

CHARITY REGISTRATION NUMBER: 1117535

The Waterloo Foundation
Financial Statements
31 December 2020

CARSTON

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

The Waterloo Foundation

Financial Statements

Year ended 31 December 2020

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The Waterloo Foundation

Trustees' Annual Report

Year ended 31 December 2020

The trustees present their report and the financial statements of the charity for the year ended 31 December 2020.

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, to April 2020
Mrs C.A. Oakes

Senior management	Helen Horn (Head of Operations), to 28 th August 2020 Hannah Tayler (Operations Manager), from 1 st October 2020 Janice Matthews (Finance Manager)
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Auditor	Carston Chartered Accountants & Statutory Auditor 1st Floor, Tudor House 16 Cathedral Road Cardiff CF11 9LJ
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Investment advisors	Whitley Asset Management 116 Princedale Road London W11 4NH
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Bankers	Triodos Bank Deanery Road Bristol BS1 5AS CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
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Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
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The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31st December 2020.

This is the 14th 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 10 staff members usually based in Llandaff, Cardiff (where we have been operating since October 2007), but in this extraordinary year, mostly working from home.

In this most difficult of years, when the population was in dire need of support due to the COVID-19 pandemic, the Trustees are pleased to report that not only did the Waterloo Foundation respond to the crisis by allocating additional funds of up to £6.5 million to meet these needs, but through the extraordinary hard work of its staff members and the strength of team spirit in the organisation, it also ran and maintained its normal programmes. These ran in addition to the emergency funds offered to charities supporting the more needy in our society. Details of our COVID-19 related support funding are included in each section of the report on the Foundation's work.

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.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2020

OUR IMPACT SUMMARY - ACHIEVEMENTS AND PERFORMANCE

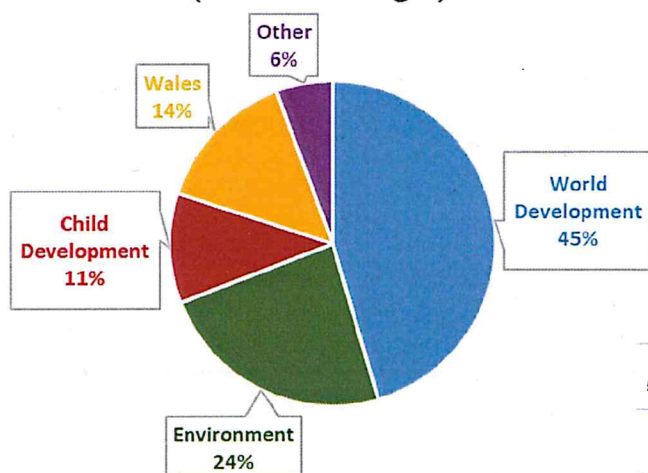
In 2020, our 14th year of operation, we received the highest number of full applications, **727** and of these **424** were taken forward for assessment, and **74** applications were still under consideration at year end.

During this extraordinary year we awarded **440** grants from applications received 2020 and earlier (up from **267** applications awarded in 2019) and committed ourselves to grant making activities of just over **£14** million, which included a proportion of project payments which were phased grants or approved in previous years. This represented an uplift of grants awarded of **61%**, and monies donated increased by **69%** for 2020, compared with 2019.

Our grant-making activities in 2020

Our grant-making activities in 2020 can be summarised as follows.

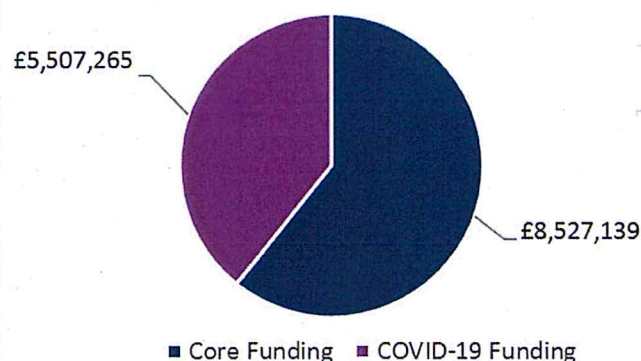
Grant Making by Fund & COVID-19 related
(% of total budget)



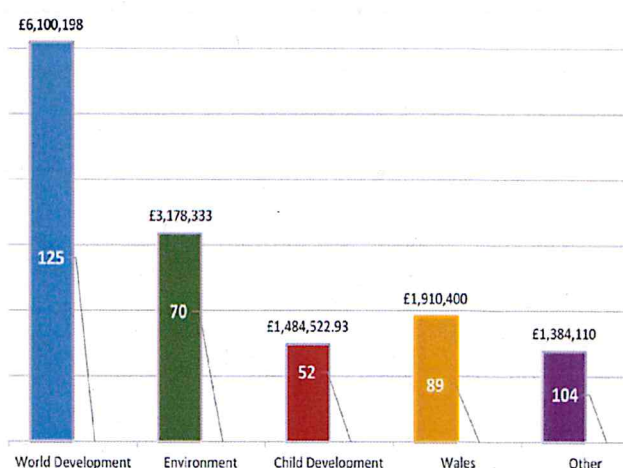
2020 Funds Total value (£)

World Development	6,100,198
Environment	3,173,013
Child Development	1,466,683
Wales	1,910,400
Other	1,384,110
Total	14,034,404

Core Funding vs COVID-19 Funding for 2020, Across all Funds



Grants Awarded by Fund



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Trustees' Annual Report *(continued)*

Year ended 31 December 2020

OUR FUNDING PROGRAMMES

A. World Development Fund

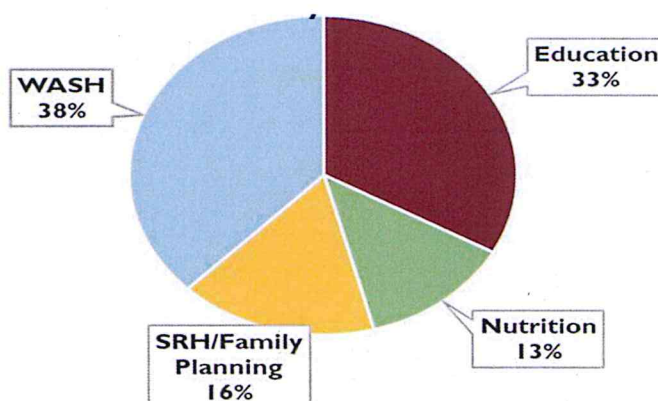
We are heartened to report that despite COVID-19, the Waterloo Foundation World Development team continued to run our "normal" grants programme as well as to respond to the COVID-19 crisis.

The Fund in numbers

In 2020, the World Development (WD) Fund awarded **125** grants with a combined value of just over **£6.1 million**. Of these 128 grants, **47** were awarded as "Thematic" grants, **70** were awarded as "COVID-19" specific support, and **8** were awarded as "Miscellaneous" awards. In 2020 TWF's thematic priorities continued to be: **Education; Water Sanitation and Hygiene (WASH); Nutrition;** and **Sexual and Reproductive Health (SRH)/Family Planning**.

Education	WASH
We are broadly supportive of improving access to high quality education, with an overall focus of supporting girls to access better quality education. We increasingly provide assistance for initiatives that address improving graduates' job access, businesses development, or tertiary education attendance. Further, we are prioritising that which is dedicated to improving education organisations' financial self-sufficiency and scaling mechanisms.	We support efforts to provide sustained 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, communities and institutions.
SRH/Family Planning	Nutrition
The Foundation prioritises SRH/Family Planning initiatives to improve access to a range of modern contraceptive methods and wider sexual health and reproductive services. Particularly, in-country or commercial financing mechanisms; alternative scaling of evidence-based implementation; and in-country capacity building.	These 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 essential micronutrients where these are otherwise lacking in the diet.

Thematic Grants are awarded to support work that falls within the Foundation's thematic priorities. The pie chart below illustrates how WD's Thematic grant funding was allocated across the four focus themes in 2020.



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Trustees' Annual Report *(continued)*

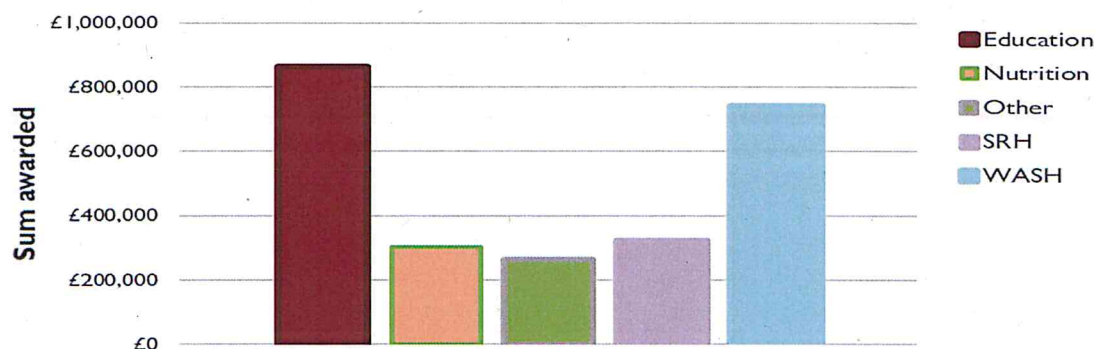
Year ended 31 December 2020

In 2020, we continued to offer WD Thematic funding in the form of 'Main Grants' (typically over £50,000) and 'Small Grants' (typically less than £10,000) across all four priority thematic areas. Within our Main Grant category, we also continued our **multi-annual partnerships** with WaterAid and CAMFED in 2020, which provided flexible unrestricted funding to support these organisations and their overall strategic aims.

The year 2020 was TWF's 14th year of awarding WD grants in the areas of Education and WASH. Over this long period TWF has developed a number of **longer-term relationships**, and as a reflection of this **77%** of the WASH and Education grants awarded in 2020 went to organisations who we had previously funded. Nutrition and SRH/Family Planning are newer 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 (although Nutrition Main Grant applications were temporarily closed due to COVID-19 work pressures). In 2020 **56%** of Nutrition and SRH Main grants were awarded to organisations receiving funding from TWF for the first time.

COVID-19 Grants: In light of the huge challenges and set-backs coming from the global COVID-19 pandemic, a sum of just under **£2.5m** was added to the 2020 WD budget to help reduce impacts in the geographic areas more typically covered by our WD funding. These additional funds have enabled us to award **70** COVID-19 grants in 2020. The majority of these (**64** grants) went to current or past grantees as a major goal of our COVID-19 support was to help protect trusted partners from the impacts of the virus and the economic consequences, so that they could continue to deliver their much-needed work throughout and beyond the worst of the pandemic. As illustrated in the graph below, the majority of COVID-19 support fell within our priority thematic areas. Over £200,000 was also awarded to efforts to combat the virus's impact more generally (marked as "Other" in the graph), for example, a grant to the WHO's Global Response Programme.

Allocation of WD's COVID-19 Funding awarded in 2020 by Theme



Miscellaneous Grants: In 2020 there were **10** grants awarded totalling just over **£275,000** that did not align directly with one of TWF's thematic priorities or with COVID-19 support. One grant was £100k to The Big Give. This was awarded for TWF to participate in The Big Give's Christmas Challenge which is an annual online fundraiser. TWF has done this for a number of years, with grant funds used as match-funding for organisations pre-selected to be in TWF's Christmas Challenge portfolio. This allows the charities to unlock more funding from existing and even new donors and is a proven method of increasing their income.

Geographically the WD Fund in 2020 continued to be directed wherever there was the greatest need for access to WASH and SRH services, education or employment, or where there were high levels of malnutrition. We also continued to prioritise work in countries where there was a sufficient level of in-country stability to work towards achieving sustained developmental impact. Over the last year, this saw the largest number of grants, 97 in total, awarded to support project work in countries in Sub-Saharan Africa or South Asia. The map below shows how the **97** grants awarded for country-specific work in Sub-Saharan Africa or South Asia were distributed. It highlights that a large proportion of funding was directed towards countries in **East Africa** and **Southern Africa**, whereas

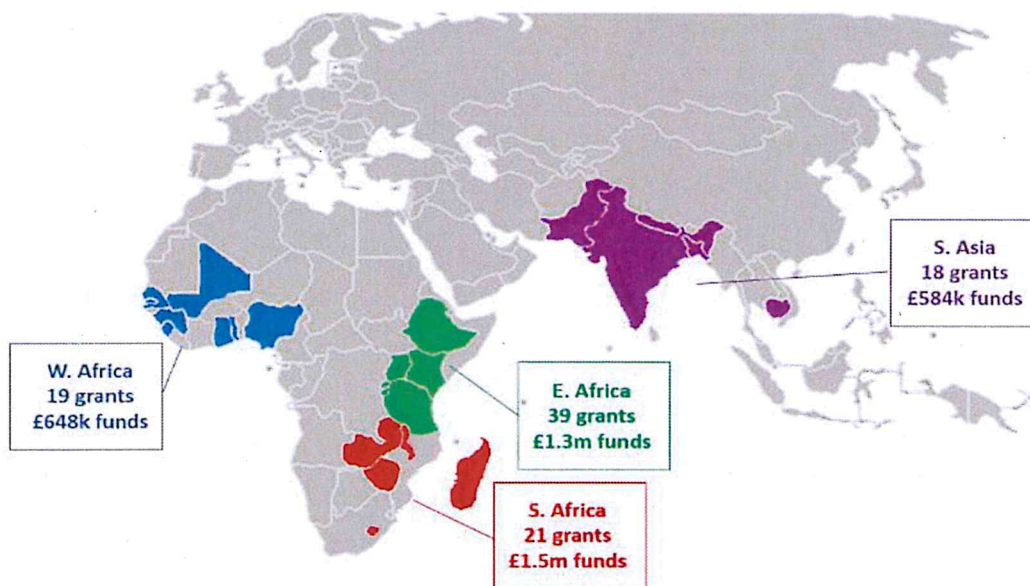
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Trustees' Annual Report *(continued)*

Year ended 31 December 2020

West Africa and **South Asia** received a lower level of funding, although still significant at over £500k in each region. This is largely the result of the 2020 COVID-19 grants which supported groups with whom we already had a relationship, historically concentrated in East Africa, with Southern Africa a growing focus.

Distribution of WD country-specific grants in 2020 for Sub-Saharan Africa and South Asia



Projects Supported

For all organisations, known and new, we carried out careful and appropriate due diligence on new applications, including open communication with applicants; full reference checks; and speaking with other organisation to understand the wider context and need for the proposed work. For COVID-19 grants that were awarded to trusted partner organisations we were able to streamline our due diligence procedures in order to get funding to where it was needed as quickly as possible. Some grant highlights include:

Education Main Grants: Our 2020 Main Grant Education focus was on supporting governments to integrate successful education models, as well as supporting education-focused organisations to continue to build out strategies to enable post-school success. In regard to the latter, we continue to support **CAMFED's** work to expand livelihood opportunities for the five million students (girls) that they will be supporting. Specifically, we provided a grant to support their team in Zimbabwe to provide dedicated, personalised business development coaching and low-cost capital to a targeted group of seven female-owned high growth potential businesses in order to increase income, employment, and food security in rural Zimbabwe. Further, it will enable CAMFED to refine a model of intensive enterprise support that can be scaled across their programme.

WASH Main Grants: In 2020 our WD Main Grant WASH programme focussed on the issue of non-functionality of rural water schemes, and awarded a number of grants to projects with various approaches, seeking to bring about sustained access to a safe and convenient water source within rural communities. A grant was awarded to **Saha Global** to enable them to refine and roll out a micro insurance scheme offering guaranteed repairs of water treatment plants to women managing water kiosks in over 200 remote villages in northern Ghana. A separate grant was awarded to **Uptime Catalyst Facility** to contribute to their work developing a multi-country outcome-payment model to fund rural water maintenance services at scale.

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Trustees' Annual Report *(continued)*

Year ended 31 December 2020

SRH/Family Planning: In 2020 we supported the **Australian National University (ANU)** to build on a maternal health initiative they are leading in Sierra Leone. TWF's grant is enabling ANU (and partner Medicins Sans Frontieres) to:

- Develop and implement an adolescent focused SRH model based on community-based primary research and literature reviews (initially supporting 3,000 youth in Sierra Leone to access improved SRH services).
- If successful, support the Sierra Leone Government and the local groups they work through to implement the model.
- Present evidence to MSF Senior Management Team for inclusion into MSF core programmes, with potential to fund iterations of the model in other countries in which MSF has a presence.

Nutrition Main Grants: A grant was awarded to **Sanku** and **GAIN** for a collaborative effort to address micronutrient deficiencies in northern Tanzania. In a country where maize is a key staple in people's diet, TWF's grant will be used by Sanku to enable millers working in 30 small-scale mills to fortify maize flour with a multi-nutrient pre-mix. GAIN will use grant funds to work alongside Sanku to increase market demand for fortified flour and to build the capacity of government bodies to play an effective role in the regulation of this market. Economies of scale mean that the fortified flour can be sold for the same price as unfortified flour, and the work is expected to help around 24,000 women and 17,000 children under five achieve their recommended daily intake of Iron, Zinc, Folic Acid, and B12 through the consumption of fortified maize flour.

Small Grants: Our Small Grants programme continued to focus on supporting smaller organisations to deliver work at a smaller scale overseas. However, 2020 did also see a cluster of small grants awarded which were focused on more strategic scoping and organisational improvement support for small and mid-sized organisations. Some examples of Small Grants which were awarded in 2020 are:

- **Freedom to Learn** to support their work to improve the access to and quality of education for children from marginalised and vulnerable communities in rural Nepal. This grant will help Freedom to Learn support their district with developing its education staff capacity and in developing budgets and plans with their newfound autonomy and power. Freedom to Learn continues to be the district's chief primary education consultants, scaling successes found within Freedom to Learn schools to 34 government primary schools, which are home to roughly 5,000 children each year.
- **Dig Deep** to integrate Menstrual Health elements into their district level WASH strategy in Kenya.
- **School Club Zambia** to reduce teenage pregnancy by at least 5% at a school of over 500 girls in Zambia. Due to the COVID-19 pandemic, School Club Zambia needed to pause their work and were commissioned to support local SRH with digital messaging focused on COVID-19 and SRH access, and recommendations during COVID-19 restrictions. We have supported them to lead this work and have provided funds for them to finalise their support of the aforementioned 500 girls and evaluate COVID-19's impact on the programme.

COVID-19 Grants: The impact of the COVID-19 pandemic has been felt all across the world. Whilst early fears of a devastating loss of lives in lower-income countries were not realised in what has been the first year of the pandemic, over the course of 2020 the restrictions put in place within these countries in order to control the spread of the virus have led to significant damage to livelihoods, health and education as well as substantial supply chain, investment and funding interruptions. It is expected that it will take years to recover to pre-COVID-19 levels. TWF's WD COVID-19 response in 2020 can be categorised into grants providing support across three overlapping areas:

1. **Immediate Emergency Response:** Early on in the COVID-19 outbreak, TWF awarded large grants (totalling £300k) to **Evidence Action** and **WaterAid** principally for hygiene awareness and access to water and handwashing facilities across multiple countries; **Amref Health Africa** to support the development of a digital training, messaging and information service for Ethiopia's Community Health Workers; and to **WHO** for their wide-reaching global response programme.

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Year ended 31 December 2020

2. **Grants supporting COVID-19 messaging and non-TWF-priority focus needs:** This included campaigns and programmes specifically geared towards providing accurate COVID-19 messaging to hard-to-reach populations, as well as grants to support migrant workers in India as the restrictions left many stranded and their families without income or food support. We supported short-term efforts as well as programmes dedicated to ensuring migrant families received the COVID-19 benefits package they were eligible for from the Indian Government.
3. **Sector and organisational grants:** Most organisations we support have experienced disturbance to their programmes as a result of in-country restrictions and direct health concerns. These grants were awarded to help our grantees overcome these challenges in order to continue their work towards their longer-term development goals. The paragraphs below highlight some ways in which TWF's four priority sectors were affected and how TWF sought to mitigate these impacts through grants funding.

COVID-19 and SRH: In total TWF has spent £322,850 specifically focused on providing SRH support through the COVID-19 period (across nine groups). These grants were mainly related to the continuation of SRH services during COVID-19 lockdowns and the exploration of how to better use Community Health Worker and local NGO networks to provide access to SRH outside of health facilities.

COVID-19 and Education: The major negative impacts on education as a result of COVID-19 were the loss of learning opportunities, as well as the potential for higher numbers dropping out when schools do reopen - data from the Ebola crisis suggests that only 70-75% of the students will return at all. TWF have provided £864,360 in grants to education focused groups to support students to return to school and engage in accelerator courses to catch-up on learning lost and prepare for tests. One example is a large grant that went to **CAMFED** to enable 8,000 girls in Malawi to receive intensive support at home and in residential academic clinics to ensure their successful transition back to school.

COVID-19 and WASH: One of the most prominent messages throughout the COVID-19 outbreak is that handwashing with soap is one of the simplest and most effective methods for preventing disease transmission. With many of TWF's grantees already working to provide improved access to a sustainable water service, a large number of our WASH COVID-19 grants went to ramping up this work alongside hygiene promotion activities. Sanitation services around the world have also been affected by customers being less able to pay their bills, so grants were awarded to **SOIL** and to **IDE** to help them to continue to provide these services in Haiti and Ghana respectively.

COVID-19 and Nutrition: The World Food Programme has predicted that an additional 137 million people could face acute food insecurity by the end of 2020, an 82% rise compared to pre-COVID-19 levels. Early in 2020, TWF awarded a grant to **GAIN** to begin analysing the impact of COVID-19 on small and medium enterprises operating within Tanzania, and to use the findings of this work to put appropriate financial and technical assistance in place to prevent disruptions to food supply chains. A further grant was awarded to **AgroEcology's** COVID-19 Emergency Fund, through which grants of up to \$50,000 were awarded to mitigate the impact of COVID-19 on small-scale farmers. TWF's funds supported four separate initiatives in Cameroon, India and Zimbabwe to improve their food production, increase access to agricultural inputs, strengthen market systems, and ensure government accountability to the needs of smallholder farmers in public aid and stimulus packages.

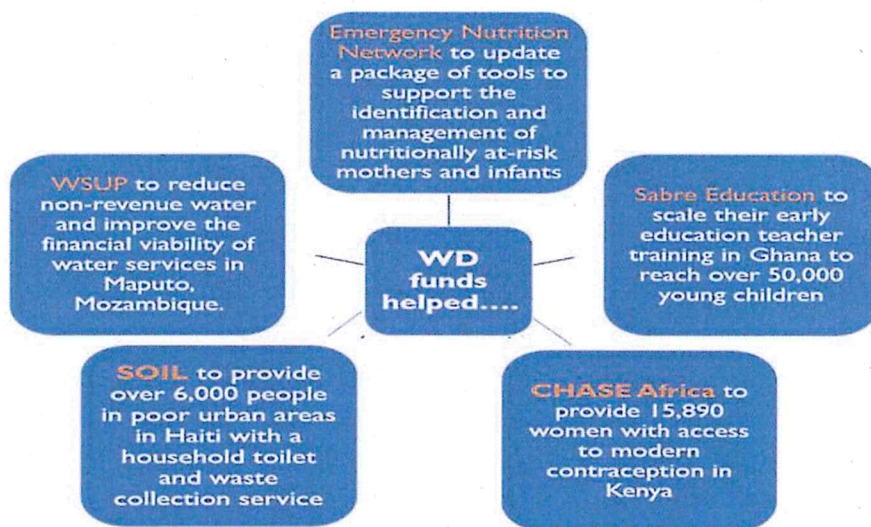
Measuring Impact:

In 2020 we continued to request reports from our grantees so we can monitor their progress throughout the grant period, and to evaluate what the work has achieved at the end of the project period. These reports also help us to learn about approaches that work well and those that work less well in specific contexts, which we use in assessing other applications and shaping TWF funding strategy. The diagram overleaf provides a short description of some of the projects reported on in 2020:

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Trustees' Annual Report *(continued)*

Year ended 31 December 2020



The 2020 Context:

In 2020 there were a number of external factors that affected the implementation of active TWF grants and our thinking of how new grants should be awarded. Chief of these external factors has been the COVID-19 pandemic, which has been detailed above. Others included:

- **East African Food Crisis:** There is a major food crisis in East Africa currently. Across Ethiopia, Somalia and Kenya over 10 million people are food insecure and in need of humanitarian assistance because of the recurrent drought and weather-related famine. Further, the recent locust swarm has exacerbated this. It is expected to be the worst swarm in 70 years. The last major locust plague was from 2003 - 2005 and cost over \$500m to control and caused between 80% and 100% crop loss in the regions hit. COVID-19 will exacerbate the crisis because of its effect on health and because it will likely dilute the funding available to support the East Africa Food crisis. We have awarded grants to **Oxfam** and **EthiopiAid** to support those affected in the short to medium-term.
- **DFID realignment and funding reduction:** In mid-2020 DFID was rolled into the UK's Foreign Office. At the same time, DFID's budget of 0.7% of Gross National Income has been cut to 0.5% in order to prioritise the increased domestic needs for funding during the COVID-19 pandemic. Together these decisions will result in billions less in funding available for overseas development, with a lack of clarity on when and if funding levels will return to pre-COVID-19 levels. With many development charities simultaneously suffering huge cuts in income from reductions in public giving, the closure of charity shops, and reduced access to EU funds, beyond 2020 many charities are likely to be forced to make difficult decisions to achieve significant cost-cutting, changing for the worse, the outlook of the UK Development and Aid sector going forward.

Looking forwards:

Going forward in 2021 we expect there to be continued effects from COVID-19, but we will continue to develop long-term initiatives through grants to our existing and new grantees. We are truly inspired by how our grantees have endured, and in many cases adapted and strengthened their work. In light of some of the financial changes in the sector (COVID-19 and DFID), we will grow our focus on supporting opportunities for blended financing where appropriate. Throughout this process, 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 seeking to increase collaboration amongst grantees and funders.

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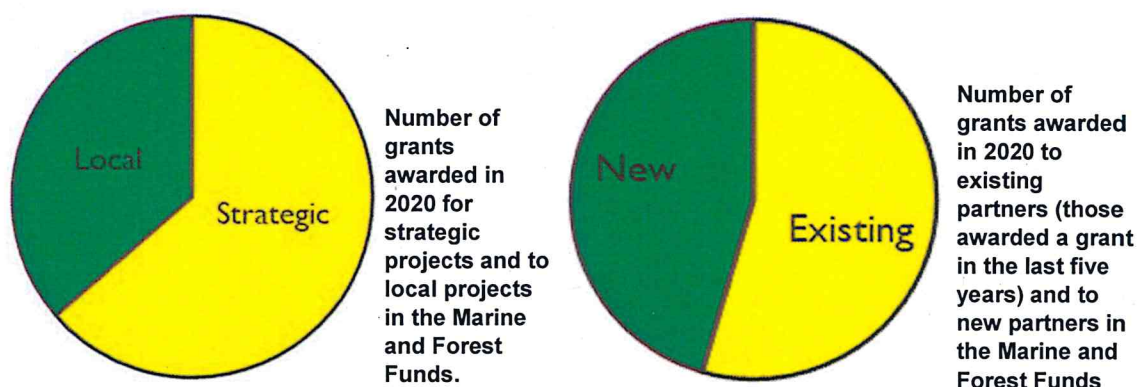
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B. Environment Fund

We are heartened to report that despite COVID-19, the Waterloo Foundation Environment team continued to run our "normal" grants programme as well as to respond to the COVID-19 crisis.

The Fund in numbers

The past year has seen the Environment Fund provide **70** grants, totalling **£3,178,333¹**, which represents a significant increase over the previous year. It has been important to maintain our focus on supporting projects and organisations working to conserve tropical rainforests and marine fisheries, and this has made up **62%** of our total spend for the year. In addition, roughly **24%** of our budget was spent on supporting partner organisations with the more immediate short-term needs created by the COVID-19 pandemic. We also continued to award a small number of grants for projects working to address post-Brexit environmental policy in the UK.



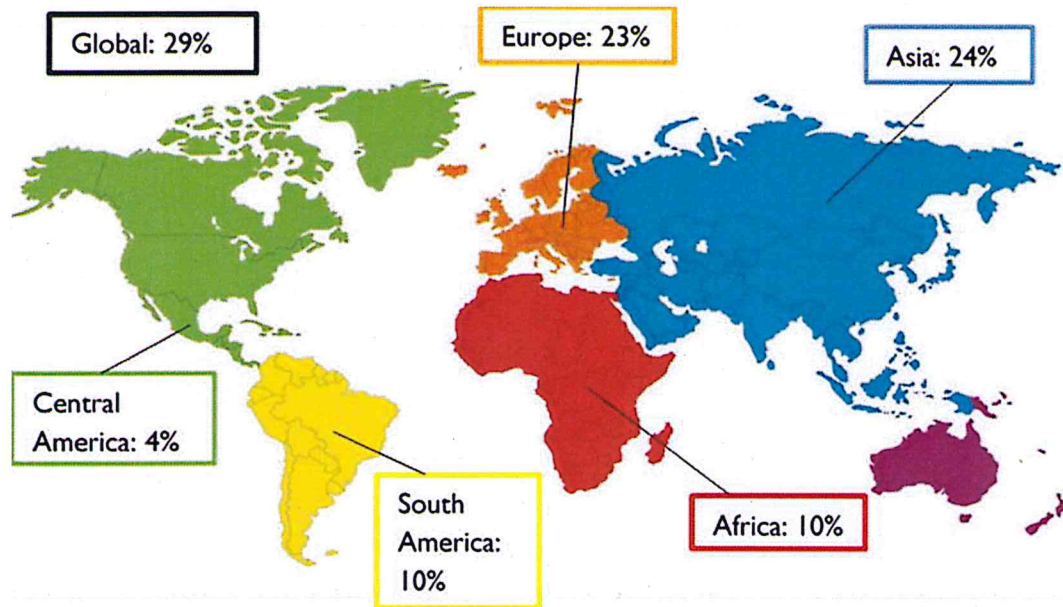
As you can see from the chart above right, 55% of grants in our two main programmes (the Marine and Tropical Forest funds) supported existing partners to either continue existing initiatives or expand work into new areas, with the remainder being awarded to new partners. The majority (64%) of grants in our two main funds were also awarded to projects working on strategic initiatives rather than local projects, as we aim to support initiatives that can have the greatest impact - particularly those that work on a national, multinational or international level, whilst also maintaining support for on-the-ground projects. In a change from previous years, more grants (61%) were awarded to projects that lasted one year or less rather than projects spanning multiple years (39%) - as seen in the above right chart. This reflects one-off grants awarded to existing NGO partners to help them adapt to the short-term challenges brought about by the COVID-19 pandemic. However, more significantly, all of the grants awarded in our Marine and Forest Funds (not directly related to COVID-19) were multiannual commitments, in line with our ambition to provide long-term support for partners.

The geographical spread of funded projects (shown overleaf), was similar to previous years; 29% of grants were awarded to projects working at a global level to address systematic problems, and the remainder were focused in a particular geographical area. Projects located in Europe were predominantly related to post-Brexit environmental policy in the UK and marine policy within the EU. Projects located in Asia, Africa and Central and South America were predominantly supporting strategic and local marine and forest projects in these regions.

¹ £5320 of this total was monies returned to the Foundation due to underspends in budgets from projects which completed in 2020. These monies were returned to the Foundation and re-gifted to new projects in 2020. Therefore, total new money spent from the Environment Fund in 2020 was £3,173,013.

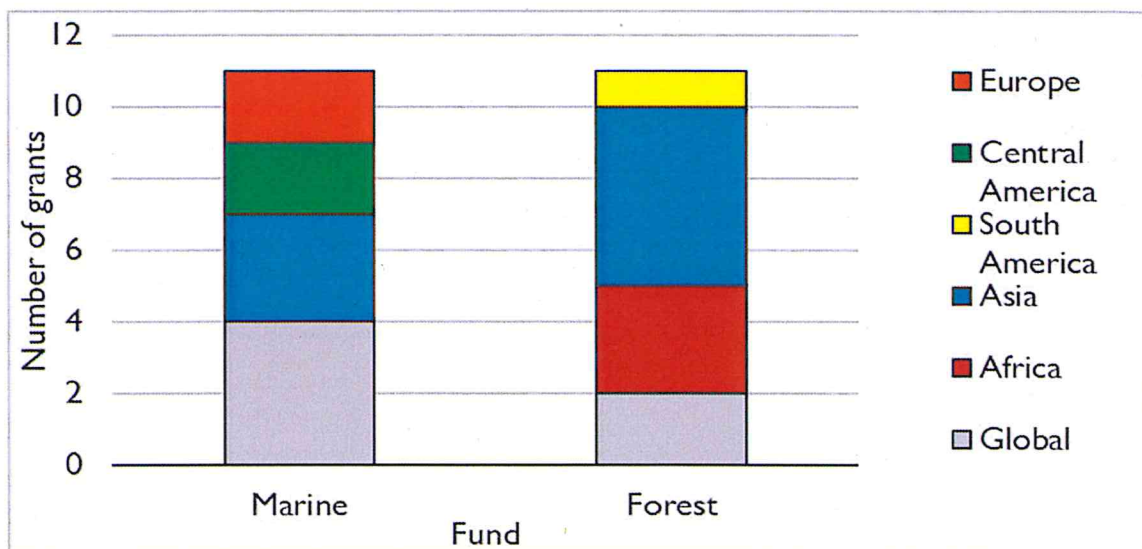
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Distribution of all EN Projects in 2020 by Geography



In the figure below, you can see how our Forest and Marine funding, more specifically, was awarded geographically. Within our Marine Fund we have more strategic global projects supported, and then a fairly even split between the continents. This is the funding profile we are aiming for. We are also pleased to see an increase in funding within our Forest Fund to support projects in Africa, as we have been working to increase funding in this area over the last few years. However, we would still like to see the forest funding more equally divided between the main forest areas, as well as seeing more strategic funding at a global level.

Number of Grants from the Marine and Forest Funds in 2020 by Geography



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Trustees' Annual Report *(continued)*

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Projects Supported

Rainforest Fund

Our Rainforest Fund continues to support projects across the three largest rainforest regions (Amazon, Congo and Southeast Asia) supporting a wide range of initiatives from local site-based projects, to policy, campaigning and media. Here is a selection of organisations that either completed projects in 2020, or were awarded new grant funding:

- We received the final reporting from a project implemented by **Canopy**, which has successfully driven systemic shifts in the viscose supply chain to prevent forest loss in Indonesia. Now, 90% of global viscose production is engaged in their CanopyStyle programme and companies are working to eliminate endangered forest fibre from their supply chains - a great success!
- Another project focused on harmful consumption habits was implemented by **FERN**, whom TWF has been funding since 2016. This project saw FERN and partners campaigning for EU regulation on deforestation in the run up to and after the 2019 European elections. A new law has been proposed to minimise the risk of products linked to global deforestation being placed in EU market, which looks set to be a game-changing piece of legislation.
- In Peru, we were pleased to offer continuation funding for a successful project led by **Life Mosaic**. Life Mosaic has been working with Shawi and Wampis indigenous peoples and their forest territories by strengthening governance, leadership and management plans across over 2.3 million hectares of forest. Under our previous grant which completed in 2020, their work led to a landmark decision to ban all agro-industrial and extractive industries from Shawi indigenous territories. The new grant will continue this work and replicate this model across multiple indigenous territories covering 5m hectares.
- In May 2020 we awarded a grant to **World Resources Institute (WRI)** to support their programme in the Congo Basin. WRI aims to generate new understanding of why, where and how quickly forests are disappearing and empower those working to protect forests to identify and respond to threats. We are thrilled to be working with WRI again, who we previously funded in 2009.
- A new partner we funded this year is working extensively to conduct research into the policies of financial institutions and publish reports exposing their links to deforestation. **Profundo** received a grant for capacity building in Malaysia to support local CSOs to influence the financial sector there. We hope that this work will put pressure on financial sector regulators and companies in forest-risk sectors to adopt and implement rigorous forest-risk policies.

Marine Fund

Our Marine Fund also focusses on both local and strategic projects and supports a range of initiatives globally to halt the decline in fish stocks. Here are a few projects that we supported in 2020, many of which are continuations of successful programmes:

- **China Dialogue** disseminate information and promote communication on environment and climate change issues. Funding supported an editorial series to raise awareness in China and internationally of the threat that IUU fishing poses to marine environments and to sustainable fish stocks, with a view to encouraging behavioural and policy change. The articles covered topics such as: policy loopholes in the EU; enforcement; the state of global fish stocks; Chinese deep water fishery policy; restoration of coastal fisheries; and IUU fishing. China Dialogue made good progress and was awarded a further grant to continue this work over the coming years.
- Funding was provided to the **High Seas Alliance (HSA)**, a global coalition of NGOs working towards protecting the 50% of the planet that is the high seas. The United Nations committed to developing a new legally binding treaty to protect biodiversity on the high seas, this was due to be finalised in 2020, with ratification and implementation in the following few years but due to COVID-19 this process has been delayed. HSA are working to ensure the UN adopts a strong conservation treaty that provides a clear, robust and easy to implement legislation.

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Year ended 31 December 2020

- In 2020, we saw the merger between our long-term partner **Funding Fish**, which was established to support organisations addressing overfishing in Europe, and **Oceans 5**, an international funders collaborative which supports projects and campaigns to constrain overfishing and to establish marine reserves. The merger delivers greater effectiveness, capacity and diversity to their respective programmes, and will help magnify TWF funding to support a greater number of NGOs globally.
- **Blue Ventures** works to rebuild tropical fisheries with vulnerable coastal communities. Their focus is on facilitating community-led conservation by helping communities build the skills and knowledge they need to protect marine environments. We have supported Blue Ventures' work on mangroves and fisheries in Madagascar since 2009 and based on their ability to create change we agreed further funding in 2020, with a refocus of their work on controlling the invasive lionfish in Belize.

Brexit

The Brexit Fund aims to ensure that environmental policy within the UK remains just as strong as it did under the EU, and to push for stronger environmental rules and regulations at this pivotal moment in the UK's history.

- As in previous years we focused our support on the Greener UK Coalition and their campaigning around the new Environment, Fisheries and Agriculture parliamentary bills. There have been several promising developments in these bills, particularly the shift in agricultural payments towards environmental public goods. However, the UK's legislative environment is still insufficient to protect our environment at the same level as under the EU, which is why we continued to focus on supporting NGOs involved in parliamentary engagement and legislative work in 2020. We renewed our grants to **Green Alliance**, **Client Earth** and **Wales Environment Link** who are working to address legislative gaps.
- A new area of interest has been on trade and its impact on environmental standards and regulations. It is likely that the best way to influence UK trade policy in the future is to increase public awareness and scrutiny of potential trade deals that could see a weakening of environmental standards. To this end, we awarded grants to **Trade Justice Movement**, **Global Justice Now** and **Unchecked UK** for their work on trade and regulations.

COVID-19 Emergency Response Fund

The COVID-19 EN Fund aimed to ensure that our existing partners could respond to the challenge of the pandemic in whatever way was suitable to keep them functioning, supporting the communities they work with and the implementation of project objectives. This funding was utilised by our partners in a wide variety of ways, included: investments in technology; support to in-country staff (particularly for countries that do not have a welfare system); providing tools, equipment, food and health supplies for communities - with a focus on indigenous forest communities that were required to self-isolate; supporting UK based nature reserves that have seen a dramatic drop in income.

Measuring Impact

During the year we have remained committed to keeping in touch with our partners and working to ensure reporting is appropriate and outcomes for projects can be adjusted during the pandemic to account for the impacts experienced by our partner organisations and projects. We have also continued working in partnership with others through groups such as the Environmental Funders Network (EFN) and Oceans 5 as well as through expert groups on the Amazon and Indonesian forests.

Challenges to our Impact

If one word could sum up 2020 it would be "challenging". However, the health and economic impact of COVID-19 was not the only challenge facing our environment - we also had to contend with Brexit, the impact of Bolsonaro and Trump's leadership, as well environmental deregulation in countries like Indonesia.

We noted in our last report that the highly anticipated environmental 2020 super year on global policy around Climate, Marine, Biodiversity and Forests could result in a resource-heavy year for many of the

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

NGOs we support and could mean competition for our funding would be high, which we have seen

played out. Unfortunately, most of these UN meetings were delayed, but our partners have continued to campaign and work hard to ensure these issues remain high up the political agenda in 2020 and going forwards. The good news is that many of our partners are ready to hit the ground running and ensure good deals are reached at the relevant UN meetings in 2021.

C. Wales Fund

We are heartened to report that despite COVID-19, the Waterloo Foundation Wales team continued to run our "normal" grants programme as well as to respond to the COVID-19 crisis.

The Fund in numbers

During 2020, 89 grants were awarded through our Wales Fund, totalling £1,910,400 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, Caring Wales and Educating Wales. In addition, the Foundation continued our mission to be a good neighbour by also granting a high number of more modest 'Other' awards 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. Furthermore, 2020 saw the unwelcome arrival of a global pandemic which put tremendous pressure on life in Wales. Trustees kindly made available additional funding to ensure the most vulnerable were supported during this difficult time, whilst we also continued with the funding of our usual thematic areas.

Working	Caring
<i>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.</i>	<i>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.</i>
Education	Other
<i>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.</i>	<i>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.</i>
COVID-19	
<i>Due to the devastating impact of the global pandemic, COVID-19, Trustees made further funding available to help communities in Wales support those most vulnerable. Strategic grants were approved, alongside smaller awards, to ensure a wider reach of our funding. Many of the grants related to food distribution, loss of charitable income, digital resources and mental health support.</i>	

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Projects Supported

Working Wales

In 2020, 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:

- **The Huggard:** The Huggard's New Pathways project aims to support those who are furthest from employment, by engaging them in therapeutic volunteering at the Day Centre, with incentives and rewards targeting rough sleepers and those accessing temporary accommodation in homelessness services. New Pathways will create ongoing opportunities for participants to take action by volunteering and taking part in work related activities, including training and employability skills.
- **UnLtd:** UnLtd were given a two-year grant to deliver support to up to 30 social entrepreneurs, helping them to increase their impact and turnover. On average, each social entrepreneur UnLtd works with supports 727 people, so this programme could reach 21,810 people 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.

- **YMCA Cardiff:** A two-year grant was awarded to the YMCA young carers project delivered in the Vale of Glamorgan and Cardiff. The project aims to:
 - Deliver a range of respite group activities which include outdoor education, cultural, sport, cinema and leisure activities.
 - Deliver the Skills for Caring programme across all areas which can include sessions on First Aid; cookery; fire safety; sexual health; life skills etc.
 - Work with young carers on a one-to-one basis.
 - Continue the development of the young carers forum to enable young carers to have a platform to express themselves as well as promoting rights and issues which impact on their lives as carers.
 - Raise awareness of young carers to other professionals as well as to their peers.
 - Support young carers and their families through their passage through social services and other support agencies.
- **YMCA Swansea:** A grant was awarded to support the ongoing costs of employing a young carer worker for two years. The post holder will continue to raise awareness of the experiences of young carers within schools in Swansea. The grant will ensure that young carers will continue to be able to access one-to-one sessions; group workshops with other young carers; trips and activities that may provide new experiences and a break from their caring role and advocacy and support to reduce the barriers of being young carers whilst in education.

Educating Wales

In 2020, 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:

- **Techniquist:** Techniquist was awarded a grant to enable them to develop and expand their educational outreach programme, delivering free, interactive and exciting STEM experiences directly to 9,000 pupils from primary and secondary schools across Wales. It is hoped that by strengthening Wales' science capital and scientific resilience, Wales will become the leading nation in scientific and technological endeavour, driven by a sustained supply of young people entering STEM careers.
- **The Brilliant Club:** The Brilliant Club were awarded a three-year grant to deliver their Scholars programme in Wales. Evidence suggests there is a strong link between a young person's background and access to higher education and stark differences in progression to the most selective universities for young people from different areas in Wales.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The aim of the Scholars Programme is to break the link between a young person's background and access to life changing higher education by equipping them with the knowledge, skills and confidence to successfully apply and progress. It is explicitly focused on developing key competencies to support academic achievement, including written communication, subject knowledge and critical thinking.

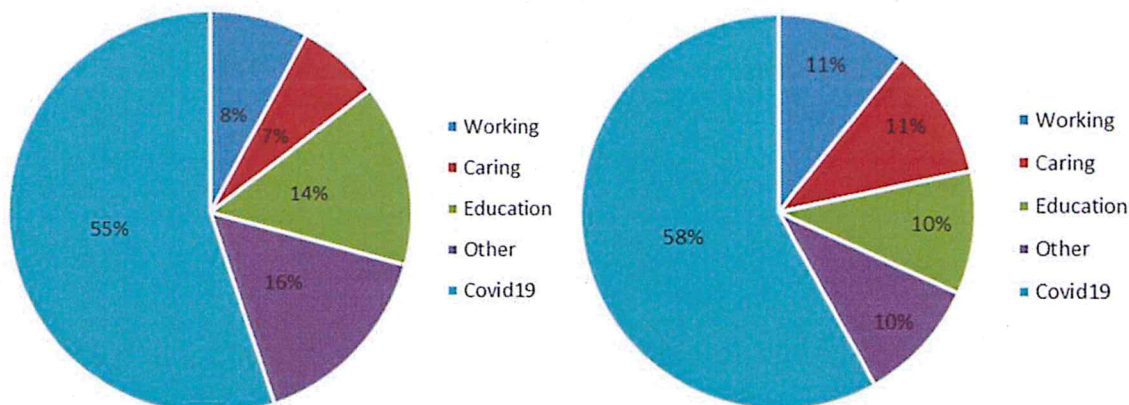
Other

- **The Bevan Foundation:** The Bevan Foundation is an influential and innovative think tank in Wales that aims to develop lasting solutions to poverty, inequality and injustice and aim to help improve people's lives. A three-year grant was awarded to the organisation to support their important work which will include producing evidence-based briefings on issues such as the educational attainment gap, trends in participation in work and the overall state of the economy and publishing informed articles on current topical issues to provide evidence for public discussion.
- **LocalGiving:** LocalGiving were awarded a grant to support the voluntary sector in Wales by helping groups develop their digital skills and diversify their income by providing an online fundraising platform and the tools, training and advice needed to connect with supporters online, improve their digital skills and develop practical fundraising experience.

COVID-19

- **Community Foundation Wales:** During the first few weeks of lockdown, a donation was quickly awarded to CFW's Wales Coronavirus Resilience Appeal. The fund was open to applications from groups across Wales and was aimed to address the rapidly developing needs of local communities in supporting those most vulnerable during the lockdown.
- **The Trussell Trust:** As part of our COVID-19 response, a grant was also awarded to The Trussell Trust to support the 37 food banks in Wales through their grant redistribution process. The food bank grants team is working closely with Area Managers who will work with each food bank to ensure the funds go to where they are most needed, and are used effectively to respond to the COVID-19 crisis. At the time, The Trussell Trust anticipated at least a 30 percent increase in demand for emergency food as thousands of people lost their jobs or faced reduced incomes, which meant people could not afford to eat.

The chart below left demonstrates the proportion of the **number** of individual awards within each of these thematic areas in 2020, and the chart below right demonstrates the proportion of the **value** of awards within each of these thematic areas in 2020:



The Waterloo Foundation

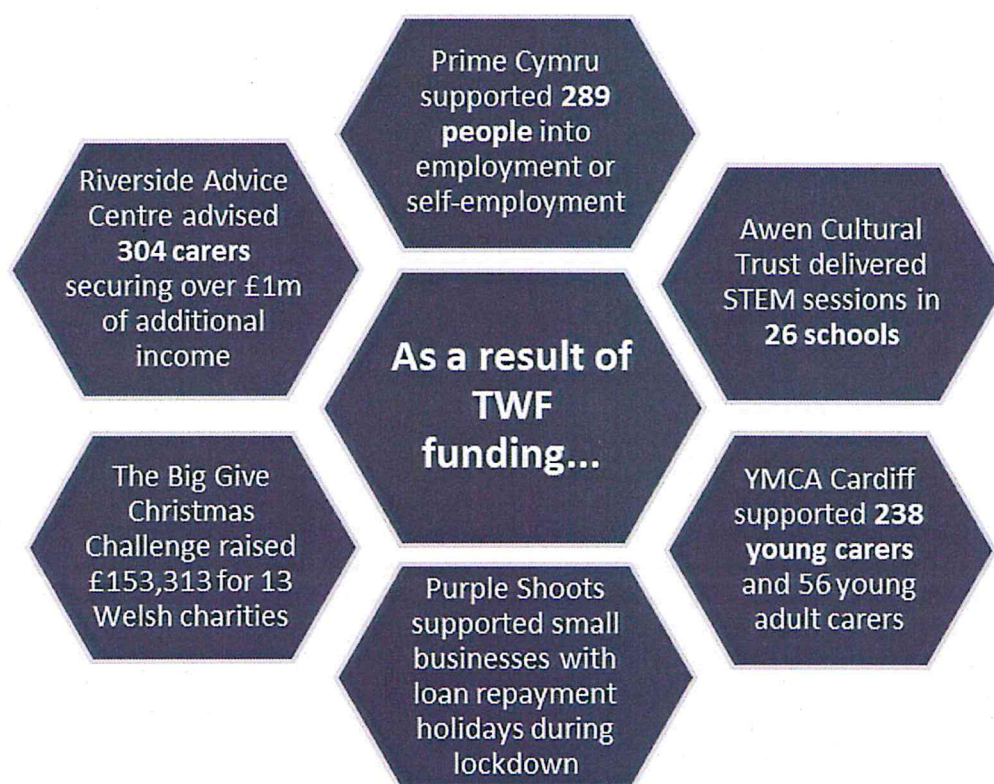
Trustees' Annual Report *(continued)*

Year ended 31 December 2020

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 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 2020:



Challenges to our impact

As a result of the ongoing COVID-19 pandemic, within the Wales fund we saw huge demand from organisations distributing food to vulnerable families to charities who quickly experienced a sharp loss in fundraising income. While the Trustees kindly made available a significant amount of funding purely to support organisations during COVID-19, all our main thematic funding streams remained open. However, as a result of the pandemic, more and more people are experiencing deepening levels of poverty and with the economic climate in decline, we anticipate seeing a marked increase in applications, particularly around the areas of food distribution, education and the widening attainment gap, employment and mental health - as we are already seeing. COVID-19 doesn't discriminate in terms of who it affects, but it does affect vulnerable families more. Families with insecure employment, single-parent or low-income households, carers, or parents already struggling to cope. The crisis is only exacerbating the issues our programmes are already trying to address, but we remain steadfast in our determination to support as many people as possible through our grant giving in Wales.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

D. Child Development Fund

We are heartened to report that despite COVID-19, the Waterloo Foundation Child Development team continued to run our "normal" grants programme as well as to respond to the COVID-19 crisis.

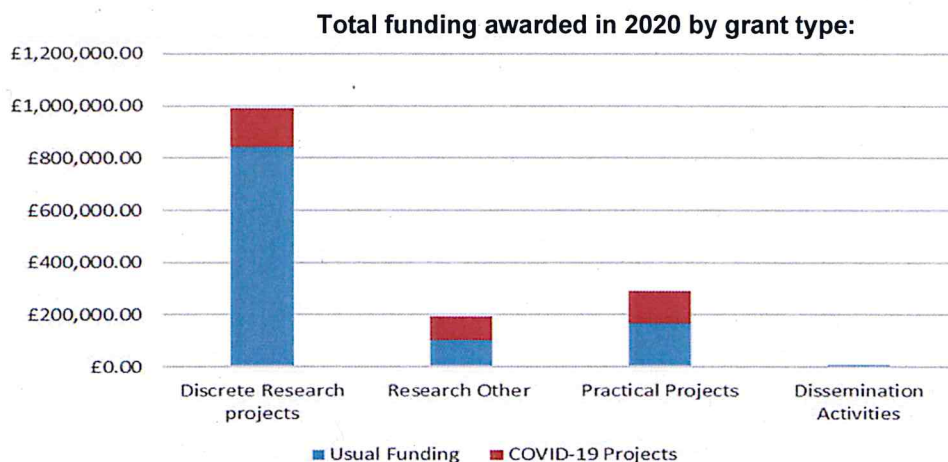
The Fund in numbers

In 2020 the Child Development Fund successfully continued all research calls and normal activity as planned despite the global pandemic, funding **27 new grants**, and also awarded **25 additional COVID-19 grants**, together totalling **£1,484,522.93²**. While the majority (**67%**) of this funding was directed towards discrete research projects and the total funding in this area was up on 2019 funding amounts, this was a **5%** decrease in proportion due mainly to the increase in practical project support provided through the COVID-19 fund. Grants to dissemination activities were significantly lower than previous years. This is unsurprising given many conferences for the year were cancelled or postponed reducing the need for such awards.

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**.

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 2020 we funded 11 pure research and 6 intervention-based projects.

The shift towards more pure research type work has been driven by the implications of restrictions and lockdowns where intervention studies are currently much riskier to attempt with so many unknowns compared to projects wishing to analyse existing datasets.



² £17,839.92 of this total was monies returned to the Foundation due to underspends in budgets from four projects which completed in 2020. These monies were returned to the Foundation and re-gifted to new projects in 2020. Therefore, total new money spent from the Child Development Fund in 2020 was **£1,466,683.01**.

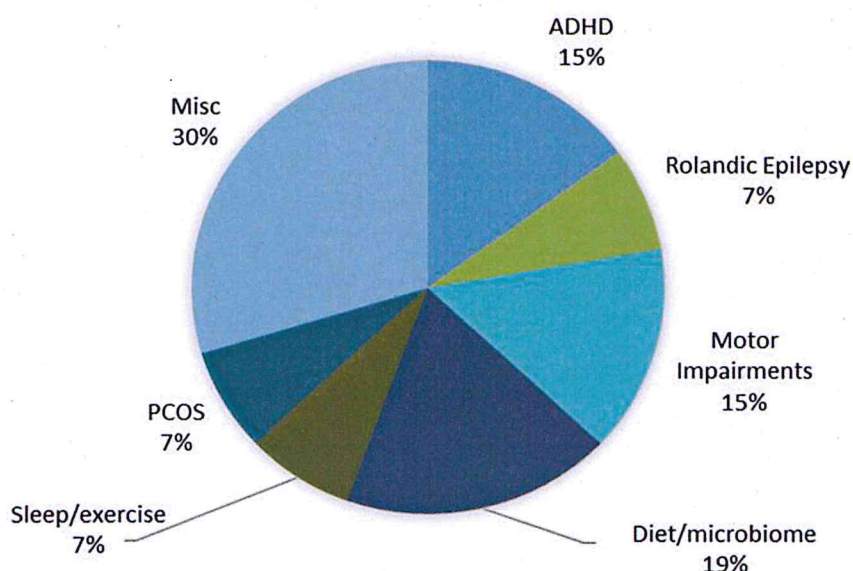
The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

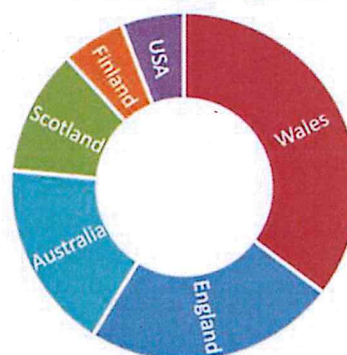
Funding calls for research proposals relating to each of these five topics were open to new applications throughout the year. Outside of these calls we also continued to build relationships and support projects related to **Polycystic Ovary Syndrome (PCOS)**, which was established as a new area of interest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

Distribution of CD Grants by Funding Area



Location of research grants 2020

From March onwards we had a preference for studies which were 'COVID-19 secure' and indeed we received fewer applications from researchers wishing to undertake more intervention-based research since planning these in the current climate was difficult. 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. This has been an even bigger endeavour this year given the huge pressures that academics and clinicians have faced with moving everything online and indeed personal circumstances affecting workloads. We are so grateful for your help as without your commitment we would not have been able to continue our funding streams as normal.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

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. This was more evenly split between organisations with whom we have an on-going relationship (56%) and new organisations (44%) this year. Decisions to repeat-fund continued to be based on an organisation's ability to demonstrate their effectiveness through structured reporting, and where possible online meetings and phone calls.

Projects Supported

We are delighted to be able to detail some examples of our new grant-making activity in 2020, encompassing research, dissemination, practical projects and COVID-19 grants:

Research activity

- We funded researchers at **Edinburgh University** to better understand the implications of Rolandic Epilepsy and medication on education and life outcomes using administrative data from Wales and Scotland databases.
- We also awarded funding to researchers at **Deakin University** to develop an educational app aimed at pregnant women to help improve pregnancy related diets and thus outcomes for their children.
- We supported a project with **Sheffield NHS Trust** aiming to improve sleep in children with neurodevelopmental disorders using sleep practitioners and to see whether this is more effective and cost effective than prescribing melatonin.
- We awarded funding to **Cardiff University** to explore the development of memory systems in children and adolescents using state of the art fMRIs.
- We approved a research proposal at the **University of Victoria**, to trial an online eHealth intervention aimed at parents with children with DCD to see whether this supportive and informative platform could increase activity levels in children and improve mental health outcomes in this group.
- We began funding a project with researchers at **Nottingham University** aiming to develop brain markers of arousal and attention impairments in individuals with ADHD.

Dissemination activity

We provided funding to researchers at Cardiff University to support hosting the DCD-UK conference 2020. This has of course been delayed to 2021 but we hope through our support the conference can enable greater attendance of practitioners to the event and ultimately have a larger focus on bridging the gap between research and practice.

Practical projects

In 2020, we were delighted to recommit our support to the **Neurodevelopmental Assessment Unit at Cardiff University** which is both a practical project and research centre. After a very successful 3-year start-up grant the unit is now up and running and (restrictions permitting) is assessing children aged 4-7 years from across South Wales, across a range of cognitive, social and behavioural domains. Children are referred to the unit by schools and are often waiting CAMHS assessment. The unit can see children and their parents usually within a month of referral. After completing the battery of assessment tests, in collaboration with education and clinical psychologists, they put together a profile for each child detailing their strengths and difficulties. This document is shared with the families and schools along with personalised suggested activities for use in their educational plans. This service is helping schools and families access quick personalised support, and the team hopes to expand further to offer interventions covering the next three years in the child's life.

COVID-19

In response to the global pandemic most research activity in the UK and globally had to be paused. COVID-19 emergency funding in the Child Development Fund was therefore mainly directed towards helping existing research projects keep going by providing costed extensions to help ensure that the main objectives from the projects could be completed as planned. We appreciate that given the much

The Waterloo Foundation

Trustees' Annual Report *(continued)*

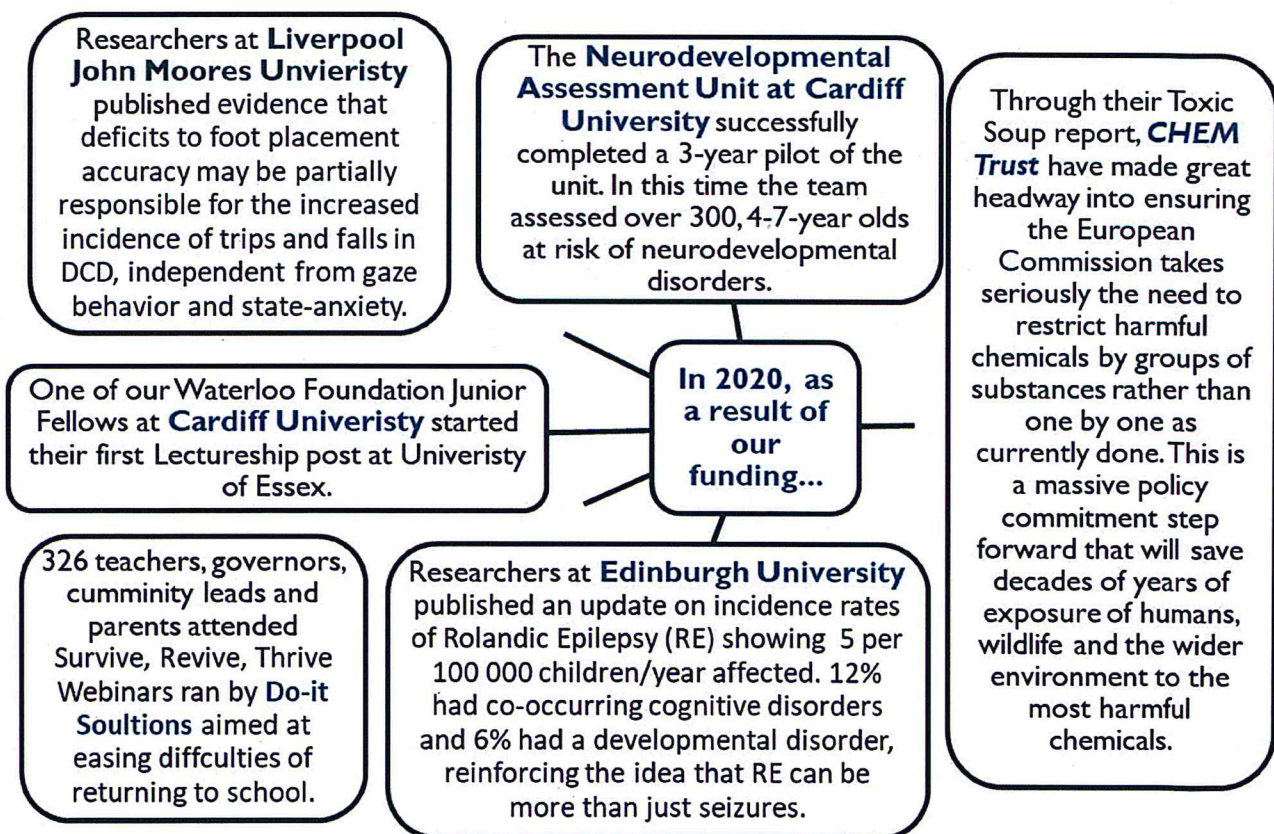
Year ended 31 December 2020

longer period of restrictions and subsequent lockdowns that we have experienced in the UK, some

research projects might, even with extensions, not succeed in completing as planned (particularly those in schools and involving long-term interventions). We also recognise that this has been an incredibly challenging time not only for academics in general but also for junior researchers whose careers have been put on hold, with funding streams closed and future directions within research looking bleak. We therefore have also tried to support projects even when original research plans look unlikely, to help junior researcher produce output that will help them get to the next stages in their careers and remain in the research field. As such, in 2020 we provided **10 existing research projects with costed extensions** and also supported **three new research projects** looking more specifically at COVID-19 impacts on areas of interest to the Foundation. Together this totalled **£239,101.01**. We also provided more modest support to **specialist schools** during the first lockdown to help provide important equipment for use within the school setting and for distribution to those families no longer attending schools, unrestricted support to **neurodevelopmental charities** whose income decreased and demand grew over lockdowns, and to projects aiming to tackle some of the difficulties children faced when looking at reintegrating back into schools such as the resources created by **Do-it Solutions**. This more practical support totalled **£127,582.00**.

Measuring impact

We understand that 2020 has been a difficult year for everyone and whilst we remain committed to ensuring our projects are on track through the submission of comprehensive reports, we have of course needed to be more flexible with this during the year. Reporting this year has therefore been more focused on shorter email and online catch-ups as things have been evolving and changing quickly. In addition to ongoing monitoring, grantees also report to us on their key research outcomes at the end of their awards and a year after. The diagram shows some of the outcomes of 2020 for the CD fund:



The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Challenges to our impact

With restrictions from COVID-19 still affecting research both within and outside of universities we do not know when many of our projects relying on new data collection, will be able to restart and complete their planned goals. For some projects this is more detrimental than others. We will endeavour to support them through this process but ultimately the quality of the science in some projects will be affected by the restrictions and therefore the possible impact reduced at the end. We are working with grantees to ensure the science is of as high quality as possible but it is unrealistic that all projects will be completed as planned. Impact in the research world is also judged by publications and dissemination. Whilst large conferences have been impacted by restrictions, access for many public members to talks has increased through online participation so this is a positive that will hopefully continue post-pandemic. Publications have also increased as academics have more time available to write these up whilst data collection is on hold.

Away from research grants, our charity partners continue to feel the strain of an increase in demand for their services combined with significant drops in income which will be apparent for some time to come. We remain committed to helping support these organisations, our current research grantees and new research projects through these challenging times.

FINANCIAL REVIEW

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

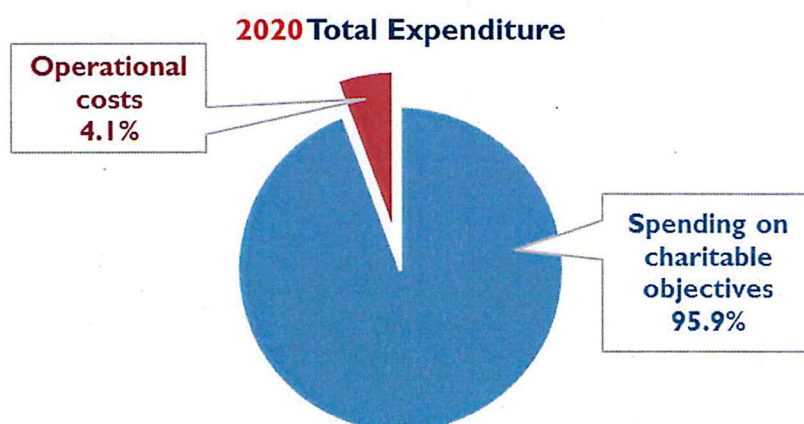
Total income during the year was **£17,775,166** (2019: £9,532,487), this includes donations from David and Heather Stevens of **£12,256,500** (2019: £4,296,800).

Total expenditure amounted to £14,098,787 (2019: £8,812,235), grant funding activities of **£13,349,145** (2019: £8,048,498) are included within this figure.

Overall a surplus of £36,573,899 (2019: £21,587,028) was made during the year after net gains on the investments of £32,897,520 (2019: £20,866,766), detailed breakdown of the income and expenditure forms part of the notes to the accounts

Financial Position

In 2020, we continued to aim for total support costs of no more than 6% of our overall annual expenditure. In total, the Foundation spent **£13,919,880** of which £570,735 (**4.1%**) was expended on operational costs.



The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

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 equity and bond portfolio managed by our investment managers, Whitley Asset Management.

Summary of Reserves

At the year end unrestricted reserves were **£216,964,652** (2019: £180,390,753).

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.

Whitley Asset Management continue to safeguard this stance through their internal investment research, in combination with 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 2020, Whitley Asset Management continued to provide bi-monthly reports to the Foundation's Trustees, and had videoconferences 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

Trustees continue 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 continue to 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 2021 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 2020 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 2021, 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 continue to prioritise support for organisations working on the important issues of marine fisheries and the protection of tropical rainforests. We will continue to provide funding for post-Brexit environmental policy work due to delays and weaknesses within the currently legislation within the UK. We will also continue to support a number of existing partners who have been impacted by COVID-19, especially those working towards strong outcomes from the hoped-for UN policy super-year in 2021.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

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 2021: 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, as well as those who have been impacted by COVID-19.

Structure, governance and management

The Trustees are pleased to present the 14th report together with the financial statements of the Foundation for the period ended 31st December 2020.

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 continually consider our governance arrangements, and will continue to do so.

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.

We are very sad to report the loss of one of our founding Trustees, Captain Janet Alexander, in April 2020. Janet served as a loyal Trustee of the Waterloo Foundation since its inception in 2007. Janet was an exceptionally hardworking Trustee, attending an extraordinary number of meetings (76 out of 79!) whilst working full time, with all the attendant reading and workload that entailed. Her intelligent scrutiny of our work raised many important issues and improved the work that we have been able to do. On top of this, she also went on fact-finding missions for the Foundation to Ghana, Rwanda and Ethiopia, and attended numerous events including the launch of our Size of Wales rainforest campaign, and a wonderful evening onboard Greenpeace's Rainbow Warrior where she was allowed to sit in the captain's seat, a change of transport mode from her own aviation captaincy. She was a formidable woman, strong of principle and opinion, yet with the warmest and most generous of hearts. She was much loved by us all and she will be much missed.

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:

- an Operations Manager, who also acts as Executive Assistant to the Chair and Secretary to the Board;
- a Finance Manager, supported by a part-time, contracted freelance Administration Assistant;
- an Office Manager;
- 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 Operations Manager, with the exception of the Operations Manager herself, who reports directly to the Chair of Trustees, and the Assistant Fund Manager, who reports directly to the Environment Fund Manager.

The Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

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 (Operations Manager), and are actioned by the office team. In 2020 we completed our review and update of our suite of offer letters, Terms and Conditions and Privacy Notice with our legal advisers.

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. After a number of revisions, the Handbook is currently undergoing a full review and will be reissued in the first quarter of 2021.

Annual appraisals are scheduled for all staff in the first quarter of each year. They are conducted by a designated Trustee and the Operations Manager. 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 2020 to allow us to successfully transition to fully virtual office processes.

Related Parties

In 2007 Heather Stevens (Chair) and David Stevens (Trustee) donated to the Waterloo Foundation, Admiral Group plc shares to a value then of £99 million. David Stevens, previously appointed as Chief Operating Officer of Admiral was appointed Chief Executive Officer of Admiral in 2016. David retired as a director 31 December 2020, however he will continue to work for Admiral in a part-time capacity, providing consultancy support on risk selection and as a board member of Admiral Financial Services Limited. 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
2020 £12,256,500

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 Waterloo Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

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 Operations Manager 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 for consideration. 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.


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 2019) FRS102;
- 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 operation.

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 22/7/21..... and signed on behalf of the board of trustees by:


David Stevens (Jul 22, 2021 12:22 GMT+1)

Trustee

David Stevens
.....
Name

The Waterloo Foundation

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

Year ended 31 December 2020

Opinion

We have audited the financial statements of The Waterloo Foundation (the 'charity') for the year ended 31 December 2020 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Waterloo Foundation

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

(continued)

Year ended 31 December 2020

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then

The Waterloo Foundation

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

(continued)

Year ended 31 December 2020

designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Trustees.

Based on our understanding of the Charity and the charity sector, discussions with management and trustees we identified financial reporting standards and Charities Act 2011 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Charity's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals, provisions, investments, grant making and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the rationale of significant transactions, outside the normal course of charitable activity;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

The Waterloo Foundation

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

Year ended 31 December 2020

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

Carston
Chartered accountants & statutory auditor
16 Cathedral Road
Cardiff
CF11 9LJ

Dated: 11/08/2021

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 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	12,256,500	12,256,500	4,296,800
Investment income	5	5,518,666	5,518,666	5,235,687
Total income		<u>17,775,166</u>	<u>17,775,166</u>	<u>9,532,487</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	(178,689)	(178,689)	(225,676)
Expenditure on charitable activities	7,8	(13,919,880)	(13,919,880)	(8,586,049)
Other expenditure	11	(218)	(218)	(510)
Total expenditure		<u>(14,098,787)</u>	<u>(14,098,787)</u>	<u>(8,812,235)</u>
 Net gains on investments	 12	 32,897,520	 32,897,520	 20,866,776
 Net income and net movement in funds		 <u>36,573,899</u>	 <u>36,573,899</u>	 <u>21,587,028</u>
 Reconciliation of funds				
Total funds brought forward		180,390,753	180,390,753	158,803,725
Total funds carried forward		<u>216,964,652</u>	<u>216,964,652</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 notes on pages 34 to 42 form part of these financial statements.

The Waterloo Foundation
Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	17	31,884	16,310
Investments	18	214,118,314	180,222,780
		<u>214,150,198</u>	<u>180,239,090</u>
Current assets			
Debtors	19	67,899	17,512
Cash at bank and in hand		4,612,702	1,702,674
		<u>4,680,601</u>	<u>1,720,186</u>
Creditors: amounts falling due within one year	20	<u>1,866,147</u>	<u>1,568,523</u>
Net current assets		<u>2,814,454</u>	<u>151,663</u>
Total assets less current liabilities		<u>216,964,652</u>	<u>180,390,753</u>
Net assets		<u>216,964,652</u>	<u>180,390,753</u>
Funds of the charity			
Unrestricted funds		216,964,652	180,390,753
Total charity funds	22	<u>216,964,652</u>	<u>180,390,753</u>

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


David Stevens (Jul 22, 2021 12:22 GMT+1)

 Trustee


C. Oakes (Jul 25, 2021 11:31 GMT+1)

 Trustee

David Stevens

 Name

Caroline Oakes

 Name

The notes on pages 34 to 42 form part of these financial statements.

The Waterloo Foundation
Statement of Cash Flows
Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income	36,573,899	21,587,028
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	6,945	5,464
Net gains on investments	(32,897,520)	(20,866,776)
Dividends, interest and rents from investments	(5,518,594)	(5,235,817)
Other interest receivable and similar income	(72)	130
Loss on disposal of tangible fixed assets	218	510
Accrued (income)/expenses	(2,314)	2,402
<i>Changes in:</i>		
Trade and other debtors	(47,036)	6,079
Trade and other creditors	296,587	76,915
Cash generated from operations	(1,587,887)	(4,424,065)
Interest received	72	(130)
Net cash used in operating activities	(1,587,815)	(4,424,195)
Cash flows from investing activities		
Dividends, interest and rents from investments	5,518,594	5,235,817
Purchase of tangible assets	(22,955)	(2,050)
Proceeds from sale of tangible assets	218	510
Purchases of other investments	(55,132,957)	(47,496,627)
Proceeds from sale of other investments	54,134,943	47,460,655
Net cash from investing activities	4,497,843	5,198,305
Net increase in cash and cash equivalents	2,910,028	774,110
Cash and cash equivalents at beginning of year	1,702,674	928,564
Cash and cash equivalents at end of year	4,612,702	1,702,674

The notes on pages 34 to 42 form part of these financial statements.

The Waterloo Foundation
Notes to the Financial Statements
Year ended 31 December 2020

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

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. Covid-19 has caused global disruption to business and economic activity which has been reflected in fluctuations in global markets. The most significant aspect of the Charity that potentially affects its ability to continue is the carrying value of its investments which relates to investment returns and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information). Trustees are of the opinion that Covid-19 will not have a detrimental impact on the charity due to the performance and scale of the investment portfolio.

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 2020

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 2020

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 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	12,256,500	12,256,500	4,296,800	4,296,800

The Waterloo Foundation

Notes to the Financial Statements (continued)

Year ended 31 December 2020

5. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	5,518,594	5,518,594	5,235,817	5,235,817
Bank interest receivable	1,738	1,738	690	690
Other interest receivable	(1,666)	(1,666)	(820)	(820)
	<u>5,518,666</u>	<u>5,518,666</u>	<u>5,235,687</u>	<u>5,235,687</u>

6. Investment management costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Portfolio management	<u>178,689</u>	<u>178,689</u>	<u>225,676</u>	<u>225,676</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Grants & project funding	13,723,460	13,723,460	8,392,002	8,392,002
Support costs	196,420	196,420	194,047	194,047
	<u>13,919,880</u>	<u>13,919,880</u>	<u>8,586,049</u>	<u>8,586,049</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Grants & project funding	374,315	13,349,145	175,355	13,898,815	8,570,329
Governance costs	—	—	21,065	21,065	15,720
	<u>374,315</u>	<u>13,349,145</u>	<u>196,420</u>	<u>13,919,880</u>	<u>8,586,049</u>

9. Analysis of support costs

	Analysis of support costs Grants & project funding £	Total 2020 £	Total 2019 £
Staff costs	110,311	110,311	113,662
Premises	42,568	42,568	42,056
Communications and IT	710	710	709
General office	14,820	14,820	16,438
Governance costs	21,065	21,065	15,718
Support costs - Other	6,946	6,946	5,464
	<u>196,420</u>	<u>196,420</u>	<u>194,047</u>

The Waterloo Foundation
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

10. Analysis of grants

	2020 £	2019 £
Grants to institutions		
Grants to institutions	13,349,145	8,048,498
Total grants	<u>13,349,145</u>	<u>8,048,498</u>

11. Other expenditure

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Loss on disposal of tangible fixed assets held for charity's own use	218	<u>218</u>	510	<u>510</u>

12. Net gains on investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains / (losses) on sale of investment assets	32,897,520	<u>32,897,520</u>	20,866,776	<u>20,866,776</u>

13. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	6,945	5,464
Loss on disposal of tangible fixed assets	<u>218</u>	<u>510</u>

14. Auditors remuneration

	2020 £	2019 £
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:

	2020 £	2019 £
Wages and salaries	388,789	347,833
Social security costs	37,942	35,675
Employer contributions to pension plans	<u>22,137</u>	<u>20,930</u>
	<u>448,868</u>	<u>404,438</u>

The Waterloo Foundation
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

15. Staff costs *(continued)*

The average head count of employees during the year was 11 (2019: 11). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of administrative staff	3	3
Number of support staff	7	7
	<u>10</u>	<u>10</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2020 No.	2019 No.
£60,000 to £69,999	1	—
	<u>1</u>	<u>—</u>

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 £108,964 (2019: £92,142).

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, no trustees were reimbursed (2019: £658 for two trustees) for travelling costs to attend meetings.

17. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2020	40,177	47,539	87,716
Additions	432	22,305	22,737
Disposals	—	(1,002)	(1,002)
At 31 December 2020	<u>40,609</u>	<u>68,842</u>	<u>109,451</u>
Depreciation			
At 1 January 2020	32,616	38,790	71,406
Charge for the year	1,534	5,411	6,945
Disposals	—	(784)	(784)
At 31 December 2020	<u>34,150</u>	<u>43,417</u>	<u>77,567</u>
Carrying amount			
At 31 December 2020	<u>6,459</u>	<u>25,425</u>	<u>31,884</u>
At 31 December 2019	<u>7,561</u>	<u>8,749</u>	<u>16,310</u>

The Waterloo Foundation
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

18. Investments

	Cash or cash equivalents £	Listed investments £	Other investments £	Total £
Cost or valuation				
At 1 January 2020	5,295,922	173,768,342	1,158,516	180,222,780
Additions	30,632,001	24,334,945	166,011	55,132,957
Disposals	(29,169,695)	(25,728,370)	(84,689)	(54,982,754)
Fair value movements	—	34,642,965	(897,634)	33,745,331
At 31 December 2020	<u>6,758,228</u>	<u>207,017,882</u>	<u>342,204</u>	<u>214,118,314</u>
Impairment				
At 1 January 2020 and 31 December 2020			—	—
Carrying amount				
At 31 December 2020	<u>6,758,228</u>	<u>207,017,882</u>	<u>342,204</u>	<u>214,118,314</u>
At 31 December 2019	<u>5,295,922</u>	<u>173,768,342</u>	<u>1,158,516</u>	<u>180,222,780</u>

All investments shown above are held at valuation.

Listed investments

The aggregate market value of listed investments is £207,017,882 (2019: £173,768,342) and the stock exchange value is £207,017,882 (2019: £173,769,342).

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 (2019: £110,318,862)

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	290p ordinary shares	3,391,400	£98,520,170

There is no restriction on the realisation of this investment.

19. Debtors

	2020 £	2019 £
Prepayments and accrued income	18,463	15,112
Other debtors	49,436	2,400
	<u>67,899</u>	<u>17,512</u>

The Waterloo Foundation
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

20. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	13,712	12,675
Social security and other taxes	9,877	20,616
Trade creditors	9,222	1,417
Other creditors	1,833,336	1,533,815
	<u>1,866,147</u>	<u>1,568,523</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 £22,137 (2019: £20,930).

22. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 20 £	Income £	Expenditure £	Gains and losses £	At 31 December r 2020 £
General funds	<u>180,390,753</u>	<u>17,775,166</u>	<u>(14,098,787)</u>	<u>32,897,520</u>	<u>216,964,652</u>

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

The Waterloo Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

23. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	31,884	31,884
Investments	214,118,314	214,118,314
Current assets	4,680,601	4,680,601
Creditors less than 1 year	(1,866,147)	(1,866,147)
Net assets	216,964,652	216,964,652

	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

24. Other financial commitments

The charity was committed to make donations worth £5,519,527 (£5,770,556: 2019) as at 31 December 2020.

25. Analysis of changes in net debt

	At 1 Jan 2020 £	Cash flows £	At 31 Dec 2020 £
Cash at bank and in hand	1,702,674	2,910,028	4,612,702

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 £12,256,500 (2019: £4,296,800) was made from the same trustees.

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

Greenpeace Oceans Campaign	£150,000
Global Fishing Watch	£100,000