. The project links with all other Llamau services through an informal reintroduction to education allowing them to work on qualifications and skills they will need to improve their employability skills, independence and sustainable economic activity.
- A further two-year award was to the **Royal British Legion Poppy Factory** to support the delivery of their employability service for wounded, injured and sick veterans in Wales.

Caring Wales

In the past year, we continued to focus on organisations providing carer-centred, holistic support for those with demanding unpaid caring roles, especially young carers:

- We supported the salary costs, for three years, of a full-time Carers Hub Co-ordinator at the **Carers Trust South East Wales** Carers Hub in Torfaen. The Hub is a focal point that offers a one stop shop for carers to get information, advice and practical support relating to their caring role.
- **Barnardo's Cymru** were also awarded a three-year grant to provide regular group/peer support opportunities and respite activities across the four young carer services in Wales, reaching up to 496 young carers each year.

Educating Wales

In 2019, we continued to support projects which help to reduce the impact of poverty on young people's attainment. Aligned to this, and recognising the importance of STEM skills to the future prosperity of Wales, we have also supported projects which aim to inspire young people to pursue further qualifications or careers in STEM:

- **Tempo Time Credits** were awarded a grant to support the delivery of their Schools Time Credits programme in Wales. It is hoped that by introducing Time Credits, parents will become more engaged with schools and have stronger relationships with other parents and staff. They are then able to spend Time Credits on positive activities for their children that they have not previously been able to afford and which in their own right raise aspirations, promote wellbeing and encourage family times together.
- **The Darwin Centre for Biology and Medicine** were awarded a grant to deliver a series of research discovery workshops that aim to increase a pupil's scientific skills, understanding and ambition in accordance with our interest in promoting STEM amongst young people. Delivered in partnerships with Cardiff University over a two-year period, The Darwin Centre hope to work with 6 educational establishments in Pembrokeshire, reaching up to 200 pupils.

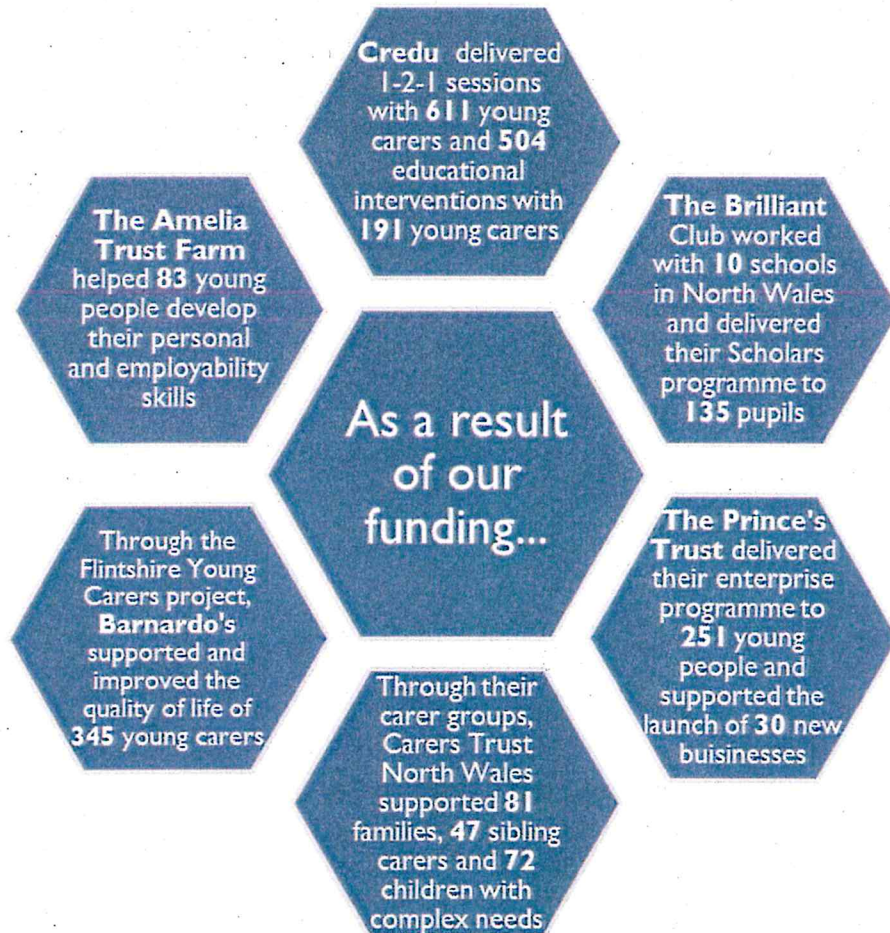
Measuring impact

We continue to work closely with grant recipients and are very conscious that we do not detract from their important service delivery by burdening them with arduous reporting requirements. However, we do continue to operate a carefully managed evaluation process by maintaining a balance between 'passion and proof'; statistics combined with anecdotal evidence in order to measure the impact of our grant giving. Below is but a brief snapshot of some of the incredible outcomes of our grants which were reported to us by our partners during 2019:

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019



Challenges to our impact

Brexit uncertainty continued to have a destabilising effect within the third sector here in Wales. As so much remains unclear, charities in Wales are cautious of the forthcoming economic impact and there is widespread expectation that our partners and NGOs in general may have to continue to 'do more with less'. This has been vocalised to us through many meetings with charitable organisations and is also evident in the increase in applications the Foundation received to the Wales Fund in 2019; a trend which is expected to continue into 2020.

In 2020, we will continue to remain flexible and communicative with our grantees to ensure our own monitoring requirements do not place undue burden upon them during this period of financial uncertainty, while continuing to closely monitor our grant-making to ensure maximum value for money and impact.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

FINANCIAL REVIEW

Review of the financial position at the end of the accounting period

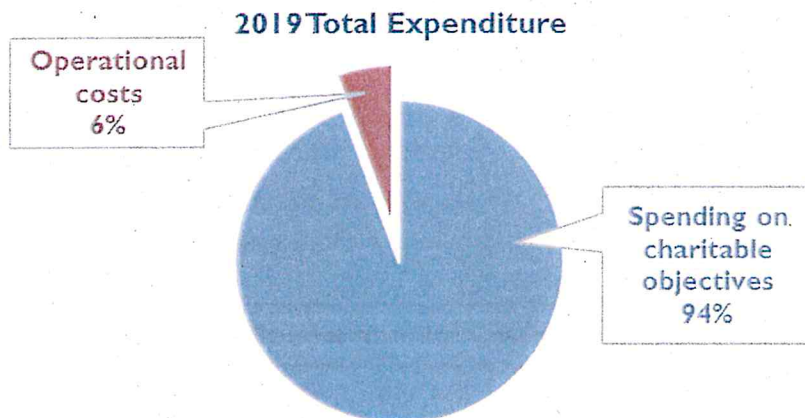
Total income during the year was **£9,532,487** (2018: £9,314,192), this includes donations from David and Heather Stevens of **£4,296,800** (2018: £4,272,200).

Total expenditure amounted to **£8,812,235** (2018: £9,290,775), grant funding activities of **£8,048,498** (2018: £8,628,346) are included within this figure.

Overall a surplus of £21,587,028 (2018: £3,502,314) was made during the year after net gains on the investments of £20,866,766 (2018: £3,478,897), detailed breakdown of the income and expenditure forms part of the notes to the accounts

Financial Position

In 2019, we continued to aim for total support costs of no more than 6% of our overall annual expenditure. In total, the Foundation spent **£8,586,049** of which £537,551 (**6%**) was expended on operational costs.



The Waterloo Foundation does not actively fundraise. Our investment income is derived 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 plc, a UK-listed company. In addition, the Foundation has a diversified money-market and bond portfolio managed by our investment managers, Whitley Asset Management.

Summary of Reserves

At the year end unrestricted reserves were **£180,390,753** (2018: £158,803,725).

Investment Policy

New investment opportunities continue to be aligned with our ethical investment policy. As well as seeking to further our charitable aims and social impact through our investment portfolio, this policy limits our exposure to investments in direct equity or fixed income vehicles in companies whose primary activity is the exploration for and/or the extraction of fossil fuels, tobacco, adult entertainment, armaments, gambling, non-sustainable palm oil and soya and beef from deforested land.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

Whitley Asset Management continue to safeguard this stance through investment screening which utilises ESG research from a variety of sources including: MSCI, Sustainalytics and CDP (Carbon Disclosure Project) report scores, as well as considering the impact of investee companies' actions on tropical rainforests. In employing these measures, we aim to achieve a sub 10% exposure to the fossil fuel branch of the energy sector at all times. In 2019, Whitley Asset Management continued to provide bi-monthly reports to the Foundation's Trustees, and met with the Foundation to discuss the portfolio as a whole.

Triodos Bank continues to meet our main banking requirements, and the Foundation also uses a CAF Bank account to handle small general purchases.

Reserves Policy

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

PLANS FOR FUTURE PERIODS

As part of our charity governance review, in 2019 Trustees took legal advice to consider whether incorporation may strengthen our existing structure and futureproof our ability to continue to meet our charitable objectives. Trustees considered the Foundation's current legal status to be appropriate and will keep this under review.

The ongoing grant-making strategy of the Foundation is shaped by evaluation of and learning from our past grants on an individual level, and broader reviews of the impact of our funding as a whole. Our strategy for 2020 and beyond has been created by our Trustees, with input from individual Fund Managers, who once again each presented a review of the impact of their 2019 funding and recommendations for future funding strategy at our November Trustee Meeting.

The **World Development Fund** will continue to focus on our priority areas of WASH, Education, Nutrition, and SRH in 2020, offering support to larger and smaller organisations working in these sectors. Over the next year we will be making time to participate in learning events and to engage with implementing and funding organisations in order to reflect on how The Waterloo Foundation can shape its WD funding going forwards to maximise our impact.

The **Environment Fund** will maintain support for organisations working on marine fisheries and the protection of tropical rainforests, and have decided to continue our funding to support work relating to Brexit beyond 2019 as well. We will also be looking forward to 2020 as a policy super-year for the environment, ensuring that we support the sector to work on these issues.

Under our **Wales Fund** we will continue our work supporting education in Wales, with an ongoing strand of funding that supports organisations which reduce the impact of poverty on young people's educational attainment. In addition to this, the Foundation will also continue our work supporting unpaid carers, especially young carers, and helping people move closer to securing sustainable employment.

Finally, under our **Child Development Fund**, we will issue research calls across five priority topics in 2020: ADHD; Rolandic Epilepsy; Sleep and/or Exercise; Diet and the Microbiome and DCD. We will also continue to support selected partners with new grants in the field of PCOS research.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are pleased to present the 13th report together with the financial statements of the Foundation for the period ended 31st December 2019.

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 FRS102 2015') Accounting and Reporting by Charities.

Governing Document

The Waterloo Foundation is a registered charity governed by a Trust Deed dated 15th December 2006. Trustees considered our governance arrangements in the summer of 2019, and will continue to do so annually.

Recruitment and Appointment

The Waterloo Foundation is managed by its Board of Trustees, which meets six times a year. 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, comprising:

- a Head of Operations, who also acts as Secretary to the Board;
- a Finance Manager, supported by a part-time, contracted freelance Administration Assistant;
- an Office Manager;
- an Executive Assistant to the Chair; who also supports the Child Development Fund as a Project Officer;
- 6 Fund Managers split across our funding areas (World Development, Environment, Child Development, Wales and our non-programmatic funding);
- an Assistant Fund Manager, supporting the Environment Fund.

All staff report to the Head of Operations, with the exception of the Head of Operations herself, who reports directly to the Chair of Trustees, and the Assistant Fund Manager, who reports directly to the Environment Fund Manager.

At our bi-monthly Trustee Meetings, each Fund Manager proposes a series of researched projects to the Board of Trustees for their consideration, which the Trustees accept, reject or defer. Decisions are minuted by the Secretary to the Board (Head of Operations), and are actioned by the office team. In 2019 we reviewed and updated our suite of offer letters, Terms and Conditions and Privacy Notice with our legal advisers, and will complete the review in early 2020.

We employ a part-time, independent HR consultant to advise us on HR matters, ensure all staff have up to date contracts of employment and a Waterloo Foundation Employee Handbook; to recommend and arrange training opportunities; and to offer general HR support for staff.

Our Employee Handbook is updated regularly as statutory requirements change. In 2019 we revised our Information Management and Data Protection Policy and our travel and expenses provision, and we introduced a new Safeguarding Policy. After a number of revisions, the Handbook is currently undergoing a full review and will be reissued in the spring of 2020.

Annual appraisals are scheduled for all staff in the first quarter of each year. They are conducted by

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2019

the Head of Operations and a designated Trustee. As well as highlighting achievements and areas for staff development, these appraisals form the basis of annual reviews of remuneration levels for all staff.

We upgraded our IT operating system in October 2019.

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, previously appointed as Chief Operating Officer of Admiral was appointed Chief Executive Officer of Admiral in 2016. Both David and his wife Heather Stevens are current shareholders.

The same Trustees have since made the following further contributions to the Foundation:

2013 £6,499,800
2014 £3,002,500
2015 £2,984,480
2016 £4,030,300
2017 £3,849,900
2018 £4,272,200
2019 £4,296,800

Details of all transactions between related parties for this period can be found in note 26 of the Financial Statements.

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 management. Procedures are in place for the documentation of decisions, actions and issues.

All grant-making undertaken by the Foundation is subject to due diligence processes carried out by our Fund Managers and staff. We routinely seek references and supporting information in respect of applications from organisations not previously known to the Foundation, and in particular for any grants which would be made outside of the UK banking sector. The staff and Trustees of the Foundation are aware of the risks associated with corruption, and as such financial and other forms of due diligence are a key part of our grant-making process.

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

The Finance Manager and Head of Operations review the Foundation's financial management on a monthly basis, and this is further reviewed by Trustees at every Trustee Meeting, where a 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 report to the Foundation on a bi-monthly basis, and attend a Trustee Meeting once a year.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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.

The Waterloo Foundation
Trustees' Annual Report *(continued)*
Year ended 31 December 2019

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The trustees' annual report was approved on 15/07/20 and signed on behalf of the board of trustees by:

Heather Stevens

Trustee

HEATHER STEVENS

Name

The Waterloo Foundation

Independent Auditor's Report to the Members of The Waterloo Foundation

Year ended 31 December 2019

Opinion

We have audited the financial statements of The Waterloo Foundation (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Waterloo Foundation

Independent Auditor's Report to the Members of The Waterloo Foundation (continued)

Year ended 31 December 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Waterloo Foundation

Independent Auditor's Report to the Members of The Waterloo Foundation

(continued)

Year ended 31 December 2019

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Carston
Chartered accountant & statutory auditor
1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Dated: 27th July 2020

Carston 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 2019

		2019	2018
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	4	4,296,800	4,296,800
Investment income	5	5,235,687	5,235,687
Total income		<u>9,532,487</u>	<u>9,532,487</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	(225,676)	(225,676)
Expenditure on charitable activities	7,8	(8,586,049)	(8,586,049)
Other expenditure	11	(510)	(510)
Total expenditure		<u>(8,812,235)</u>	<u>(8,812,235)</u>
 Net gains on investments	 12	 20,866,776	 20,866,776
 Net income and net movement in funds		 <u>21,587,028</u>	 <u>21,587,028</u>
 Reconciliation of funds			
Total funds brought forward		158,803,725	158,803,725
Total funds carried forward		<u>180,390,753</u>	<u>180,390,753</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Waterloo Foundation

Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	17	16,310	20,744
Investments	18	180,222,780	159,320,032
		<u>180,239,090</u>	<u>159,340,776</u>
Current assets			
Debtors	19	17,512	24,373
Cash at bank and in hand		1,702,674	928,564
		<u>1,720,186</u>	<u>952,937</u>
Creditors: amounts falling due within one year	20	<u>1,568,523</u>	<u>1,489,988</u>
Net current assets		<u>151,663</u>	<u>(537,051)</u>
Total assets less current liabilities		<u>180,390,753</u>	<u>158,803,725</u>
Net assets		<u>180,390,753</u>	<u>158,803,725</u>
Funds of the charity			
Unrestricted funds		180,390,753	158,803,725
Total charity funds	22	<u>180,390,753</u>	<u>158,803,725</u>

These financial statements were approved by the board of trustees and authorised for issue on 15 JULY 2020 and are signed on behalf of the board by:

Heather Stevens
Trustee

[Signature]
Trustee

HEATHER STEVENS
Name

DAVID STEVENS
Name

The notes on pages 33 to 41 form part of these financial statements.

The Waterloo Foundation

Statement of Cash Flows

Year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income	21,587,028	3,502,314
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,464	7,022
Net gains on investments	(20,866,776)	(3,478,897)
Dividends, interest and rents from investments	(5,235,817)	(5,050,450)
Other interest receivable and similar income	130	8,458
Loss on disposal of tangible fixed assets	510	421
Accrued expenses/(income)	2,402	(32,447)
<i>Changes in:</i>		
Trade and other debtors	6,079	(4,879)
Trade and other creditors	76,915	(3,751)
Cash generated from operations	(4,424,065)	(5,052,209)
Interest received	(130)	(8,458)
Net cash used in operating activities	(4,424,195)	(5,060,667)
Cash flows from investing activities		
Dividends, interest and rents from investments	5,235,817	5,050,450
Purchase of tangible assets	(2,050)	(3,331)
Proceeds from sale of tangible assets	510	421
Purchases of other investments	(47,496,627)	(53,484,905)
Proceeds from sale of other investments	47,460,655	52,031,245
Net cash from investing activities	5,198,305	3,593,880
Net increase/(decrease) in cash and cash equivalents	774,110	(1,466,787)
Cash and cash equivalents at beginning of year	928,564	2,395,351
Cash and cash equivalents at end of year	1,702,674	928,564

The notes on pages 33 to 41 form part of these financial statements.

The Waterloo Foundation
Notes to the Financial Statements
Year ended 31 December 2019

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 46-48 Cardiff Road, Llandaff, Cardiff, CF5 2DT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Waterloo Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- Dividends, including the associated tax credits, are credited to the income and expenditure account when they are received.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities. All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

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

Fixtures & Fittings	- 33% reducing balance
Equipment	- 33% reducing balance

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Waterloo Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Grant policy

Grants given are recognised in the year in which they are offered and accepted without conditions attached. Grants offered for a period of more than one year are recognised as creditors if there are no conditions to be met to receive further funding. Where a condition is included in the offer before future instalments are paid the future instalment grant is recognised as commitments.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Donations				
Donations	<u>4,296,800</u>	<u>4,296,800</u>	<u>4,272,200</u>	<u>4,272,200</u>

The Waterloo Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

5. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Income from listed investments	5,235,817	5,235,817	5,050,450	5,050,450
Bank interest receivable	690	690	760	760
Other interest receivable	(820)	(820)	(9,218)	(9,218)
	<u>5,235,687</u>	<u>5,235,687</u>	<u>5,041,992</u>	<u>5,041,992</u>

6. Investment management costs

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Portfolio management	<u>225,676</u>	<u>225,676</u>	<u>166,715</u>	<u>166,715</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Grants & project funding	8,392,002	8,392,002	8,955,208	8,955,208
Support costs	194,047	194,047	168,431	168,431
	<u>8,586,049</u>	<u>8,586,049</u>	<u>9,123,639</u>	<u>9,123,639</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2019 £	Total fund 2018 £
Grants & project funding	343,504	8,048,498	178,327	8,570,329	9,107,277
Governance costs	—	—	15,720	15,720	16,362
	<u>343,504</u>	<u>8,048,498</u>	<u>194,047</u>	<u>8,586,049</u>	<u>9,123,639</u>

9. Analysis of support costs

	Analysis of support costs Grants & project funding £	Total 2019 £	Total 2018 £
Staff costs	113,662	113,662	85,514
Premises	42,056	42,056	41,885
Communications and IT	709	709	299
General office	16,438	16,438	17,324
Finance costs	—	—	25
Governance costs	15,718	15,718	16,362
Support costs - Other	5,464	5,464	7,022
	<u>194,047</u>	<u>194,047</u>	<u>168,431</u>

The Waterloo Foundation

Notes to the Financial Statements (continued)

Year ended 31 December 2019

10. Analysis of grants

	2019 £	2018 £
Grants to institutions		
Grants to institutions	8,048,498	8,628,346
Total grants	<u>8,048,498</u>	<u>8,628,346</u>

11. Other expenditure

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Loss on disposal of tangible fixed assets held for charity's own use	510	<u>510</u>	421	<u>421</u>

12. Net gains on investments

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Gains / (losses) on sale of investment assets	20,866,776	<u>20,866,776</u>	3,478,897	<u>3,478,897</u>

13. Net income

Net income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	5,464	7,022
Loss on disposal of tangible fixed assets	<u>510</u>	<u>421</u>

14. Auditors remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,000</u>
Fees payable to the charity's auditor and its associates for other services: Audit-related assurance services	<u>3,600</u>	<u>3,600</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019 £	2018 £
Wages and salaries	347,833	313,368
Social security costs	35,675	30,397
Employer contributions to pension plans	20,930	18,011
	<u>404,438</u>	<u>361,776</u>

The Waterloo Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

15. Staff costs *(continued)*

The average head count of employees during the year was 11 (2018: 11). The average number of full-time equivalent employees during the year is analysed as follows:

	2019 No.	2018 No.
Number of administrative staff	3	3
Number of support staff	7	7
	<u>10</u>	<u>10</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £92,142 (2018: £59,551).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

All trustees are entitled to claim reimbursement of the cost of attending meetings, two trustees was reimbursed £658 (2018: £118) for travelling costs to attend meetings.

17. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2019	40,177	112,281	152,458
Additions	—	1,540	1,540
Disposals	—	(66,282)	(66,282)
At 31 December 2019	<u>40,177</u>	<u>47,539</u>	<u>87,716</u>
Depreciation			
At 1 January 2019	30,726	100,988	131,714
Charge for the year	1,890	3,574	5,464
Disposals	—	(65,772)	(65,772)
At 31 December 2019	<u>32,616</u>	<u>38,790</u>	<u>71,406</u>
Carrying amount			
At 31 December 2019	<u>7,561</u>	<u>8,749</u>	<u>16,310</u>
At 31 December 2018	<u>9,451</u>	<u>11,293</u>	<u>20,744</u>

The Waterloo Foundation

Notes to the Financial Statements (continued)

Year ended 31 December 2019

18. Investments

	Cash or cash equivalents £	Listed investments £	Other investments £	Total £
Cost or valuation				
At 1 January 2019	13,955,023	144,211,863	1,153,146	159,320,032
Additions	22,348,777	25,568,712	(420,862)	47,496,627
Disposals	(31,007,878)	(16,393,521)	291,840	(47,109,559)
Fair value movements	—	20,381,288	134,392	20,515,680
At 31 December 2019	5,295,922	173,768,342	1,158,516	180,222,780
Impairment				
At 1 January 2019 and 31 December 2019			—	—
Carrying amount				
At 31 December 2019	5,295,922	173,768,342	1,158,516	180,222,780
At 31 December 2018	13,955,023	144,211,863	1,153,146	159,320,032

All investments shown above are held at valuation.

Listed investments

The aggregate market value of listed investments is £173,768,342 (2018: £144,211,863) and the stock exchange value is £173,769,342 (2018: £144,211,863).

Financial assets held at fair value

Investments are stated at fair value at the balance sheet date, listed investments are stated at the stock exchange values at the year end. Other investments are valued based on investment performance.

The historical cost of investments at the year end date is £110,318,862 (2018: £100,658,911)

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. 230p ordinary shares	3,411,400	£78,735,112

There is no restriction on the realisation of this investment.

19. Debtors

	2019 £	2018 £
Prepayments and accrued income	15,112	15,894
Other debtors	2,400	8,479
	17,512	24,373

The Waterloo Foundation
Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

20. Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals and deferred income	12,675	11,055
Social security and other taxes	20,616	–
Trade creditors	1,417	1,930
Other creditors	1,533,815	1,477,003
	<u>1,568,523</u>	<u>1,489,988</u>

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £20,930 (2018: £18,011).

22. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 19	Income £	Expenditure £	Gains and losses £	At 31 December 2019 £
General funds	158,803,725	9,532,487	(8,812,235)	20,866,776	180,390,753

	At 1 January 20 18	Income £	Expenditure £	Gains and losses £	At 31 December 2018 £
General funds	155,301,411	9,314,192	(9,290,775)	3,478,897	158,803,725

The Waterloo Foundation
Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

23. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	16,310	16,310
Investments	180,222,780	180,222,780
Current assets	1,720,186	1,720,186
Creditors less than 1 year	(1,568,523)	(1,568,523)
Net assets	180,390,753	180,390,753

	Unrestricted Funds £	Total Funds 2018 £
Tangible fixed assets	20,744	20,744
Investments	159,320,032	159,320,032
Current assets	952,937	952,937
Creditors less than 1 year	(1,489,988)	(1,489,988)
Net assets	158,803,725	158,803,725

24. Other financial commitments

The charity was committed to make donations worth £5,770,556 (£6,319,752: 2018) as at 31 December 2019.

25. Analysis of changes in net debt

	At 1 Jan 2019 £	Cash flows £	At 31 Dec 2019 £
Cash at bank and in hand	928,564	774,110	1,702,674

26. Related parties

The charity has been under the control of the trustees since the charity was set up. The charity was started with an initial donation of £99 million from two of the trustees, David and Heather Stevens. During the year a further contribution of £4,296,800 (2018: £4,272,200) was made from the same trustees.

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

Oceana	£164,747
Greenpeace Oceans Campaign	£220,000
Global Fishing Watch	£100,000