WATES FAMILY ENTERPRISE TRUST

England & Wales · Charity number 1126007

Details

Status	Registered
Legal form	Charitable company
Company number	06648896
Registered	2008-09-23
Register	View on the Charity Commission register

Contact

Address	Wates Family Charities Wates House Station Approach Leatherhead KT22 7SW
Phone	01372861250
Email	director@watesfoundation.org.uk
Website	watesgiving.org.uk

Activities

Objects: TO FURTHER SUCH CHARITABLE PURPOSE OR PURPOSES FOR THE PUBLIC BENEFIT AS THE DIRECTORS IN THEIR ABSOLUTE DISCRETION SHALL THINK FIT

Activities: Wates Family Enterprise Trust was set up in 2008 to support initiatives that make a real difference to society. It forms a vital part of the Wates Family's commitment to being engaged stewards of a business that combines wealth creation with social responsibility. All the proposals for awards come from the Wates Family and employees, as a result we are unable to accept applications for funding.

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Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Armed Forces/emergency Service Efficiency, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL.
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,910,321	£1,697,063	£987,645	6
2023-12-31	£1,511,382	£1,552,497	£774,387	5
2022-12-31	£1,502,283	£1,165,277	£815,502	3
2021-12-31	£825,386	£683,384	£478,496	3
2020-12-31	£831,572	£688,466	£336,494	3

Trustees

Name	Role	Appointed
TIM WATES	Chair	
ANDREW TRACE ALLAN WATES		
ANDY WATES		
CHARLES WILLIAM RANDAG WATES		
JONATHAN GILES MACARTNEY WATES		
MICHAEL EDWARD WATES		
PAUL CHRISTOPHER RONALD WATES		
Sir JAMES GARWOOD MICHAEL WATES CBE		

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WATES FAMILY ENTERPRISE TRUST

England & Wales - Charity number 1126007

Accounts

Wates Family

ENTERPRISE TRUST

WATES FAMILY ENTERPRISE TRUST LIMITED
Report and Financial Statements
Year ended 31 December 2024
Charity no: 1126007
Company no: 06648896

Directors of the Company
Mr A E P Wates (Chairman)
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr J G M Wates
Mr P C R Wates
Mr T A de B Wates

Trustees
Mr A E P Wates (Chairman)
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr J G M Wates
Mr M E Wates
Mr P C R Wates
Mr T A de B Wates

Company Secretary
Mrs F Mallam

Company Number: 06648896

Charity Number: 1126007

Registered Office
Wates House
Station Approach
LEATHERHEAD
Surrey KT22 7SW

Auditors
Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury, West Midlands
B69 2DG

Bankers
Charities Aid Foundation Bank Limited
25 King's Hill Avenue
King's Hill, West Malling
Kent
ME19 4JQ

Solicitors
Bates Wells
10 Queen Street Place
London EC4R 1BE

Memberships
The Wates Family Enterprise Trust Limited is a subscribing member of the Association of Charitable Foundations, London Funders and the Environmental Funders Network.

Contact Information

E-mail: director@watesfoundation.org.uk
Web: www.wfet.org.uk

Message from the Chair

The charity sector continued to face a significant financial squeeze in 2024, with increasing operational costs, reduced funding, and a sharp rise in service demand. According to recent data from Charities Aid Foundation (CAF), 86% of charities have seen an increase in demand for services, while 88% expect demand for their services to continue to rise. This growing pressure has made demand for services one of the top three challenges facing charity leaders today.

As a result, many charities are struggling to stay afloat. More than a quarter (28%) are not confident they can meet future demand, and 18% fear they may not survive the next five years. With limited resources, charity leaders are spending the majority of their time—at least 75%—firefighting day-to-day problems, leaving little room for long-term strategy or systemic change. Smaller charities, particularly those with incomes under £1 million, are the most vulnerable to these pressures.

At a time when the sector needs to focus on long-term impact, the reality is that many organisations are stuck in survival mode. This prevents them from looking at the bigger picture, such as how societal changes and structural challenges affect their work.

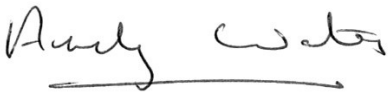
To address this, WFET is focusing on strategic programmes that bring together multiple stakeholders—across sectors, professions, funders and community groups—to tackle larger systemic issues. By convening diverse voices and resources, we aim to create more sustainable solutions that go beyond immediate service delivery and address the root causes of the challenges charities and sectors of society face.

Continuing to fund those that deliver services remains vital to informing any strategy exploring and supporting change. WFET seeks to form lasting partnerships with key charities across the sector and we are grateful to learn from and support the work of The Difference, Get Further, The New School, Look Ahead, Shared Health, Hubbub, Sow the City, the Centre for Social Justice and many more.

We believe that if the sector is to thrive in the future, a new funding approach is essential—one that invests in collaboration, innovation, and long-term change rather than just short-term survival. As such, the Trust has appointed two new posts to specifically develop our collective enquiry and philanthropy in support of Inclusive Education and the development of community led nature-based neighbourhoods. These remain core long term strategic commitments for the Trust.

2024 saw an increase in the Trust's philanthropy across all areas. Matched funding, offered to Wates Group employees, rose to a record high, with a 36% increase on 2023. Awards to support employee volunteering, support to their chosen local organisations and to employees competing in national sporting forums all saw an increase.

Finally, on behalf of the trustees, I would like to thank the team who have worked incredibly hard to develop our programmatic giving. Above and beyond this, has been their commitment to supporting the organisations we fund, alongside those we meet. Believing in the power of unusual conversations, collaborations and connections is important to how the Trust works. We believe this can be instrumental in enabling lasting, holistic change.



Andy Wates, Chair of Wates Family Enterprise Trust, March 2025

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Wates Family Enterprise Trust Limited for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

Grant Making

Thematic Grants

Three key strategic areas of Homes as a Foundation for Life, Life Opportunities for Young People and Sustainability – (Nature based Neighbourhoods) guide the majority of the Trust's funding. Each theme is developing into a specific programme and is led by a nominated trustee with the Director of the Trust. Wherever possible, the trustees seek to explore connection between the programmes and the Trust's funding, thereby increasing a more holistic approach and understanding of challenges faced.

The fourth area of funding, Fostering Active Citizenship, has been designed to support and encourage Wates Group employees in their fundraising and support of charities local to them and in which they volunteer. Group and Employee awards sit under this area of funding.

Outside the theme areas, funding available for each year is allocated on a proportional basis to:

Employee awards: in support of initiatives of employees of the Wates businesses acting in a private capacity. The latter includes: personal fundraising for local charitable and community causes; Give As You Earn donations through payroll; engagement with community organisations as volunteers, trustees, governors, sports coaches or other roles; participation of immediate family members in sport at national and international levels.

Group awards : community-based organisations as nominated by Wates Group employees

Family awards: in support of bids which are the initiative of the Wates Family.

The Trust does not accept unsolicited applications for grant funding.

Achievements & Performance

Funding Summary

In 2024, the Trust made 359 new awards in the period to the value of £1,322,216 (2023: 338 awards at £1,265,978, 2022: £919,368). A full list of awards, given and rescinded in the year, is to

be found in the Notes to the Accounts.

The following provides a brief look at some of the new awards from the Trust's core strategic programmes in 2024, starting with the initial awards made under the Thematic programmes.

1. Life Opportunities for Young People

The Trust's key strategic objectives under LOYP:

a) Article 28 of the UNCRC says that children and young people have the right to education. We want to support the delivery of an engaging education, of quality, which equips young people to partake in society.
b) Our approach to curriculum is inclusive and built on the premise that all learners have an entitlement to powerful knowledge and an excellent education.
c) We see education as holistic. It is more than academic achievement.

In 2024, WFET secured £115,000 from Porticus to support an Inclusive Education Collective Lead, based in WFET to work with others to form a hub for key information and connections for those working to common outcomes for whole child development. The role was recruited in November and is focused on supporting organisations that work with young people at risk of exclusion, strengthening networks, and ensuring the long-term sustainability of a new inclusion collective that will grow from the current IntegratEd partnership (comanaged by WFET and Mission 44).

Support continues to the Trust's three core partners under LOYP: The Difference £100,000; Get Further £50,000; and The New School £50,000. These three organisation are trailing new ways to provide more inclusive education for children and young people. Get Further has a specific focus on post 16 support and together, with the Trust, they have been piloting how very small group tuition can best support young people in further education to access apprenticeships.

Synonymous with the Trust's approach, we often support an idea/pilot to where it is evidenced and ready for scale up and replicability. At this point, we support an introduction to other funders and phase out our support.

2. Homes as a Foundation for Life

The Trust's key objectives under Homes as a Foundation for Life:

1. We will support work influencing the Private Rented sector to ensure all residents have access to affordable, secure housing of adequate standard.
2. We will support others to influence the housing system to enable more accessible, equitable and secure housing for all.
3. We want to ensure that everyone has a place to call home and that they are provided with the support they need to keep it.

Over the coming years, the Wates Family Enterprise Trust will continue in its commitment to 'Homes as a foundation for life' , through supporting practical innovation and thought leadership and research. The work emerging suggests that poor housing is not a route into poverty but, in reality, acts as a ceiling preventing people escaping poverty and disadvantage.

We will look to those most vulnerable members of society, in particular families with children living without a home and those living with complex needs. Collaborating with the Trust's two other funding programmes – Life Opportunities for Young People and Sustainability: Nature based Neighbourhoods – will bring a depth of perspective and strength to working with new partners to exploring multidisciplinary solutions.

In the year, we continued our support to Shared Health Foundation supporting families at the point of homelessness. Shared Health offers multi-disciplinary support to families through their Family Cribs in Oldham and Rochdale. Being closely linked, and even based in local GP practices, the Cribs ensure the health, wellbeing of children and their adults, offer advice on navigating the benefit and housing system and are rapidly becoming a key link between social services, schools, health practices and other key statutory services. The interdependence of these issues is of significant interest to the Trust and we continue to explore how our existing programmatic areas can jointly fund and support work for more complex and holistic change.

Shared Health Foundation (SHF) continues to successfully influence policy and wider debate around families facing homelessness. In the year, the Government proposed recommendations to Local Authorities around provision of cots in emergency and temporary accommodation on the back of a safe sleeping campaign organised by Share Health. A new award granted in 2024 is to Kings College London. This is a research project focusing on how minute levels of debt are keeping women and their children off the housing register and in insecure temporary accommodation, long term. A reflection of the Trust's commitment to collaboration is the fact that three other grant making bodies have come together to jointly fund this work alongside WFET. This offers a range of skills, experience and resource to the organisations -as well as an important diversification in funding sources.

Our homes may well be our foundation for a decent life, but they are rooted in the places and communities we live, work and rest in. Our homes and the provision of them cannot be seen in isolation.

3. Sustainability

Sustainability has three strategic objectives:

- We want to see people becoming increasingly connected with nature in their everyday lives.
- We believe that everyone has the ability to become an advocate for change - change that takes place beyond their own personal space and influence others in their choices.
- We want to learn how the Trust can be most useful and catalytic in the collective ambition to slow the effects of climate change.

Nature Based Neighbourhoods (NBN)

We are one year into the Trust's Nature-Based Neighbourhoods Partnership Programme. The focus of this philanthropic stream is centred around the facilitation, convening and connecting of those already working to re-green urban areas to ensure a unified and strengthened national approach.

Key Outcomes for the Trust

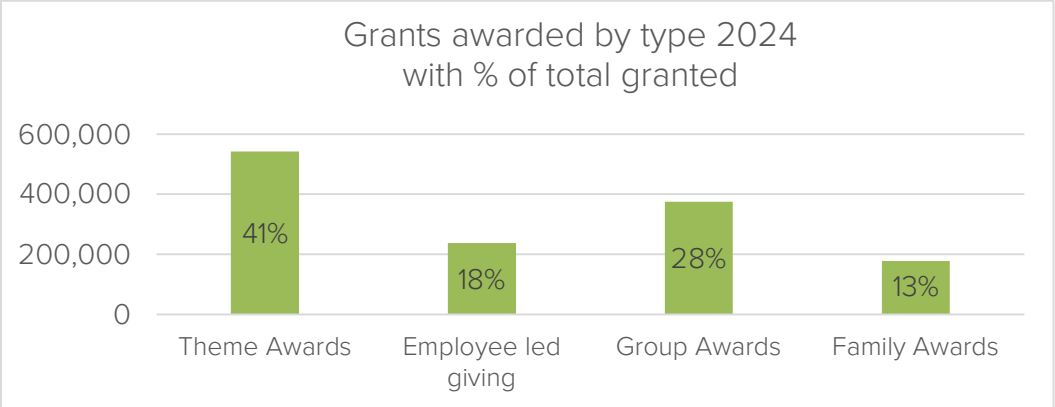
i. Support the development of thought leadership in the development and scale of NBN.
ii. Support and engage with community-based projects to feed into thought leadership and sector learning.
iii. Become a knowledge hub/repository for NBN and facilitate collective thought leadership.
iv. Convene a wide group of experts/advisors – using the premise of unusual collaborations to bring a multi-faceted NBN approach to communities – to build connectivity in the approach across the country.
v. Use advisors, experts, community-based knowledge, academics, and the collective leadership to influence policy frameworks and identify opportunities to contribute to and support government ambitions around: net zero neighbourhood/living, regeneration, environmental and economic targets.

The scale of our ambition necessitates working with other funders to compound our investment and achieve the change no one organisation could achieve alone. In late September we secured £20,000 of funding from Gower St Trust to support our Nature Based Neighbourhoods convening work.

Alongside convening funders, we have brought organisations together around key thematic and geographic work. In June, WFET hosted an NBN 'Policy Sprint' in collaboration with the Town and Country Planning Association (TCPA). This sought to spark conversation around the key opportunities to support NBN in urban policy and address the cross-department fragmentation that holds them back. Attendees included 35 representatives from key departments and organisations within the built environment and environmental sectors, including Wates Group.

Summary focus of grants

Thematic grant making remained the highest focus of awards at 41% (2023: 54%) of total giving. The fall in allocation is reflective of the planning and development of each theme in readiness for increased strategic giving in 2025. Group Awards returned to 2022 levels of 28% and were significantly oversubscribed throughout the year (2023: 19% 2022: 28%) and Employee led giving rose to 18% continuing to demonstrate the increased engagement and trajectory of this philanthropic stream (2023: 15%, 2022:17%).

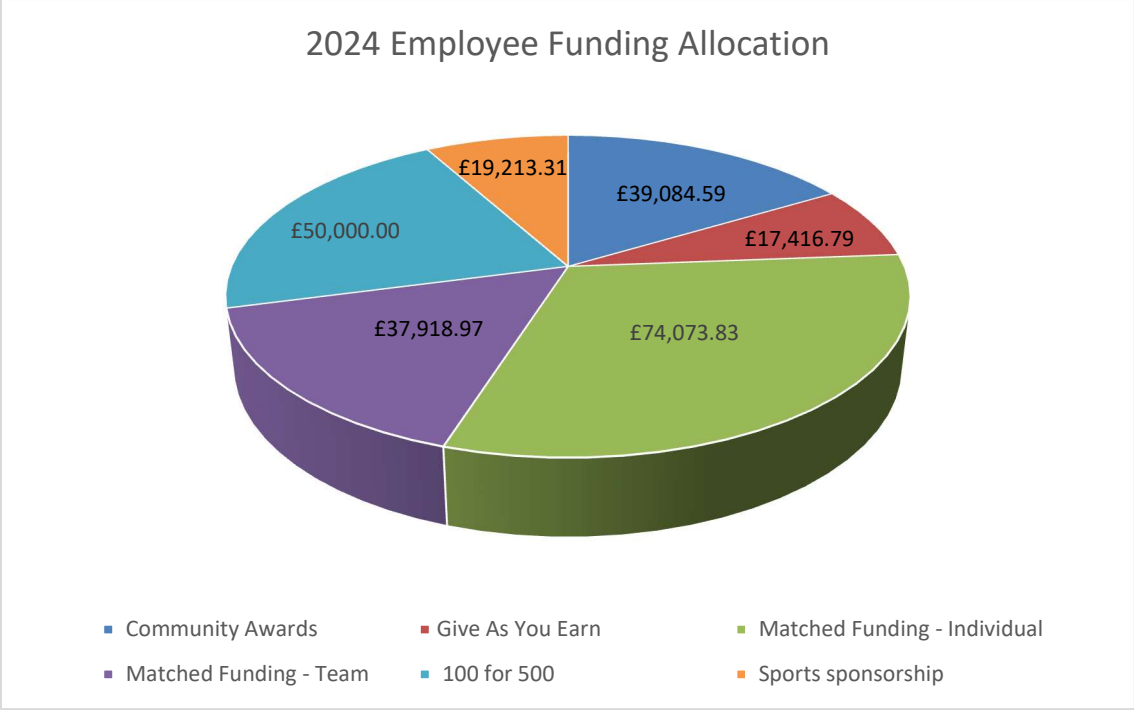


Family Awards

In 2024, the Wates Family members, who are the Trustees, granted donations and awards valued at £177,431 to causes and initiatives in which they have a personal interest or in support of causes in Surrey, London and the South-East in particular (2023: £153,330, 2022: £62,530). Of particular note, is the continuing support to work, initiated by Tim Wates, to understand the impact of increasing mental health crisis call outs on the Surrey Police Force. 2024 saw continued funding to support trauma resilience training across the force and a development of the previous year's research to be shared nationally.

Employee Awards

The Trust makes awards in support of philanthropic initiatives of employees of the Wates' businesses. The latter includes: personal fundraising for local charitable and community causes; Give as You Earn (GAYE) donations through payroll; engagement with community organisations; participation in sport at national and international levels.

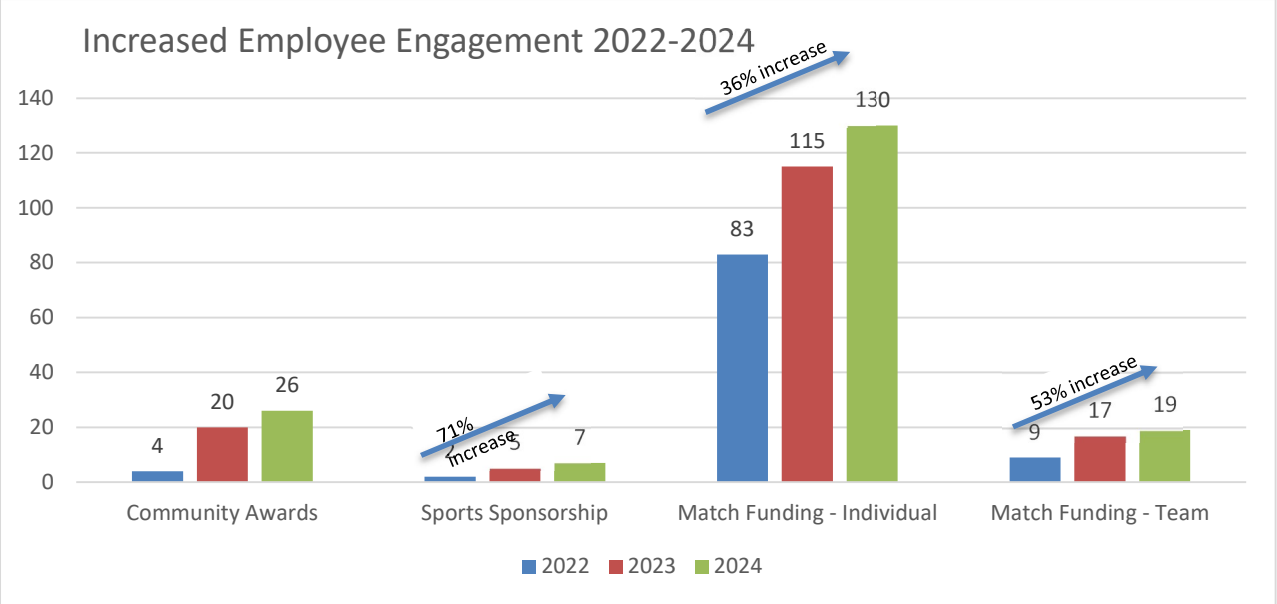


2024 saw 282 grants totalling £237,707 (2023: £194,947) awarded for Trust's support to the personal causes of Wates employees. £39,085 went to support Wates employees working on behalf of their local communities and charities as trustees, governors or in other volunteer roles such as fundraisers, sports coaches or general helpers (2023: £25,602, 2022: £3,000).

The Trust ran its campaign 'Let's get Giving: 100 for 500' for a fifth year, specifically to enable Wates employees to ensure the small local causes they support could receive funding. 100 awards of £500 were distributed during December 2024, all of which had been chosen and assessed by Wates employees. Usually open for nominations during the course of two weeks, the campaign reached full nominations within 48 hours of opening.

The Trust made a grant to match the Give As You Earn (GAYE) donations made by Wates Group employees, which totalled £17,417 in 2024. (2023: £18,497).

Finally, we make mention of the Trust's support to individual Wates employees who fundraise for a wide range of charities by undertaking marathons, parachute jumps, wing-walking, Dragon Boat racing, long distance bike rides, hikes, baking, sleeping rough overnight and growing beards and moustaches or, even, in shaving them off. The list of organisations in receipt of these awards is included at the end of the notes to the accounts. Its length and variety are resounding testaments to the interests and passions of the Wates employee sponsors.



Structure, Governance & Management

Wates Family Enterprise Trust Limited is an incorporated charity, registered with the Charity Commission No. 1126007 on 23 September 2008 and at Companies House No. 06648896 on 16 July 2008. The Trust is a grant-making charity run by trustees, is independent of the Wates Group of companies, and is incorporated in England and Wales. The funding made available for the charity is agreed on an annual basis by the Family members who are shareholders of the Wates Group.

The Trust has eight trustees. Seven of these are also the Directors of Wates Family Enterprise Trust Limited. The Annual General Meeting (AGM) of the company is held in June/July each year. Directors retire and are elected at the AGM under the terms of the company's Articles of Association. Mr Andy Wates is Chairman of the Board of Directors and of the Trustees.

The Trust shares a Secretariat that operates as Wates Family Charities, with the Wates Foundation Limited, an incorporated registered charity no 1202779. The day-to-day administration of the Trust's grants and the processing and handling of applications is carried out by the Secretariat. Costs are apportioned on an agreed percentage basis between the two charities. These include rent for office space located within premises occupied by a company owned by the Trustees, as well as charges for use of the company's IT, HR and other administrative systems. During the year, rent was charged proportionally between the Trust and Foundation at 100% of the passing rate. The agreed basis of the cost allocation was a split of 80% to the Trust and 20% to the Foundation throughout the entire year. One new role of Administrator was split equally between both organisations. This reflects the best view of the division of the time spent by the Secretariat between the two organisations. In addition there are two members of staff who are wholly costed to the Trust running thematic programmes.

For all legal and operational purposes, the Trust and the Foundation are totally separate and independent entities.

The Trustees agreed, in March 2019, to formally adopt the Charity Governance Code. The Trustees are satisfied that the Trust complies with the vast majority of the Code's provisions, with the following exceptions:

- Trustees fixed terms of office: because of the precise nature of the link between ownership of the Wates Group, the financing of the Trust and Trusteeship of the Trust, the Trustees have resolved that Trustee terms of office should remain unlimited.
- Appointment of independent Trustees from outside the Family (in the interests of diversity and transparency): for the same reason. The Trustees have resolved not to make any immediate appointments of new, non-Family Trustees but to keep the matter under regular review. The Trustees also believe that involvement of many employees of the Wates Group and of external experts in the Trust's deliberations, offered the opportunity to ensure a wide variety of viewpoints and experience were represented in the grant making.

Trustees in the year were:

Andy (AEPW) Wates (Chairman of Trustees & Grants Panel Committee)
Andrew (ATAW) Wates
Charles Wates
James Wates
Jonathan Wates
Michael Wates
Paul Wates
Tim Wates

A Grants Panel Meeting, which is held approximately twice a year, is requested by the Trustees to assess applications under the Group Grants and Thinking Differently funding streams. Group Grants are made to support small organisations, with an income of under £1million, operational in the vicinity of Wates Group's activity. Thinking Differently is a fund which offers £80,000 over two years to two organisations along with significant additional assets from the Group in the form of resource, staff expertise, volunteering and strategic support. The fund is aimed at supporting charities or social enterprises at the point of strategic change. This is a pilot fund, in its third year, with five live grants. A review will take place in 2024.

Terms of Reference for the Grants Panel Meeting define its current membership at the year-end as:
Andy Wates, Chairman of the Grants Committee;
Andrew Wates and the Director of Wates Family Charities and Trust Secretary,
Su Pickerill, Group Community Investment Management
Andrew Riggs, Head of Government Sector, Wates Group
Ben Williams, Living Space National Strategic, Wates Group
Deep Mahinda, Key Account Director, Wates Group
Holly Gardiner, Senior Land and Planning Manager, Wates Group
Rachel Schofield, Proposals Manager, SES North, Wates Group
Lisa Cunningham, Pre-Construction Director, Wates Group
Eeva Paasiaro, Regional Development Director, Wates Residential, Wates Group
Felicity Mallam, Director, Wates Family Enterprise Trust

Other than the Trustees/Directors, who all give their time freely both for meetings and for visits, the Trust has no dependence on volunteers, donated facilities, donated services, or other donations in kind or other intangibles.

As a commitment to transparency, the Trust publishes all its grant award data to the 360 Giving website, where it can be seen and analysed by other funders and charities seeking funding. It also joined Grant Advisor UK, an online platform that allows grant seekers to share their feedback on funders anonymously.

Recruitment & Training of Trustees and Staff

Under Article 2(2)(b) of the Articles of Association of The Wates Family Enterprise Trust Limited membership of the Association, and eligibility for election as Directors and Trustees, is limited to members of the Wates Family, who are descendants of Sir Ronald Wates and who are shareholders in the Wates Group.

The Trustees have identified training and development as a key area within the Trust's strategic planning to ensure that members of the Wates Family associated with the work of the charity and the staff of the Secretariat have the relevant skills, competences, knowledge and understanding that they need to deliver the Trust's mission effectively, sustaining and improving the overall performance of the Trust and its grant making.

Trustees gain experience taking part in the grant assessment process and related visits, and in a programme of visits to relevant organisations and institutions. Where relevant, Trustees also undertake formal training conducted by bodies such as the Association of Charitable Foundations. All the staff members of the Secretariat have an annual performance and development review (PDR), as part of which, training needs are identified, and plans put in place for the year ahead by agreement with the Chairman of Trustees. Progress against objectives for the year, and the agreed development plans, is then reviewed in the mid-year. A register of training undertaken is maintained by the Secretariat and reviewed annually by the Trustees.

Object of the Trust

The Wates Family Enterprise Trust Limited supports the philanthropic aims of the Wates Family owners of the Wates Group and its associated enterprises. Under the Trust Deed, the charitable purposes or activities for which the Trust Fund may be used, together with the income that derives from it, are those that the Trustees may direct for the public benefit at their discretion.

Objectives and activities for the public benefit

The general charitable purposes, aims and policies of The Trust, including consideration of grant-making, policies and performance relating to social finance, reserves, staff remuneration and risk management are reviewed regularly by the Trustees.

When reviewing the Trust's aims and objectives, devising the new programmes and setting their grant making policy for the year, the Trustees confirm that they have referred to the latest information contained in the Charity Commission's general guidance on public benefit and complied with their duty under Section 4 of the Charities Acts 2006 and 2011.

The purpose of Wates Family Enterprise Trust Limited is to provide a means for the Wates Family to be engaged stewards of the Family business, blending wealth creation with social responsibility. The Trust provides funding for specific strategic issues which address social, environmental and human inequality alongside supporting communities where Wates employees work and live. Since launching the Trust in 2008, the Trust has invested £18.45M in charitable activities.

Current Strategy 2021-2025

The main goals of the current strategy are:

- To continue the Family vision to be a 'force for good'
- To grow Family (especially the younger generation's) engagement in philanthropy
- To build greater Family involvement and leadership for key initiatives
- To look over time to create a clearer legacy for future generations

As part of the longer-term plan, the Trustees set a medium-term ambition to build overall funding from £1.25m in 2017 towards £2m over time as the Wates Group grows in size and profitability. (The 'rule of thumb' remains that the Trust should receive up to 5% of the Group's pre-tax profits).

The key elements of the strategy remain to:

- Look to focus new funds behind a few more focused themes, initially three
- Aim to commit funding for organisations and programmes over 3+ years
- Ensure clear Family leadership of the thematic programmes
- Retain a level of funds for Family personal interests but reduced in scale

- Ensure future funding growth for Employee's individual philanthropic efforts
- Continue to support Wates Group's engagement in local communities
- More clearly focus the Trust's support of other projects put forward by the Wates Group behind established beneficiary-focused programmes, R&D (e.g. the ground-breaking Sustainability Knowledge Transfer Partnership) and innovation.

Three strategic funding priorities exist through; Life Opportunities for Young People, Homes as a Foundation for Life and Sustainability. Relationships with grantees are seen as partnerships, with a longer commitment to funding and a collaboration rooted in discussion, sharing and learning together. Rather than perceiving our support as merely a grant, the Trust considers how it can best invest in an organisation, its people and support the overall ambition.

Related Party Transactions

It is the Trustees' policy to encourage active involvement in the voluntary sector by their peers and the Wates Family generally. Where a Trustee has an interest in any capacity with an external body applying for funds from the Trust, then that trustee is excluded from the decision-making process. This and other potential conflicts of interest are covered by a formally adopted policy, which extends to members of the Secretariat and other persons attending meetings at which grant-making decisions are taken. Such potential conflicts will be noted in the minutes of the relevant meetings.

The Trust maintains an annually updated register of the business interests of members of the Wates Family and staff that take an active part in the Trust's philanthropic activities.

A list of awards where related party interests occur is in the Notes to the Accounts.

Evaluation of Governance

The Trustees recognise that there is a potential for additional conflicts of interest in their responsibilities as trustees of the Trust and owners of the Wates Group of businesses with which the Trust has a close working relationship. Diligent care is taken to ensure the separateness and independence of both organisations from each other. A Memorandum of Understanding was agreed and adopted in 2021, between the Wates Family Enterprise Trust, the Wates Foundation and the Wates Group, recognising the independence of each organisation and the areas where they collaborate.

The Trustees regularly review a register of gifts and hospitality offered and received by Trustees and the Secretariat to ensure compliance with the Trust's policy in this matter.

Financial review

Financial Statements and Notes on activities for the year form part of this Annual Report. Full accounts have been lodged with the Charity Commission and Companies House.

The Trust's income arises from a formal agreement with the Wates Group in accordance with the wishes of the Wates Family owners and shareholders of the Wates businesses. In 2024, income net of investment interest and loan repayments was £1,750,000 (2023: £1,500,000). In addition, an amount of £125,000 was provided by third parties to support specific programmes. These funds are restricted.

Expenditure for the year was £1,690,699 (2023: £1,552,497) on charitable activities, support costs and governance. Support costs including salaries was £355,502 (2023: £284,262) and included communications and marketing expenses of £6,045 (2023: £19,550). Governance costs were £9,343 (2023: £8,758).

At the end of its full year of operations, the Trust Fund had an end of year surplus on unrestricted funds of £869,009 (2023: £774,387) when accounting for scheduled commitments out to 2024. Much of the unrestricted surplus will be allocated in 2026 to augment specific budgets. Provision

has been made in the budget for multi-year awards in future years. A surplus on the restricted funds was £118,636 at year end.

Actual expenditure in 2024 and 2023 was contained within budgets and the overall surplus increased by 31st December 2024. On this basis the Trustees confirm that the Trust has adequate resources to make it a going concern for the future.

Reserves and investment policy

At 31st December 2024, the Trust's unrestricted reserves were £869,009. The policy of limiting levels of forward commitments for new awards remains at 30% of the current year's grant budget. In addition funds received from third parties for joint funding of specific programmes generated a further restricted reserve of £118,636.

There are cash reserves of £300,000 that will meet, if necessary, scheduled payments on extant awards and will make funds available for support and governance costs. No reserve funds are restricted and not available for the general purposes of the Trust at the end of the reporting period. The Trustees have agreed to hold these funds in short-term notice bank accounts, in order to ensure the funds are readily available and to avoid any of the risk of volatility that other types of investment holding might bring.

Social Investment Policy

The Trustees have determined that providing grant support to social enterprises and social businesses is an important element in developing the capacity and sustainability of the charity, community and enterprise sectors. The Trustees believe that social investment has a role to play in this development by providing funding that might not be available from traditional sources to address social issues in line with the Trust's charitable objectives. It is not, however, part of the current policy to use the Trust's funds or reserves for further loans or equity investment in social enterprises based on the need for funds to be readily available (see Reserves Policy above).

Sustainability Policy and Funder Commitment to combat Climate Change

As a Trust, we are committed to better understanding how our operations, grant-making, and our knowledge can develop to ensure risks to climate change are mitigated. As part of this we joined other funders in early 2020, in their pledge to make a commitment to climate change. We recognise we can play a part in addressing the causes of climate change, supporting adaptations to its effects and reporting on our progress. https://fundercommittmentclimatechange.org

The trustees approved a Sustainability Policy in 2020 which sets out the Trust's commitment to address the effects of climate change through its operations and grant making. This is in addition to the Trust's commitment of a third of its strategic, thematic funding to sustainability.

Diversity, Equality and Inclusion

As part of its general Governance management, The Trust undertook an audit of its policies, procedures and grant making with regard to Diversity, Equality and Inclusion. This will now form the basis for work to be undertaken. The Trustees recognise that the Trust's Board membership is limited in its diversity as this is made up of family members who are typically also shareholders of the Wates Group. With this in mind, the Trust will endeavour to find ways to ensure other voices, perspectives and experiences are fed into and become part of the Trust's operational and decision-making fabric.

Remuneration Policy

The review of staff remuneration is conducted in December each year to set rates for the coming year, which are implemented from 1st April onwards. This is done as a joint exercise with the Wates Foundation with which the Trust divides the cost of the Secretariat. The review takes into account the rate of inflation and benchmarks pay scales against rates of remuneration set by a small group of other similar grant-making trusts and foundations and ACF's annual benchmarking report. Decisions arising from the review are agreed by the Chairman of the Trust and Foundation and conveyed to staff in writing.

Details of the remuneration received by the Trust's highest paid member of staff are in the Notes to the Accounts. The stated amounts take account of division between the Trust and the Wates Foundation in accordance with the agreed schedule.

In accordance with FRS 102 SORP, the Trustees have reviewed the Trust's liability for untaken paid leave. They have concluded that this does not constitute a material component of total expenditure and is not further recognised in the accounts.

Risk management

The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years. An assurance audit was conducted in February 2024.

The Trustees have considered the major risks and uncertainties to which the charity is presently exposed and the systems and procedures to manage those risks. The Trustees identify risk to reputation and uncertainty of income as the two key issues facing the Trust in the short to middle term.

Risk: Severely reduced income

Key mitigating controls already in place:

- Scheduled payments covered by Trustees' policy on increased reserves
- Limit on the scale of future years' grant commitments
- Terms & Conditions limit liability on payments over more than one year
- Engagement with Wates Group Board allows mitigation policy in adequate time frame

Risk: Reputation:

- Potential and actual conflicts of interests
- Support to illegal or controversial causes
- Charges of discrimination, unfairness and breach of trust

Key mitigating controls already in place:

- Formal Conflict of Interests policy
- Meeting declarations by attendees
- Media defensive statement policy
- Statement of themes and guidelines
- Review of strategy carried out in 2018 with wide consultation amongst Trustees and other interested parties
- External, independent review of Trust governance and ethics in Q1 2018
- Due diligence by Wates Family Charities Secretariat
- Formal policies covering complaints, confidentiality and equal opportunities

Safeguarding Policy

Although the Trust does not work directly with children and vulnerable young adults, it recognises that it has a responsibility to both the staff it employs and those intended to be the beneficiaries of the grants it makes. A renewed Safeguarding policy sets out the commitment to ensure all Secretariat staff receive external safeguarding training every three years.

Audit
The Trust's accounts for 2024 were filed following the Annual General Meeting of the Trustee Board on 26th June 2025. A statement has been included setting out the Trustees' responsibility in respect of the accounts and the Annual Report.

In the case of each person who was a trustee at the time this report was approved:

- so far as each trustee was aware there was no relevant available information of which the Trust's auditors were unaware; and
- that each trustee had taken all steps that the trustee ought to have taken, as a trustee, to make himself aware of any relevant audit information and to establish that the Trust's auditors were aware of that information.

A resolution was passed at the AGM on 26th June 2025 to appoint Crowe UK LLP as auditors for 2025.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Wates Family Enterprise Trust Limited for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

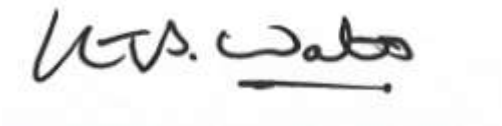
Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, including the incoming resources and the application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 26th June 2025 and signed on its behalf:



AEP Wates
CHAIRMAN of TRUSTEES

Independent Auditor's Report to the Members of Wates Family Enterprise Trust Limited

Opinion

We have audited the financial statements of Wates Family Enterprise Trust Limited ('the charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2023 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 designed and performed audit procedures responsive to those risks, including

obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board of Trustees about their own identification and assessment of the risks of irregularities, audit procedures on income recognition, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell

Helen Blundell LLB, FCA, FCIE, DChA
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

13 August 2025

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Income and endowments from:					
Grants and donations	2	1,750,000	125,000	1,875,000	1,500,000
Investments		35,321	-	35,321	11,382
Total		1,785,321	125,000	1,910,321	1,511,382
Expenditure on:					
Charitable activities	3	(1,690,699)	(6,364)	(1,697,063)	(1,552,497)
Net movement in funds		94,622	118,636	213,258	(41,115)
Reconciliation of funds:					
Total funds brought forward	8	774,387	-	774,387	815,502
Total funds carried forward	8	869,009	118,636	987,645	774,387

All activities are classified as continuing.

There are no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

WATES FAMILY ENTERPRISE TRUST LIMITED
BALANCE SHEET
AT 31 DECEMBER 2024

Company number: 06648896

	Notes	2024 £	2024 £	2023 £	2023 £
CURRENT ASSETS					
Debtors		8,412		382,681	
Cash at bank and in hand		1,364,376		719,268	
TOTAL CURRENT ASSETS		1,372,788		1,101,949	
CREDITORS: amounts falling due within one year	4	(319,247)		(327,562)	
NET CURRENT ASSETS			1,053,541		774,387
TOTAL ASSETS LESS CURRENT LIABILITIES			1,053,541		774,387
CREDITORS: amounts falling due after more than one year	5		(65,896)		-
TOTAL NET ASSETS			987,645		774,387
FUNDS					
Unrestricted funds	8		869,009		774,387
Restricted funds			118,636		-
TOTAL FUNDS			987,645		774,387

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

.....
A E P Wates
Chairman of Trustees

The accompanying notes form part of these financial statements.

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Net cash (used in) operating activities	10	609,787	205,093
Cash flows from investing activities:			
Interest from investments		35,321	11,382
Net cash provided by investing activities		35,321	11,382
Change in cash and cash equivalents in the year	A	645,108	216,475
Cash and cash equivalents at the beginning of the year		719,268	502,792
Cash and cash equivalents at the end of the year	11	1,364,376	719,268

A ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2024 £	Cashflows £	At 31 December 2024 £
Cash at bank and in hand	719,268	645,108	1,364,376
Total cash and cash equivalents	719,268	645,108	1,364,376

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

1.2 General information

The Charity is an incorporated private company limited by guarantee without share capital in England and Wales (company registration number: 06648896) and a charity registered in England and Wales (charity number: 1126007). The Charity's registered office is Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.

1.3 Preparation of accounts on a going concern basis

After the inclusion of grant commitments there is a surplus of £869,009 on unrestricted funds as at 31 December 2024. The Trustees have considered the ability of the Trust to meet its grant commitments and its ongoing overhead costs in the light of anticipated future awards from The Wates Group and believe that it is appropriate to adopt the going concern basis of accounting.

1.4 Significant judgements and estimation uncertainty

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

1.5 Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

1.6 Income recognition

Voluntary income comprises donations from The Wates Group. Donations are credited to the Statement of Financial Activities when the criteria for income recognition of certainty, measurement and entitlement are met.

1. ACCOUNTING POLICIES (continued)

1.7 Expenditure recognition

Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

1.8 Allocation of support and governance costs

Support costs are allocated to either charitable activities, when applied in order to meet its charitable objectives or to governance costs when costs are incurred in relation to the constitutional and statutory requirements of the Trust. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees.

1.9 Charitable activities

These comprise gross grants payable, plus an apportionment of support and governance costs for the year.

1.10 Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognized as expenditure.

1.11 Operating leases

Costs in respect of operating leases are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.12 Employee benefits

Pensions

The charity operates a defined contribution pension scheme. The payments are charged to the statement of financial activities in the year they become payable.

2. GRANTS AND DONATIONS

	Total 2024 £	Total 2023 £
Donations – unrestricted	1,750,000	1,500,000
Donations - restricted	125,000	-
	1,875,000	1,500,000

3a. ANALYSIS OF CHARITABLE ACTIVITIES

	Grants £	Support Costs £	Governance Costs £	Total 2024 £	Total 2023 £
Grants to institutions:					
Group projects	375,000	80,831	1,627	458,461	289,560
Themed Projects	542,078	185,189	4,722	731,069	840,550
Family projects	177,431	38,245	1,061	216,920	188,819
Community projects	39,085	8,425	177	47,783	31,528
GAYE	17,417	3,754	128	21,293	22,778
Matched funding – Individual	74,074	15,966	333	90,560	59,189
Matched funding - team	37,919	8,173	290	46,358	51,707
100 for 500	50,000	10,777	370	61,128	65,883
Sports sponsorship	19,213	4,141	50	23,489	8,983
Repaid grants	-	-	-	-	(6,500)
	1,322,216	355,502	9,343	1,697,062	1,552,497
	(note 6)	(note 3b)	(note 3c)		

ANALYSIS OF CHARITABLE ACTIVITIES – 2023

	Grants £	Support Costs £	Governance Costs £	Total 2023 £	Total 2022 £
Grants to institutions:					
Group projects	225,136	52,797	1,627	289,560	329,911
Themed Projects	682,565	153,263	4,722	840,550	560,837
Family projects	153,330	34,428	1,061	188,819	79,343
Community projects	25,602	5,749	177	31,528	3,807
GAYE	18,497	4,153	128	22,778	22,871
Matched funding – Individual	48,064	10,792	333	59,189	45,120
Matched funding - team	41,989	9,428	290	51,707	55,533
100 for 500	53,500	12,013	370	65,883	63,445
Sports sponsorship	7,295	1,638	50	8,893	5,710
Repaid grants	(6,500)	0	0	(6,500)	(1,300)
	1,259,478	284,261	8,758	1,552,497	1,165,277

3b. SUPPORT COSTS

		2024	2023
		£	£
Salaries	(Note 3d)	253,947	191,137
Rent		16,000	16,000
Travelling expenses		10,067	5,962
Subscriptions		696	871
Events		12,668	-
Marketing and		6,045	19,550
communications		56,079	50,741
Office expenses			
		355,502	284,261

3c. GOVERNANCE COSTS

	2024	2023
	£	£
Professional fees	103	48
Audit fees	9,240	8,710
	9,343	8,758

Governance costs include auditor's remuneration of £9,240 (2023: £8,710).

3d. STAFF COSTS AND NUMBERS

	2024	2023
	£	£
Staff costs were as follows:		
Salaries and wages	208,530	157,232
Social security costs	23,751	18,070
Pension costs	17,668	13,227
Staff benefits	3,998	2,608
	253,947	191,137

The Wates Family Enterprise Trust Limited shares a Secretariat with the Wates Foundation. The above staff costs represent two roles specific to the Trust and 80% allocation of the balance of the Secretariat cost.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the year was £115,360 (2023: £112,507). In the period, one employee received remuneration above £60,000 (2023: 1) in the bracket of £90,000 to £100,000.

£Nil remuneration or expenses have been paid to the Trustees (2023: £nil).

Staff numbers	2024 Number	2023 Number
Administration staff - Headcount	6	5

4. CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Accruals	103,418	71,918
Scheduled grant payments	215,829	255,644
	319,247	327,562

5. CREDITORS: amounts falling after more than one year

	2024	2023
	£	£
Scheduled grant payments	65,896	-

6. GRANT COMMITMENTS

	2024		2023	
	£	£	£	£
Grant commitments at 1 January 2023		255,644		369,798
Grants awarded	1,332,216		1,265,978	
Grants rescinded	(-)		(6,500)	
Grant commitments charged to the SOFA in the period (note 3)		1,332,216		1,259,478
Grants paid in year		(1,306,135)		(1,373,632)
Total grant commitments		281,725		255,644
Grant commitments at 31 December 2023				
Due within one year		215,829		255,644
Due after more than one year		65,896		-
		281,725		255,644

7. RELATED PARTY TRANSACTIONS

Trustees of the Wates Family Enterprise Trust are shareholders of the Wates Group Limited which provides the income of the charity. They are separate legal entities, recognised in a Memorandum of Understanding.

During the year grants were made to organisations with a relationship to our trustees as follows:

£2,000 (2023: £nil) to Surrey Community Foundation of which Andrew Wates is Vice President
£10,000 (2023: £10,000) to Forum for the Future of which Jonathan Wates is a trustee.
£nil (2023: £15,000) to Emanuel School of which Charles Wates is a governor.
£10,000 (2023: £23,000) to IFB Research of which James Wates is a trustee.

8. FUNDS

	At 1 January 2024 £	(Loss) for the period £	Transfer	At 31 December 2024 £
Unrestricted general funds	474,387	94,622	-	569,009
Restricted funds	-	118,636		118,636
Designated funds	300,000	-	-	300,000
At 31 December 2024	774,387	213,258	-	987,645

Designated funds of £300,000 have been set aside by the trustees as reserves in order to respond to scheduled grant payments and to cover support and governance costs.

PRIOR YEAR FUNDS	At 1 January 2023 £	Surplus for the period £	Transfer	At 31 December 2023 £
Unrestricted general funds	515,502	-41,115	-	474,387
Designated funds	300,000	-	-	300,000
At 31 December 2023	815,502	337,006	-	774,387

9. TAXATION

The Trust is exempt from corporation tax under current tax legislation as all its income is applied for charitable purposes.

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024 £	2023 £
Net movement in funds	213,258	(41,115)
Adjustments for:		
(increase)/Decrease in debtors	374,269	367,319
Increase/(Decrease) in creditors	57,581	(109,729)
Interest from investments	(35,321)	(11,382)
Net cash (used in) operating activities	609,787	205,093

11. ANALYSIS OF CASH AND CASH EQUIVALENTS	2024 £	2023 £
Cash in hand	1,364,376	719,268
Total cash and cash equivalents	1,364,376	719,268

12. NEW AWARDS 2024

Group Awards

Ashford Place	5,000
Carney's Community	5,000
Clean Slate Solutions	10,000
Community Recording Studio	10,000
Community Safety Education CIC	2,000
Engineered Training 7 Shop CIC	4,560
Get Rid and Donate	5,000
Gorse Hill Studios	5,000
Hartlepool Baby Bank	10,000
Holborn Community Association	5,000
HomeStart South Leicestershire	5,000
Learning to Work	10,000
Leeds Wood Recycling	10,000
Link Visiting Scheme	5,000
Lofty Heights CIC	6,000
Moss Rose Cottage CIC	9,000
PNK Garden	6,000
Ruddi's Retreat	5,000
Space2 Leeds - People's Pantry	4,507
Storybook Dads	12,449
Sunny Jar Eco Hub	4,938
The Children's Foundation	9,641
The Link Charitable Trust	9,930
Tomorrow's Women	4,775
Tower House Horses CIO	6,200
Young Champs	5,000

Total Group Grants	26	Total Award Amount	£175,000

Group Awards- Thinking Differently

Cook for Good	£80,000
Moxie Foundation	£40,000
Be Inspired	£80,000

Total Group Grants	3	Total Award Amount	£200,000

12. NEW AWARDS 2024 (continued)

Family Awards

Brixton Soup Kitchens	250
Cancer United	6,000
Community Foundation	2,000
Dorking Wanderers	1,500
Environmental Funders Network	5,000
Family Business Network UK	15,000
Fighting Knife Crime London	2,000
Forum for the Future	10,000
Free to be Kids	5,000
Friends of St Peter & St Paul	1,000
Global Greengrants	10,000
Heritage of London Trust	20,000
Kate Turnbull House	1,000
Loseley Christian Trust	2,000
Manju Shahul-Hameed	3,000
No Going Back	30,000
Northchapel School Fund	4,000
Police Care - various	7,222
Police Care - UOC	7,709
Portsmouth D-Day Museum	10,000
Prince's Trust	5,000
SameYou	5,000
Skiers Trust of GB	1,000
Telos Foundation	10,000
The Grange Centre	2,000
The Huracan Foundation	250
The Kidney Fund	500
The Story of Christmas	6,000
The Visionaires	5,000
Brixton Soup Kitchens	250

Total Family Awards	**37**	**Total Award Amount**	**£177,431**

12. NEW AWARDS 2024 (continued)

Themed Awards

The Difference (LOYP)	£100,000
New School (LOYP)	£50,000
Get Further (LOYP)	£50,000
Centre for Social Justice (Homes)	£70,000
Look Ahead (Homes)	£20,000
King's College, London (Homes)	£40,000
Hubbub (Sustainability)	£10,000
Down to Earth Derby	£40,000
Town & Country Planning Association	£9,033
Manchester Urban Diggers (Sustainability)	£47,688
Sow the City (Sustainability)	£50,000
Trust Links (Sustainability)	£25,357
Urban Foundry (Sustainability)	£15,000
Gower Street (Sustainability)	£15,000
Nature Based Neighbourhoods (Sustainability)	

Total Themed Awards	14	Total Award Amount	£542,078

Employee Fund Awards

Community Awards

Barker Butts RFC Mini	1,000
Basingstoke & Mid Hants	2,000
Bilbrook Junior FC	974
Blurton Reds FC	1,000
Carlton Cricket Club	1,905
Desborough Town FC	1,000
Dover Rangers	1,614
Eat Club	2,000
Friends of St John's Rigby	1,000
Grange Park Rovers	900
Hook & Odiham	2,000
Ignite Basketball	1,310
Lewisham Borough	1,998
London Youth Concert Band	2,000
Marston Green FC	1,997
NC United	1,659
Newcastle Westage FC	2,000
Newton FC	998
Portskewett & Sudbrook JFC	992
Ripon Rugby Union FC	981
Royston Town Youth FC	998
Spennymoor Town FC	2,000

12. NEW AWARDS 2024 (continued)

St Peters Catholic Primary School PTA	1,854
Walsall Phoenix FC	905
Water Orton Cricket Club	2,000
Woburn Lower School PTA	2,000

Total Community Awards	26	Total Award Amount	£39,085

Match Funding

Individual Match Funding	131	Total Award Amount	£74,074

Team Match Funding

Age UK Barnsley	3,184
Barnsley Hospice	5,573
Birmingham Women's & Children's	1,565
Doorway	475
Firefly Cancer Awareness	372
Macmillan Cancer	275
Mates in Mind	416
Meadow Well Connected	810
Mindout	780
Papyrus	18,073
Shelter	1,500
St Mungo's	2,396
Stillbirth & Neonatal	1,000
The Passage	1,500

Total Team Match	19	Total Award Amount	£37,919

100 for 500

Total Awards	100	Total Award Amount	£50,000

Give As You Earn

All Matched contributions for 2024	£17,417

Sports Sponsorship

All Sports Sponsorship	7	Award amount	£19,213

12. NEW AWARDS 2024 (continued)

Total WFET Awards

Award Type	No of Awards	Award Amount
Group Awards	26	£175,000
Group Awards – Thinking Differently	3	£200,000
Family Awards	37	£177,431
Themed Awards	14	£542,078
Community Awards	26	£39,085
Match Funding - individual	131	£74,074
Match Funding - team	19	£37,919
Sports Sponsorship	7	£19,213
100 for 500	100	£50,000
Give as you earn	-	£17,417
Total Awards 2024	359	**£1,322,216**

12. NEW AWARDS 2024 (continued)

100 for 500

1st Holgate Scout Group	Lewisham Borough Community FC (CIC)
1st Onslow Village Guides	London Titan Football Club
1st Wickham Scout Group	Mary Frances Trust
3rd Chalkwell Bay Sea Scouts	Mawsley Youth Football Club - U13 Girls
Academy HQ CIC	Medway street Angels
Age UK Bexley	Midsomer Norton Netball Club
B Attitude	Mindful FA
Barnsley Hockey Club	Moor Nook Allotment Society
Beacon Cricket Club	Mortimer Hall Pre-School Nursery
Biddulph Youth & Community Zone	N Family Reading
Bilbrook Junior FC	Newcastle Westgate football club
Birmingham Rovers Basketball Team	North Shields Juniors AFC
Bishop Wordsworth's School Parent's Association	One Step Ahead (OSA) Dance School
Bishops Waltham Cricket Club	ORCA - Swim Club
Bold Miners FC	Positive Bones
Brewood Junior Football Club - U11 Colts	PSDS
Cambridge University Judo Club	Reading Hockey Club
Centre Environmental Initatives EcoLocal	ReadingZone
Champions 4 Change	Samuel Montagu Youth Centre
Chineham Tigers Football Club	Seacroft Community Pantry
Curlew Rowing Club Ltd	Shepshed Cricket Club
Desborough Ladies Football Club	SKLPCC Cricket Club - Juniors
Doorway	Spajers
Dover Rangers FC	St. Mark's School Association
Dudley Kidney Patients Association	Stamford Bridge Primary School
Durham City Gymnastics	Sway Junior Football Club
Dyslexia Research Trust	The AADC research trust
Early Birds Pre-School	The Andy Biddle Youth Sport Foundation
Éire Óg Gaelic Football	The Fountain Centre
Entity Morris Dancers	The Greville Primary School
Fitton Hill Bulldogs Community Sports Club	The Islington Centre for Refugees and Migrants
Friends of Canada Hill	The Jay C Trust
Friends of Old Basing Schools	The Meadows
Friends of Ryhall Academy	The Millie Wright children's
Friends of St. Clement's PS	The Monday Group
Garforth Villa Under 15 Girls Yellow Football Team	TIBS (Girls U16)
Get Rid of and Donate	Tonic Housing
Glasgow Sunflowers Baseball	Tooting Park Rangers
Grange Park Rangers Football Club	Urbond
Greener Padbury Group	Volunteer Friends
Group 64	Walking 4 Hope
Halesowen Town Colts Under Eights South	Weybridge Vandals
Intensity Cheer and Dance	Whitton Lions Rugby Football Club
Kenshinkai	Wycombe Women’s Aid
Labradors In Need	Wythenshawe Community Run
Leatherhead Community Hub	York RI RUFC

Leeds Underdogs	Your Local Pantry (Purfleet on Thames)
Leicestershire Cares	
Letchworth Garden Shed	

Minor Awards

Beneficiary organisations of Match Funding not otherwise listed above.

18th Dover Scout Group
1st Marston Green Scout
Alderhey
Alderhey Childrens Hospital
Alzheimers Society
Amelie-Mae Foundation
Anthony Nolan
Bedfordshire Hospital
Birmingham Women & Children's Hospital
Bluebell Wood Children's
Bone Cancer Research
Brake
Breast Cancer Now
Cancer Research
Children with Cancer
Debra
Friends of Ryhall Academy
Friends of St Clements
Gold Geese
Great Ormond Street Hospital
Greener Padbury
Heel & Toe
Home Start Trafford
Kent Sussex Surrey Air Ambulance
Knockholt School PTA
Lighthouse Construction Industry Trust
Macmillan Cancer
Marie Curie
Mermaids
Mind
Moor Nook Allotments
Movember
Norwood & Brixton Food Bank
Nutfield Parish Council
Oasis Aquilla Housing
Pancreatic Cancer
Papyrus
PDSA
Pink Events
Portsmouth Downs Syndrome
Prostate Cancer
Queen Eleanor's School PSA
RICS Lionheart
Samaritans
Save the Children
Sheffield Children's Hospital
Shooting Star
Skipton Step into Action
Spajers
St Leonard's Hospice
St Marys & All Saints
Starlight
Street Child
Stroke Association
Sue Ryder
Sutton Town Netball
Tamworth have a Heart
Teddington Theatre Club
The Brompton Foundation
The Christie Charity
The Greville PTA
The Richard Challoner PTA
The Royal Marsden Cancer
The Talent Foundry
Tingley Athletic
Vilomah Baby Loss Charity
Weston Park Hospital Development
Young at Heart
Zoe's Place

WATES FAMILY ENTERPRISE TRUST

England & Wales - Charity number 1126007

Accounts

Wates Family

ENTERPRISE TRUST

WATES FAMILY ENTERPRISE TRUST LIMITED
Report and Financial Statements
Year ended 31 December 2023
Charity no: 1126007
Company no: 06648896

Directors of the Company
Mr A E P Wates (Chairman)
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr J G M Wates
Mr P C R Wates
Mr T A de B Wates

Trustees
Mr A E P Wates (Chairman)
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr J G M Wates
Mr M E Wates
Mr P C R Wates
Mr T A de B Wates

Company Secretary
Mrs F Mallam (from 25th April 2023)
Mr T Sherwani (resigned 25th April 2023)

Company Number: 06648896

Charity Number: 1126007

Registered Office
Wates House
Station Approach
LEATHERHEAD
Surrey KT22 7SW

Auditors
Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury, West Midlands
B69 2DG

Bankers
Charities Aid Foundation Bank Limited
25 King's Hill Avenue
King's Hill, West Malling
Kent
ME19 4JQ

Solicitors
Bates Wells
10 Queen Street Place
London EC4R 1BE

Memberships
The Wates Family Enterprise Trust Limited is a subscribing member of the Association of Charitable Foundations, London Funders and the Environmental Funders Network.

Contact Information

E-mail: director@watesfoundation.org.uk
Web: www.wfet.org.uk

Message from the Chair

2023 was a year of consolidation for the Wates Family Enterprise Trust as we took the time to create clear, strategic programmes of funding with the aim of supporting more systematic change in certain areas.

The Trust has long valued the relationship we hold with our strategic partners – we learn from them, from their expertise and from their experience of the challenges. By investing in a small number of strategic partners we hope to support others in their development, experimentation and evaluation of alternative approaches and solutions to environmental and social issues.

This year the Trust was invited to take a more critical role in the support of IntegratED, a six year partnership programme focused on addressing school exclusion in the UK and increasing the quality of education offered through Alternative Provisions. Several of our currently funded partners sit within this partnership and we look forward to learning how a partnership of seven specialist organisations and three funders can help to prompt, move and evidence a need for change in provision to ensure all children and young people have access to an education that is supportive and considerate of them as individuals. This work complements the funding we offer to others working with the same ambition - The Difference, Get Further and through the research funded at the Centre for Research into the Education of Marginalised Children and Young Adults.

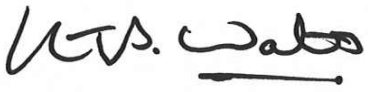
After three years of supporting grass roots, community organisations across Manchester, the Trust's funding, under our theme of Sustainability, is being refined. Our focus in 2020, allowed us to explore how involvement with green or nature-based activities can influence individual agency around climate change. Taking a place-based approach in Manchester allowed us to explore and learn from the work managed by Hubbub and Sow the City and the evaluation conducted by Chrysalis. In 2022, the Trust made a further commitment to understand how we could offer our funding in a more innovative and supportive way with both our Director and lead trustee for Sustainability joining a handful of donors in a 12-18 month Philanthropy Lab experiment hosted by the Environmental Funders Network. This has helped culminate in a refined programme of Nature Based Neighbourhoods where the Trust will work in collaboration with funders, organisations, financial institutions, academia and the commercial sector to put nature first in the places we live, work, study and play. This is a long-term commitment and we are extremely excited by the enthusiasm many have shared to work together.

Our third strategic funding focus sees Homes as a foundation to a decent life. As such, we have shifted our narrative away from talking about 'Housing' to one of recognising the value and importance of 'Homes' – which have a value, complexity and influence far beyond the dimensions of four walls and a roof. With over five years' of funding and learning from our partners in this area, 2024 offers the Trust the opportunity to refine and articulate a clear focus for our investment to ensure everyone has access to decent homes as a critical foundation to life.

Lastly, I know my fellow trustees are as delighted as I am to see such an increase in engagement from Wates employees. The Trust has a dual purpose of supporting the Wates family philanthropy but also the active citizenship of Wates Group employees. We are incredibly humbled by the level of Wates Group staff volunteering and supportive of their local communities. This year the Trust awarded 259 grants totalling £194,947 which is almost a 140% increase on the previous year.

So much more has happened in the year. I hope this annual report gives an indication of the breadth and commitment the Trust offers through its funding support to trial new ideas, evidence those already working and support those trying to influence systemic change.

Andy Wates, Chairman, Wates Family Enterprise Trust



Introduction

The Trustees, who are also the Directors of the incorporated company, have pleasure in presenting their Report together with the financial statements of Wates Family Enterprise Trust Limited for the year ended 31st December 2023.

Legal and administrative information forms part of this Report. The financial statements comply with current statutory requirements, the Trust Deed, applicable law and *Charities Statement of Recommended Practice (FRS 102)*.

Grant Making

The Trust's grant making is allocated across four key legacy outcomes;

Building Resilience Using the Trust's knowledge and insight to address social needs and improve lives	**Engaging the Disengaged** Providing resources to create sustainable change within communities	**Influencing the System** Shining a light on pressing issues and convening stakeholders to create solutions	**Fostering Active Citizenship** Providing opportunities for Wates employees to engage with and support local communities

Thematic Grants

Three key strategic areas of Homes as a Foundation for Life, Life Opportunities for Young People and Sustainability – (Nature based Neighbourhoods) guide the majority of the Trust's funding. Each theme is developing into a specific programme and is led by a nominated trustee with the Director of the Trust. Wherever possible, the trustees seek to explore connection between the programmes and the Trust's funding, thereby increasing a more holistic approach and understanding of challenges faced.

The fourth area of funding, Fostering Active Citizenship, has been designed to support and encourage Wates Group employees in their fundraising and support of charities local to them and in which they volunteer. Group and Employee awards sit under this area of funding.

Outside the theme areas, funding available for each year is allocated on a proportional basis to:

Employee awards: in support of initiatives of employees of the Wates businesses acting in a private capacity. The latter includes: personal fundraising for local charitable and community causes; Give As You Earn donations through payroll; engagement with community organisations as volunteers, trustees, governors, sports coaches or other roles; participation of immediate family members in sport at national and international levels.

Group awards: in support of bids originating from initiatives of the Wates Group and its business units.

Family awards: in support of bids which are the initiative of the Wates Family.

The Trust does not accept unsolicited applications for grant funding.

Achievements & Performance

Funding Summary

In 2023, the Trust made 338 new awards in the period to the value of £1,265,978 (2022: £919,368). A full list of awards, given and rescinded in the year, is to be found in the Notes to the Accounts.

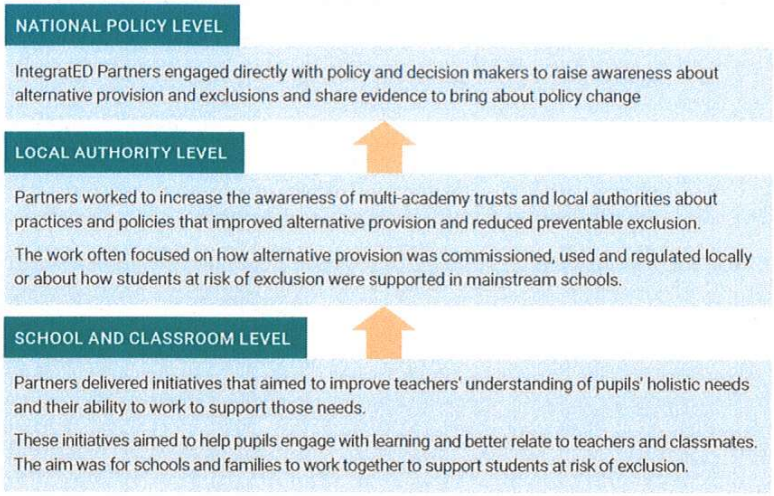
The following provides a brief look at some of the new awards from the Trust's core strategic programmes in 2023, starting with the initial awards made under the Thematic programmes.

1. Life Opportunities for Young People

As part of a stronger programmatic focus in LOYP, the Trust continued its support to: The Difference (£100,000) to support its work around the prevention of school exclusions in the UK; awarded two small grants to Get Further (£9,306, £24,036) to pilot a tutoring programme for English and Maths GCSE to support entry to Level 3 apprenticeships run at London South Bank University College; and to Social Finance (£120,000) for their Maximising Access to Education pilot working with A Cheshire MAT and Gloucester County Council to prevent exclusions from schools. Together, with the funder Porticus, WFET commissioned the Centre of Research in Education for Marginalised Children and Young Adults (CREMCYA) at St Mary's University Twickenham to survey and map the ways schools, NGOS, policy advisors and those working cross sectors to prevent school exclusions learn and share information and experience with each other.

WFET stepped up, with fellow funder Mission 44, to co-manage the remaining three years of a six year partnership programme as initiated by Porticus. The IntegratED Programme was created to support those excluded from school and those in 'alternative provision', representing some of the most disadvantaged and vulnerable children and young people in the country.

Figure 1: The IntegratED Programme activities at the school, local and national levels



2. Homes as a Foundation for Life

In the year, the last five years of Trust 'Housing' funding was reviewed and an Impact Report will be published in 2024. We are proud to reflect on the work the Trust has supported over the past five years and it has been encouraging to see how so much of the research, and subsequent reports, have featured in policy considerations and practical implementation. This has been an invaluable period of learning for the Trust, enabling us to refine our understanding of some of the key challenges those in society face in attempting to achieve an affordable, quality, secure home of their own.

Over the coming years, the Wates Family Enterprise Trust will continue in its commitment to 'Homes as a foundation for life', through supporting practical innovation and thought leadership and research. This will replace our collective thematic title of 'Housing'. The work emerging suggests that poor housing is not a root into poverty but, in reality, acts as a ceiling preventing people escaping poverty.

We will look to those most vulnerable members of society, in particular families with children living without a home and those living with complex needs. Collaborating with the Trust's two other funding programmes – Life Opportunities for Young People and Sustainability: Nature based Neighbourhoods – will bring a depth of perspective and strength to working with new partners to exploring multidisciplinary solutions.

Our homes may well be our foundation for a decent life, but they are rooted in the places and communities we live, work and rest in. Our homes and the provision of them cannot be seen in isolation. As part of this emerging focus the Trust awarded £40,000 to More in Common to survey and research public opinion on affordable housing and housebuilding. A joint grant of £140,000 over 2 years was awarded, between Life Opportunities for Young People and Homes, to Shared Health. This grant will fund half of a 'Crib' in the Greater Manchester area. A Shared Health Crib is a sustainable model of care for families experiencing homelessness, that wraps around support in a practical and ongoing way. This gives the family the best support possible to help them stabilise the children's wellbeing throughout a stressful and difficult time, associated with Adverse Childhood Experiences that can lead to poorer outcomes throughout life. Experiencing homelessness as child has been shown to significantly decrease the life chances of children, seen most starkly through an increase in childhood mortality experienced by children in temporary accommodation (TA), and then carried through all the way along the life course.

3. Sustainability

The Trust has articulated some key outcomes as it adopts a Nature Based Neighbourhoods approach under its Sustainability programmatic funding,

- Support the development of thought leadership in the development and scale of NBN.
- Support and engage with community-based projects to feed into the thought leadership and sector learning.
- Become a knowledge hub/repository for NBN and facilitate a collective thought leadership.
- Convene a wide group of experts/advisors – using the premise of unusual collaborations to bring a multi-faceted NBN approach to communities – to build connectivity in the approach across the country.
- Use advisors, experts, community-based knowledge, academics, and the collective leadership to influence policy frameworks and identify opportunities to contribute to and support government ambitions around: net zero neighbourhood/living, regeneration, environmental and economic targets.

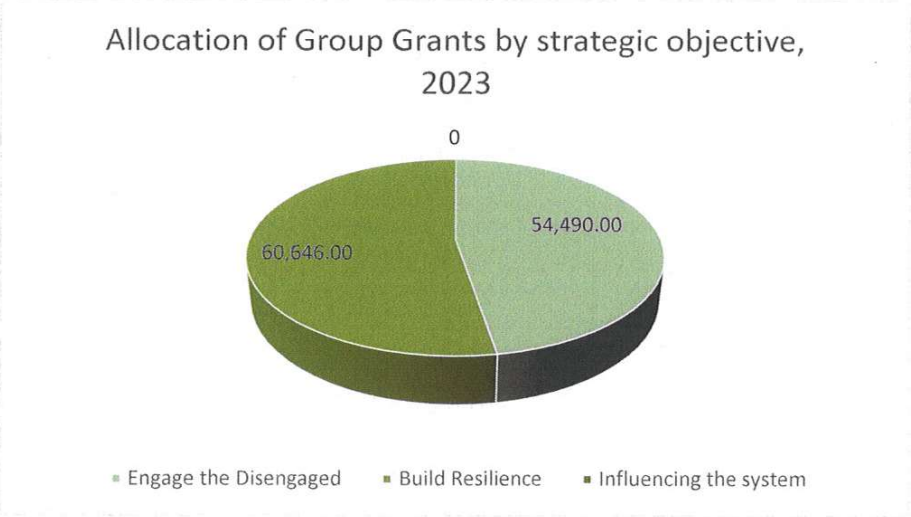
As part of the initial development of this programme, the Trust awarded £20,000 to Our Future, Grimsby; £20,000 to Sow the City, Manchester; £25,000 to Down to Earth, Derby, £30,000 to the Nature Connectedness Research Group, University of Derby and advertised a new role in the Secretariat as Nature based Neighbourhoods Project Lead for 2024.

Group Awards 2023

The Trust contributes to communities in which the Group works. In 2023, it made 24 grants totalling £235,136.

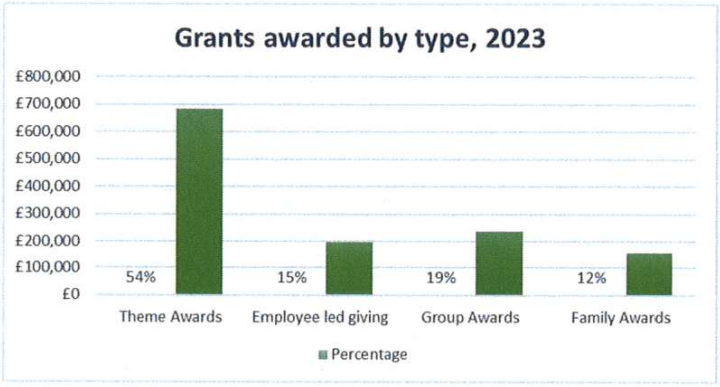
The awards made in the year, met only two of the Trust's three legacy outcomes with 47% of all grants meeting Engaged the Disengaged and 53% sitting under Building Resilience. This is not unsurprising given the ongoing impact of covid and this distribution is an illustration of how much

the Trust was asked to respond to community groups and charities supporting their communities in the face of so many social, health, isolation and basic poverty needs.



Summary focus of grants

Thematic grant making remained the highest focus of awards at 54% (2022: 48%) of total giving. This was followed by Group Awards at 19% (2022: 28%) and Employee led giving at 15% (2022:17%).



Family Awards

In 2023, the Wates Family members, who are the Trustees, made 30 awards valued at £153,330 (2022: £62,530) to causes and initiatives in which they have a personal interest or in support of causes in Surrey, London and the South-East in particular. One specific award, sponsored by Tim Wates, was made to Police Care UK to undertake specific research with Surrey Police. 'Understanding the impact of police as first responders to mental health crisis cases: A case study in Surrey 2023' brings together the Wates Family Enterprise Trust, Police Care UK and Surrey Police with local services and researchers to ascertain what the most pressing issues are that Surrey faces and what this might mean for the nation.

By establishing a collective conversation to identify pressure points, unpack perceptions (and misperceptions) and acknowledge some immediate opportunities for change, this report brings to the national stage a local example of why policing mental health crises needs to (and can) change.

Employee Awards

The Trust makes awards in support of philanthropic initiatives of employees of the Wates' businesses. The latter includes: personal fundraising for local charitable and community causes; Give as You Earn (GAYE) donations through payroll; engagement with community organisations; participation in sport at national and international levels.

2023 saw 259 grants totalling £194,947 awarded for Trust's support to the personal causes of Wates employees. This is a significant increase on the 96 grants totalling £82,324 awarded in 2022 and is a reflection of the concerted, targeted promotion of the award opportunities with Wates Group employees. £25,602 (2022: £3,000) went to support Wates employees working on behalf of their local communities and charities as trustees, governors or in other volunteer roles such as fundraisers, sports coaches or general helpers.

The Trust ran its campaign 'Let's get Giving: 100 for 500' for a fourth year, specifically to enable Wates employees to ensure the small local causes they support could receive funding. 107 awards of £500 were distributed during December 2023, all of which had been chosen and assessed by Wates
employees.

The Trust made a grant to match the *Give As You Earn (GAYE)* donations made by Wates Group employees, which totalled £18,497 in 2023. This was consistent with the previous year.

Finally, we make mention of the Trust's support to individual Wates employees who fundraise for a wide range of charities by undertaking marathons, parachute jumps, wing-walking, Dragon Boat racing, long distance bike rides, hikes, baking, sleeping rough overnight and growing beards and moustaches or, even, in shaving them off. The list of organisations in receipt of these awards is included at the end of the notes to the accounts. Its length and variety are resounding testaments to the interests and passions of the Wates employee sponsors.

Structure, Governance & Management

Wates Family Enterprise Trust Limited is an incorporated charity, registered with the Charity Commission No. 1126007 on 23 September 2008 and at Companies House No. 06648896 on 16 July 2008. The Trust is a grant-making charity run by trustees, is independent of the Wates Group of companies, and is incorporated in England and Wales. The funding made available for the charity is agreed on an annual basis by the Family members who are shareholders of the Wates Group.

The Trust has eight trustees. Seven of these are also the Directors of Wates Family Enterprise Trust Limited. The Annual General Meeting (AGM) of the company is held in June/July each year. Directors retire and are elected at the AGM under the terms of the company's Articles of Association. Mr Andy Wates is Chairman of the Board of Directors and of the Trustees.

The Trust shares a Secretariat that operates as Wates Family Charities, with the Wates Foundation, an unincorporated registered charity no 247941. The day-to-day administration of the Trust's grants and the processing and handling of applications is carried out by the Secretariat. Costs are apportioned on an agreed percentage basis between the two charities. These include rent for office space located within premises occupied by a company owned by the Trustees, as well as charges for use of the company's IT, HR and other administrative systems. During the year, rent was charged proportionally between the Trust and Foundation at 100% of the passing rate. The agreed basis of the cost allocation was a split of 80% to the Trust and 20% to the Foundation throughout the entire year. One new role of Administrator was split equally between both organisations. This reflects the best view of the division of the time spent by the Secretariat between the two organisations.

For all legal and operational purposes, the Trust and the Foundation are totally separate and independent entities.

The Trustees agreed, in March 2019, to formally adopt the Charity Governance Code. The Trustees are satisfied that the Trust complies with the vast majority of the Code's provisions, with the following exceptions:

- Trustees fixed terms of office: because of the precise nature of the link between ownership of the Wates Group, the financing of the Trust and Trusteeship of the Trust, the Trustees have resolved that Trustee terms of office should remain unlimited.
- Appointment of independent Trustees from outside the Family (in the interests of diversity and transparency): for the same reason. The Trustees have resolved not to make any immediate appointments of new, non-Family Trustees but to keep the matter under regular review. The Trustees also believe that involvement of many employees of the Wates Group and of external experts in the Trust's deliberations, offered the opportunity to ensure a wide variety of viewpoints and experience were represented in the grant making.

Trustees in the year were:

Andy (AEPW) Wates (Chairman of Trustees & Grants Panel Committee)
Andrew (ATAW) Wates
Charles Wates
James Wates
Jonathan Wates
Michael Wates
Paul Wates
Tim Wates

A Grants Panel Meeting, which is held approximately twice a year, is requested by the Trustees to assess applications under the Group Grants and Thinking Differently funding streams. Group Grants are made to support small organisations, with an income of under £1million, operational in the vicinity of Wates Group's activity. Thinking Differently is a fund which offers £80,000 over two years to two organisations along with significant additional assets from the Group in the form of resource, staff expertise, volunteering and strategic support. The fund is aimed at supporting charities or social enterprises at the point of strategic change. This is a pilot fund, in its third year, with five live grants. A review will take place in 2024.

Terms of Reference for the Grants Panel Meeting define its current membership at the year-end as:
Andy Wates, Chairman of the Grants Committee;
Andrew Wates and the Director of Wates Family Charities and Trust Secretary,
Su Pickerill, Group Community Investment Management
Andrew Riggs, Head of Government Sector, Wates Group
Ben Williams, Living Space National Strategic, Wates Group
Deep Mahinda, Key Account Director, Wates Group
Holly Gardiner, Senior Land and Planning Manager, Wates Group
Rachel Schofield, Proposals Manager, SES North, Wates Group
Lisa Cunningham, Pre-Construction Director, Wates Group
Eeva Paasiaro, Regional Development Director, Wates Residential, Wates Group
Felicity Mallam, Director, Wates Family Enterprise Trust

Other than the Trustees/Directors, who all give their time freely both for meetings and for visits, the Trust has no dependence on volunteers, donated facilities, donated services, or other donations in kind or other intangibles.

As a commitment to transparency, the Trust publishes all its grant award data to the 360 Giving website, where it can be seen and analysed by other funders and charities seeking funding. It

also joined Grant Advisor UK, an online platform that allows grant seekers to share their feedback on funders anonymously.

Recruitment & Training of Trustees and Staff

Under Article 2(2)(b) of the Articles of Association of The Wates Family Enterprise Trust Limited membership of the Association, and eligibility for election as Directors and Trustees, is limited to members of the Wates Family, who are descendants of Sir Ronald Wates and who are shareholders in the Wates Group.

The Trustees have identified training and development as a key area within the Trust's strategic planning to ensure that members of the Wates Family associated with the work of the charity and the staff of the Secretariat have the relevant skills, competences, knowledge and understanding that they need to deliver the Trust's mission effectively, sustaining and improving the overall performance of the Trust and its grant making.

Trustees gain experience taking part in the grant assessment process and related visits, and in a programme of visits to relevant organisations and institutions. Where relevant, Trustees also undertake formal training conducted by bodies such as the Association of Charitable Foundations. All the staff members of the Secretariat have an annual performance and development review (PDR), as part of which, training needs are identified, and plans put in place for the year ahead by agreement with the Chairman of Trustees. Progress against objectives for the year, and the agreed development plans, is then reviewed in the mid-year. A register of training undertaken is maintained by the Secretariat and reviewed annually by the Trustees.

Object of the Trust

The Wates Family Enterprise Trust Limited supports the philanthropic aims of the Wates Family owners of the Wates Group and its associated enterprises. Under the Trust Deed, the charitable purposes or activities for which the Trust Fund may be used, together with the income that derives from it, are those that the Trustees may direct for the public benefit at their discretion.

Objectives and activities for the public benefit

The general charitable purposes, aims and policies of The Trust, including consideration of grant-making, policies and performance relating to social finance, reserves, staff remuneration and risk management are reviewed regularly by the Trustees.

When reviewing the Trust's aims and objectives, devising the new programmes and setting their grant making policy for the year, the Trustees confirm that they have referred to the latest information contained in the Charity Commission's general guidance on public benefit and complied with their duty under Section 4 of the Charities Acts 2006 and 2011.

The purpose of Wates Family Enterprise Trust Limited is to provide a means for the Wates Family to be engaged stewards of the Family business, blending wealth creation with social responsibility. The Trust provides funding for specific strategic issues which address social, environmental and human inequality alongside supporting communities where Wates employees work and live. Since launching the Trust in 2008, the Trust has invested £18.45M in charitable activities.

Current Strategy 2021-2025

The main goals of the current strategy are:

- To continue the Family vision to be a 'force for good'
- To grow Family (especially the younger generation's) engagement in philanthropy
- To build greater Family involvement and leadership for key initiatives
- To look over time to create a clearer legacy for future generations

As part of the longer-term plan, the Trustees set a medium-term ambition to build overall funding from £1.25m in 2017 towards £2m over time as the Wates Group grows in size and profitability. (The 'rule of thumb' remains that the Trust should receive up to 5% of the Group's pre-tax profits).

The key elements of the strategy remain to:

- Look to focus new funds behind a few more focused themes, initially three
- Aim to commit funding for organisations and programmes over 3+ years
- Ensure clear Family leadership of the thematic programmes
- Retain a level of funds for Family personal interests but reduced in scale
- Ensure future funding growth for Employee's individual philanthropic efforts
- Continue to support Wates Group's engagement in local communities
- More clearly focus the Trust's support of other projects put forward by the Wates Group behind established beneficiary-focused programmes, R&D (e.g. the ground-breaking Sustainability Knowledge Transfer Partnership) and innovation.

Three strategic funding priorities exist through; Life Opportunities for Young People, Homes as a Foundation for Life and Sustainability. Relationships with grantees are seen as partnerships, with a longer commitment to funding and a collaboration rooted in discussion, sharing and learning together. Rather than perceiving our support as merely a grant, the Trust considers how it can best invest in an orgainsation, its people and support the overall ambition.

2023 was the third year of the strategy. Life Opportunities for Young People (champion Andy Wates) and Homes as a Foundation for Life (champion Tim Wates) continued to build on work commenced in 2018. In addition, the Sustainability theme (champion Jonny Wates) continued its strategic funding to Hubbub as part of the wider Manchester City response to climate change. The actual grant allocation in 2023 for the themes, was £682,565 (2022: £441,990). Further detail of the individual grants made, and organisations supported is given below.

Related Party Transactions

It is the Trustees' policy to encourage active involvement in the voluntary sector by their peers and the Wates Family generally. Where a Trustee has an interest in any capacity with an external body applying for funds from the Trust, then that trustee is excluded from the decision-making process. This and other potential conflicts of interest are covered by a formally adopted policy, which extends to members of the Secretariat and other persons attending meetings at which grant-making decisions are taken. Such potential conflicts will be noted in the minutes of the relevant meetings.

The Trust maintains an annually updated register of the business interests of members of the Wates Family and staff that take an active part in the Trust's philanthropic activities.

A list of awards where related party interests occur is in the Notes to the Accounts.

Evaluation of Governance

The Trustees recognise that there is a potential for additional conflicts of interest in their responsibilities as trustees of the Trust and owners of the Wates Group of businesses with which the Trust has a close working relationship. Diligent care is taken to ensure the separateness and independence of both organisations from each other. A Memorandum of Understanding was agreed and adopted in 2021, between the Wates Family Enterprise Trust, the Wates Foundation and the Wates Group, recognising the independence of each organisation and the areas where they collaborate.

The Trustees regularly review a register of gifts and hospitality offered and received by Trustees and the Secretariat to ensure compliance with the Trust's policy in this matter.

Financial review

Financial Statements and Notes on activities for the year form part of this Annual Report. Full accounts have been lodged with the Charity Commission and Companies House.

The Trust's income arises from a formal agreement with the Wates Group in accordance with the wishes of the Wates Family owners and shareholders of the Wates businesses. In 2023, income net of investment interest and loan repayments was £1,500,000 (2022: £1,500,000).

Expenditure for the year was £1,552,497 (2022: £1,165,277) on charitable activities, support costs and governance. Support costs including salaries was £284,262 (2022: £239,012) and included communications and marketing expenses of £19,550 (2022: £12,070). Governance costs were £8,758 (2022: £8,198).

At the end of its full year of operations, the Trust Fund had an end of year surplus of £774,387 (2022: £815,502) when accounting for scheduled commitments out to 2023. Provision has been made in the budget for multi-year awards in future years.

Actual expenditure in 2023 and 2022 was contained within budgets and the overall surplus increased by 31st December 2023. On this basis the Trustees confirm that the Trust has adequate resources to make it a going concern for the future.

Reserves and investment policy

At 31st December 2023, the Trust's total reserves were £774,387. The policy of limiting levels of forward commitments for new awards remains at 30% of the current year's grant budget.

There are cash reserves of £300,000 that will meet, if necessary, scheduled payments on extant awards and will make funds available for support and governance costs. No reserve funds are restricted and not available for the general purposes of the Trust at the end of the reporting period. The Trustees have agreed to hold these funds in short-term notice bank accounts, in order to ensure the funds are readily available and to avoid any of the risk of volatility that other types of investment holding might bring.

Social Investment Policy

The Trustees have determined that providing grant support to social enterprises and social businesses is an important element in developing the capacity and sustainability of the charity, community and enterprise sectors. The Trustees believe that social investment has a role to play in this development by providing funding that might not be available from traditional sources to address social issues in line with the Trust's charitable objectives. It is not, however, part of the current policy to use the Trust's funds or reserves for further loans or equity investment in social enterprises based on the need for funds to be readily available (see Reserves Policy above).

Sustainability Policy and Funder Commitment to combat Climate Change

As a Trust, we are committed to better understanding how our operations, grant-making, and our knowledge can develop to ensure risks to climate change are mitigated. As part of this we joined other funders in early 2020, in their pledge to make a commitment to climate change. We recognise we can play a part in addressing the causes of climate change, supporting adaptations to its effects and reporting on our progress. https://fundercommittmentclimatechange.org

The trustees approved a Sustainability Policy in 2020 which sets out the Trust's commitment to address the effects of climate change through its operations and grant making. This is in addition to the Trust's commitment of a third of its strategic, thematic funding to sustainability.

Diversity, Equality and Inclusion
As part of its general Governance management, The Trust undertook an audit of its policies, procedures and grant making with regard to Diversity, Equality and Inclusion. This will now form the basis for work to be undertaken. The Trustees recognise that the Trust's Board membership is limited in its diversity as this is made up of family members who are typically also shareholders of the Wates Group. With this in mind, the Trust will endeavour to find ways to ensure other voices, perspectives and experiences are fed into and become part of the Trust's operational and decision-making fabric.

Remuneration Policy
The review of staff remuneration is conducted in December each year to set rates for the coming year, which are implemented from 1st April onwards. This is done as a joint exercise with the Wates Foundation with which the Trust divides the cost of the Secretariat. The review takes into account the rate of inflation and benchmarks pay scales against rates of remuneration set by a small group of other similar grant-making trusts and foundations and ACF's annual benchmarking report. Decisions arising from the review are agreed by the Chairman of the Trust and Foundation and conveyed to staff in writing.

Details of the remuneration received by the Trust's highest paid member of staff are in the Notes to the Accounts. The stated amounts take account of division between the Trust and the Wates Foundation in accordance with the agreed schedule.

In accordance with FRS 102 SORP, the Trustees have reviewed the Trust's liability for untaken paid leave. They have concluded that this does not constitute a material component of total expenditure and is not further recognised in the accounts.

Risk management
The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years. An assurance audit was conducted in February 2024.

The Trustees have considered the major risks and uncertainties to which the charity is presently exposed and the systems and procedures to manage those risks. The Trustees identify risk to reputation and uncertainty of income as the two key issues facing the Trust in the short to middle term.

Risk: Severely reduced income

Key mitigating controls already in place:
- Scheduled payments covered by Trustees' policy on increased reserves
- Limit on the scale of future years' grant commitments
- Terms & Conditions limit liability on payments over more than one year
- Engagement with Wates Group Board allows mitigation policy in adequate time frame

Risk: Reputation:
- Potential and actual conflicts of interests
- Support to illegal or controversial causes
- Charges of discrimination, unfairness and breach of trust

Key mitigating controls already in place:
- Formal Conflict of Interests policy
- Meeting declarations by attendees
- Media defensive statement policy
- Statement of themes and guidelines

- Review of strategy carried out in 2018 with wide consultation amongst Trustees and other interested parties
- External, independent review of Trust governance and ethics in Q1 2018
- Due diligence by Wates Family Charities Secretariat
- Formal policies covering complaints, confidentiality and equal opportunities

Safeguarding Policy
Although the Trust does not work directly with children and vulnerable young adults, it recognises that it has a responsibility to both the staff it employs and those intended to be the beneficiaries of the grants it makes. A renewed Safeguarding policy sets out the commitment to ensure all Secretariat staff receive external safeguarding training every three years.

Audit
The Trust's accounts for 2023 were filed following the Annual General Meeting of the Trustee Board on 25th June 2024. A statement has been included setting out the Trustees' responsibility in respect of the accounts and the Annual Report.

In the case of each person who was a trustee at the time this report was approved:

- so far as each trustee was aware there was no relevant available information of which the Trust's auditors were unaware; and
- that each trustee had taken all steps that the trustee ought to have taken, as a trustee, to make himself aware of any relevant audit information and to establish that the Trust's auditors were aware of that information.

A resolution was passed at the AGM on 25th June 2024 to appoint Crowe UK LLP as auditors for 2025.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Wates Family Enterprise Trust Limited for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

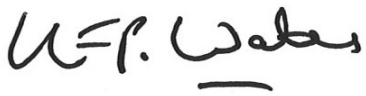
Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, including the incoming resources and the application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 25th June 2024 and signed on its behalf:



AEP Wates
CHAIRMAN of TRUSTEES

Independent Auditor's Report to the Members of Wates Family Enterprise Trust Limited

Opinion

We have audited the financial statements of Wates Family Enterprise Trust Limited ('the charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2023 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 trustee's 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 charitable company'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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board of Trustees about their own identification and assessment of the risks of irregularities, audit procedures on income recognition, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell

Helen Blundell LLB FCA FCIE DChA
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
27 September 2024

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023

	Notes	Total 2023 £	Total 2022 £
Income and endowments from:			
Grants and donations	2	1,500,000	1,500,000
Investments		11,382	2,283
Total		1,511,382	1,502,283
Expenditure on:			
Charitable activities	3	(1,552,497)	(1,165,277)
Net movement in funds		(41,115)	337,006
Reconciliation of funds:			
Total funds brought forward	8	815,502	478,496
Total funds carried forward	8	774,387	815,502

All activities are classified as continuing.

There are no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

All funds were unrestricted in 2023 and 2022.

WATES FAMILY ENTERPRISE TRUST LIMITED
BALANCE SHEET
AT 31 DECEMBER 2023

Company number: 06648896

	Notes	2023 £	2023 £	2022 £	2022 £
CURRENT ASSETS					
Debtors		382,682		750,000	
Cash at bank and in hand		719,268		502,792	
TOTAL CURRENT ASSETS		1,101,949		1,252,792	
CREDITORS: amounts falling due within one year	4	(327,562)		(437,290)	
NET CURRENT ASSETS			774,387		815,502
TOTAL ASSETS LESS CURRENT LIABILITIES			774,387		815,502
CREDITORS: amounts falling due after more than one year	5		-		-
TOTAL NET ASSETS			774,387		815,502
FUNDS					
Unrestricted funds	8		774,387		815,502

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

A E P Wates
Chairman of Trustees

The accompanying notes form part of these financial statements.

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Net cash (used in) operating activities	10	205,093	(99,137)
Cash flows from investing activities:			
Interest from investments		11,382	2,283
Net cash provided by investing activities		11,382	2,283
Change in cash and cash equivalents in the year	A	216,475	(96,854)
Cash and cash equivalents at the beginning of the year		502,792	599,646
Cash and cash equivalents at the end of the year	11	719,268	502,792

A ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2023 £	Cashflows £	At 31 December 2023 £
Cash at bank and in hand	502,792	216,475	719,268
Total cash and cash equivalents	502,792	216,475	719,268

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

1.2 General information

The Charity is an incorporated private company limited by guarantee without share capital in England and Wales (company registration number: 06648896) and a charity registered in England and Wales (charity number: 1126007). The Charity's registered office is : Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.

1.3 Preparation of accounts on a going concern basis

After the inclusion of grant commitments there is a surplus of £774,387 on unrestricted funds as at 31 December 2023. The Trustees have considered the ability of the Trust to meet its grant commitments and its ongoing overhead costs in the light of anticipated future awards from The Wates Group and believe that it is appropriate to adopt the going concern basis of accounting.

1.4 Significant judgements and estimation uncertainty

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

1.5 Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

1.6 Income recognition

Voluntary income comprises donations from The Wates Group. Donations are credited to the Statement of Financial Activities when the criteria for income recognition of certainty, measurement and entitlement are met.

1. ACCOUNTING POLICIES (continued)

1.7 Expenditure recognition

Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

1.8 Allocation of support and governance costs

Support costs are allocated to either charitable activities, when applied in order to meet its charitable objectives or to governance costs when costs are incurred in relation to the constitutional and statutory requirements of the Trust. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees.

1.9 Charitable activities

These comprise gross grants payable, plus an apportionment of support and governance costs for the year.

1.10 Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognized as expenditure.

1.11 Operating leases

Costs in respect of operating leases are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.12 Employee benefits

Pensions

The charity operates a defined contribution pension scheme. The payments are charged to the statement of financial activities in the year they become payable.

2. GRANTS AND DONATIONS

	Total 2023 £	Total 2022 £
Donations	1,500,000	1,500,000
	1,500,000	1,500,000

3a. ANALYSIS OF CHARITABLE ACTIVITIES

	Grants £	Support Costs £	Governance Costs £	Total 2023 £	Total 2022 £
Grants to institutions:					
Group projects	235,136	52,797	1,627	289,560	329,911
Themed Projects	682,565	153,263	4,722	840,550	560,837
Family projects	153,330	34,428	1,061	188,819	79,343
Community projects	25,602	5,749	177	31,528	3,807
GAYE	18,497	4,153	128	22,778	22,871
Matched funding – Individual	48,064	10,792	333	59,189	45,120
Matched funding - team	41,989	9,428	290	51,707	55,533
100 for 500	53,500	12,013	370	65,883	63,445
Sports sponsorship	7,295	1,638	50	8,983	5,710
Repaid grants	(6,500)	-	-	(6,500)	(1,300)
	1,259,478	284,261	8,758	1,552,497	1,165,277
	(note 6)	(note 3b)	(note 3c)		

ANALYSIS OF CHARITABLE ACTIVITIES – 2022

	Grants £	Support Costs £	Governance Costs £	Total 2022 £	Total 2021 £
Grants to institutions:					
Group projects	260,000	67,593	2,318	329,911	199,716
Themed Projects	441,990	114,906	3,941	560,837	245,870
Family projects	62,529	16,256	558	79,343	55,214
Community projects	3,000	780	27	3,807	31,890
GAYE	18,024	4,686	161	22,871	25,985
Matched funding – Individual	35,559	9,244	317	45,120	35,794
Matched funding - team	43,765	11,378	390	55,533	36,785
100 for 500	50,000	12,999	446	63,445	68,730
Sports sponsorship	4,500	1,170	40	5,710	0
Repaid grants	(1,300)	0	0	(1,300)	(16,600)
	918,067	239,012	8,198	1,165,277	683,384

3b. SUPPORT COSTS

		2023	2022
		£	£
Salaries	(Note 3d)	191,137	175,616
Rent		16,000	16,000
Travelling expenses		5,962	1,601
Subscriptions		871	638
Marketing and		19,550	12,070
communications		50,741	33,087
Office expenses			
		284,261	239,012

3c. GOVERNANCE COSTS

	2023	2022
	£	£
Professional fees	48	48
Audit fees	8,710	8,150
	8,758	8,198

Governance costs include auditor's remuneration of £8,710 (2022: £8,150).

3d. STAFF COSTS AND NUMBERS

	2023	2022
	£	£
Staff costs were as follows:		
Salaries and wages	157,232	142,711
Social security costs	18,070	17,961
Pension costs	13,227	12,553
Staff benefits	2,608	2,391
	191,137	175,616

The Wates Family Enterprise Trust Limited shares a Secretariat with the Wates Foundation. The above staff costs represent the Trust's 80% allocation of the total Secretariat cost.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the year was £112,507 (2022: £97,673).

£Nil remuneration or expenses have been paid to the Trustees (2022: £nil).

In the period, one employee received remuneration above £60,000 (2022: 1) in the bracket of £90,000 to £100,000.

Staff numbers	2023 Number	2022 Number
Administration staff - Headcount	5	3

4. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Accruals	71,918	67,492
Scheduled grant payments	255,644	369,798
	327,562	437,290

5. CREDITORS: amounts falling after more than one year

	2023	2022
	£	£
Scheduled grant payments	-	-

6. GRANT COMMITMENTS

	2023		2022	
	£	£	£	£
Grant commitments at 1 January 2023		369,798		57,572
Grants awarded	1,265,978		919,367	
Grants rescinded	(6,500)		(1,300)	
Grant commitments charged to the SOFA in the period (note 3)		1,259,478		918,067
Grants paid in year		(1,373,633)		(605,841)
Total grant commitments		255,644		369,798
Grant commitments at 31 December 2023				
Due within one year		255,644		369,798
Due after more than one year		-		-
		255,644		369,798

7. RELATED PARTY TRANSACTIONS

During the year grants were made to organisations with a relationship to our trustees as follows:

£10,000 (2022: £10,000) to Forum for the Future of which Jonathan Wates is a trustee.
£15,000 (2022: nil) to Emanuel School of which Charles Wates is a governor.
£23,000 (2022: nil) to IFB Research of which James Wates is a trustee.

8. FUNDS

	At 1 January 2023 £	(Loss) for the period £	Transfer	At 31 December 2023 £
Unrestricted general funds	515,502	(41,115)	-	474,387
Designated funds	300,000	-	-	300,000
At 31 December 2023	815,502	(41,115)	-	774,387

Designated funds of £300,000 have been set aside by the trustees as reserves in order to respond to scheduled grant payments and to cover support and governance costs.

PRIOR YEAR FUNDS

	At 1 January 2022 £	Surplus for the period £	Transfer	At 31 December 2023 £
Unrestricted general funds	328,496	337,006	(150,000)	515,502
Designated funds	150,000	-	150,000	300,000
At 31 December 2021	478,496	337,006	-	815,502

9. TAXATION

The Trust is exempt from corporation tax under current tax legislation as all its income is applied for charitable purposes.

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023 £	2022 £
Net movement in funds	(41,115)	337,006
Adjustments for:		
(increase)/Decrease in debtors	367,319	(750,000)
Increase/(Decrease) in creditors	(109,729)	316,140
Interest from investments	(11,382)	(2,283)
Net cash (used in) operating activities	205,093	(99,137)

11. ANALYSIS OF CASH AND CASH EQUIVALENTS	2023 £	2022 £
Cash in hand	719,268	502,792
Total cash and cash equivalents	719,268	502,792

12. NEW AWARDS 2023

Group Awards

Abby's Heroes			6,000
Be Free Young Carers			5,000
Ben Kinsella Trust			5,000
Bobby Colleran			6,000
Copenhagen Youth Project			5,000
Coventry Clothing			2,500
D HUB 67 CIC			6,000
Doorway			6,500
Fighting All Cancers (have a heart)			6,136
First Days Childrens Charity			4,990
Haringey Shed			5,960
Refugee Women's Connect			5,000
Rubies			2,500
Sandwell Parents for Disabled Children			5,000
Sandwell Visually Impaired			5,000
Sunderland Community Soup Kitchen			6,500
Sunderland MIND			3,454
Tamworth have a Heart			6,136
The Box Youth Community Project			4,960
The Link Charitable Trust			6,500
Wormwood Scrubs Pony Centre			5,000
Yellow Submarine Holidays			6,000
Total Group Grants	22	Total Award Amount	£115,136

Group Awards- Thinking Differently

Down to Earth Derby			£80,000
Moxie Foundation			£40,000
Total Group Grants	2	Total Award Amount	£120,000

12. NEW AWARDS 2023 (continued)

Family Awards

Baby Basics	250
Band of Builders	2,000
Biscard du Bois (Police Care report design)	3,480
Cancer United	3,000
Cancer Vaccine Institute	5,000
Carl Linford	500
Create Streets	5,000
CRUK	250
DEC Earthquake appeal	10,000
EFN	5,000
Emanuel School	15,000
Forum for the Future	10,000
Francisco Architects	500
Futurein	2,500
Girls Out Loud	250
GOSH Gen 5	250
IFB	5,000
IFB Research	18,000
IN2drama	5,000
Institute of Engineering	10,000
Juvenile Diabetes Research	250
Kim Hoare Memorial	250
Lucy Rayner Foundation	1,000
No Going Back	10,000
No Going Back	10,000
Police Care UK	24,000
Police Care UK (Mothwood)	600
Restore Community	750
Superkind	3,000
The Bobby Colleran Trust	2,500

Total Family Awards	30	Total Award Amount	£153,330

12. NEW AWARDS 2023 (continued)

Themed Awards

The Difference (LOYP)			£100,000
Social Finance (LOYP)			£120,000
Get Further (LOYP)			£33,342
St Mary's University (LOYP)			£10,000
Shared Health Foundation (LOYP & Housing)			£140,000
Look Ahead (Housing)			£130,000
More in Common (Housing)			£40,000
Environmental Funders Network (Sustainability)			£31,540
Our Future (Sustainability)			£20,000
Sow the City (Sustainability)			£20,000
Green Infrastructure (Sustainability)			£6,000
University of Derby (Sustainability)			£30,000
Nature Based Neighbourhoods (Sustainability)			£1,683
Total Themed Awards	**10**	**Total Award Amount**	**£682,565**

Employee Fund Awards

Community Awards

Academykicks	1,493
Chipshead FC	1,495
Cleve RC Minis	750
Crossfields Junior Football	750
Dance Action Zone	200
Easingwold Cricket Club	1,500
First Bwichgywn Group	1,500
Leeds Underdogs	750
Llantwit Major Junior	750
Mossley Mayhem Softball	750
Needham Market Youth	750
North Shield Juniors	750
Pro Soccer Youth	1,500
Rainhill Forge	1,452
RCHC Hockey	1,500
Sale Harriers	1,000
St Mary's & All Saints PTA	1,500
Teddington Theatre Club	5,000
The Roundhegians	776
Umston Town JFC	1,436

Total Community Awards	**20**	**Total Award Amount**	**£25,602**

12. NEW AWARDS 2023 (continued)

Match Funding

Individual Match Funding	115	Total Award Amount	£48,064

Team Match Funding

Barnsely Hospice			1,908
Barnsley Blind & Partially Sighted			1,908
Brain Tumour Charity			1,060
Dogs Trust			520
Garden House Hospice			9,500
James Bulger Memorial			2,797
Jason Roberts Foundation			1,754
Kingswood Trust			1,500
Maggie Keswick Jencks			2,000
Neuroendocrine			3,682
Papyrus			6,021
Papyrus			2,024
Save the Children			100
Surfers Against Sewage			1,165
The Ahoy Centre			1,600
UK Black Pride			768
YWCA			3,682
Total Team Match	17	Total Award Amount	£41,989

100 for 500

Total Awards	107	Total Award Amount	£53,500

Give As You Earn

All Matched contributions for 2023	£18,497

Sports Sponsorship

All Sports Sponsorship	5	Award amount	£7,295

12. NEW AWARDS 2023 (continued)

Total WFET Awards

Award Type	No of Awards	Award Amount
Group Awards	22	£115,136
Group Awards – Thinking Differently	2	£120,000
Family Awards	30	£153,330
Themed Awards	20	£682,565
Community Awards	20	£25,602
Match Funding - individual	115	£48,064
Match Funding - team	17	£41,989
Sports Sponsorship	5	£7,295
100 for 500	107	£53,500
Give as you earn	-	£18,497
Total Awards 2023	338	**£1,265,978**

12. NEW AWARDS 2023 (continued)

100 for 500

126th Bristol Scout Group	Holy Trinity CE School
13th Wimbledon Scout Group	Hub for Grub
1st Cholsey Scout Group	Imago Dei Prison Ministry
1st Wickham Scout Group	Intensity Cheer and Dance
24th Wallasey Brownies	Ipplepen Primary School PTA
3rd Wednesfield Scout Group	Islington Foodbank
6 Harrow Scouts	Kesteven Rugby Club
Abbott Lodge	Leckhampton Rovers Football Club
Albanian FC	Little Fishes Preschool
Ampthill Community Rugby Club	Lucky Gloves School of Boxing
Andy Biddle Youth Sport Foundation	Lymm RFC
Basingstoke and Mid Hants Athletics Club	Mindworks UK
Betty Ennis Foundation	Mitchells Miracles
Bexley Beavers	New Ash Green & Hartley CC
Birmingham Rovers Basketball team	North Shields Juniors AFC
Bishops Waltham Cricket Club	ORCA Swim Club
Bishopthorpe White Rose FC	Ottershaw Parent teacher association
Blackrod Cricket Club	Peppers Pet Rescue
Brewood Junior Football Club - U10 Colts	Peterborough City Rowing Club
Brighter Better Orrell (BBO)	PFCC Food Bank
Carries of Hope	Pippin Pre-School
Cathedral Archers Project	Positive Bones
Centre for Environmental Initiatives	Proud 2B Parents
City of Newcastle Gymnastics Academy	Reuben's Retreat
Colchester Canoe Club	Riverside Juniors Whites FC
Dogs First	Roundhegians RFC
Dover Rangers FC	Shaw lane foundation
Dudley Kidney Patients Association	Shepshed Cricket Club
Dyslexia Research Trust	SKLPCC Cricket Club - Juniors
Ely Dojo	Sophie's Legacy
Emily Harris Foundation	St Mary and All Saints CE Primary School PTA
Entity Morris Dancers	Staffordshire Regiment Association
Epsom Wells Community Association	Stamford Bridge Junior Football Club
Fairfield Church	Stamford Rugby Football Club
FC Aztec U13 Braves	Stokenchurch Dog Rescue
Feniscowles Cricket Club	Swings & Smiles
Fletchermoss Rangers FC	Teddington Theatre Club
Flitwick Scout Group	The Albrighton Trust
Friends of Belmont, Guisborough	The Children's Workshop
Friends of Ludgershall	The Crafty Gardener
Friends of Ryhall Academy	The Friends of Eastwick Schools
Friends of St. Clements's	The Greville Primary School Forest School
Friends of St. Dunstan's School	The JayC Trust
Friends of Thornden School (FOTS)	The Millie Wright Childrens Charity
Friends of Victoria Park	The Monday Group

Get Rid of and Donate (GROAD)	TIBS (Girls U15 Football Team)
Gillingham street angels	Tomorrow's women Wirral
Gold Geese	Trinity Tots
Green Tree House	West Lodge Primary School
Greener Padbury Group	West Midlands Anti-Slavery Network
Guardian Angels Animal Support	Wimbledon Greyhound Welfare
Hasbury Scout Group	Wyvern FC
Herts Phoenix Athletic Club	Youth Ink

Minor Awards

Beneficiary organisations of Match Funding not otherwise listed above.

AADC Research	Marie Curie
Acorn Children's Hospice	MIND
Alzheimers Society	Moor Nook
Andy Biddle Youth	Movember
Barts	North East Children
British Heart Foundation West	Norwood & Brixton
Birmingham Childrens Hospital	Oasis Aquila Housing
Birmingham Women's and Childrens	One Nation
Bloodrun EVS	One Step Ahead
Brake	Pancreatic Cancer
Breast Cancer Now	Papyrus UK
CALM	Parents Supporting Downs
Cancer Research	Portsmouth Down Syndrome Assoc
Care to Dance	Prostate Cancer
Children Hospital Charity	Queen Eleanor's School
Cancer Research UK	Retina UK
DEC Earthquakre	Royal Free Charity
Dementia UK	Sacred Heart
Diabetes UK	Sargent Cancer
Doorway	Save the Children
Dr Kershaw	Shelter
East Lancashire Hospital	Solihull North International
Friends of St Clements	St Mungo's
Greenpeace	Starlight Chilren's Foundation
Harbour Support	Stillbirth & Neonatal
Hollymount PTA	Stroke Association
Hospice in the Weald	Sunderland Community Kitchen
Juvenile Diabetes Research	Teddington Theatre Club
Katherine House Hospice	The Children's Adventure Farm
Leeds Hospital	The Children's Workshop
Leisure United	The Christie Charity
Leukemia UK	The Hope Charity
Little Lady Locks	The Talent Foundry
Macmillan Cancer	Ummah Welfare
	William Wates Memorial Trust

WATES FAMILY ENTERPRISE TRUST

England & Wales - Charity number 1126007

Accounts

Wates Family

ENTERPRISE TRUST

WATES FAMILY ENTERPRISE TRUST LIMITED

Report and Financial Statements

Year ended 31 December 2022

Charity no: 1126007

Company no: 06648896

Directors of the Company
Mr A T A Wates
Mr A E P Wates (Chairman)
Mr P C R Wates
Mr T A de B Wates
Sir James Wates

Trustees
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr Jonathan G M Wates
Mr M E Wates
Mr P C R Wates
Mr T A de B Wates
Mr A E P Wates (Chairman)

Company Secretary
Mrs F Mallam (from 25th April 2023)
Mr T Sherwani (resigned 25th April 2023)

Company Number: 06648896

Charity Number: 1126007

Registered Office
Wates House
Station Approach
LEATHERHEAD
Surrey KT22 7SW

Auditors
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers
Charities Aid Foundation Bank Limited
5 King's Hill Avenue
King's Hill
West Malling
Kent
ME1 94J

Solicitors
Bates Wells
10 Queen Street Place
London EC4R 1BE

Memberships
The Wates Family Enterprise Trust Limited is a subscribing member of the Association of Charitable Foundations, London Funders and the Environmental Funders Network.

Contact Information

E-mail: director@watesfoundation.org.uk
Web: www.watesgiving.org

Message from the chair

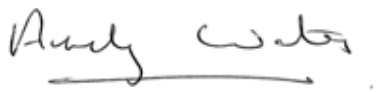
The last year has continued to be an exciting one for the Trust. We have renewed our funding partnerships with: The Difference in their commitment to prevent school exclusions through more inclusive management of schools; with Hubbub in their support of community action to address climate change and support Manchester's plans to respond to the climate emergency they declared; and with the Centre for Social Justice co-funding their Housing and Communities Unit.

In addition, each of the themes' lead trustees have been working to identify new partners for the continuing development of our funding focus into 2023. This has enabled us to meet and witness some fantastic work and we look forward to bringing some of these into 2023. The Trust's thematic funding remains pivotal to our strategic approach to making a difference to communities and the areas they live and work in.

An example of how the Trust's funding further plays out this aim is through a specific fund open to Wates Group employees. The Group Grants Scheme allows employees to nominate small, grassroots and community serving organisations in the areas close to where the Group operates. This year saw applications from parts of the UK where previously we have had none. This is testament to the work of the Trust's Secretariat and the Group's Community Investment teams, as they strive to find new opportunities to support community action. 2022 saw an increase in applications, leaving the panel oversubscribed, however we continue to be encouraged and impressed at the quality of grassroots work we can support.

The bounce back into 2022, post covid lockdowns, has had an noticeable impact on the matched funding and volunteering grants we offer to Group employees. For the first time in years, we have exceeded our target of £150,000 to be distributed, which is fantastic news.

Creating programmes that make a real difference to the society we live in is at the very core of the Trust's purpose. Much of this is brought to life and reaches the areas that need it most through our work in collaboration with Wates Group employees. The tireless dedication of Group employees to making a positive impact to communities is an utter privilege to support



Andy Wates

Chairman
Wates Family Enterprise Trust

Introduction

The Trustees, who are also the Directors of the incorporated company, have pleasure in presenting their Report together with the financial statements of Wates Family Enterprise Trust Limited for the year ended 31st December 2022.

Legal and administrative information forms part of this Report. The financial statements comply with current statutory requirements, the Trust Deed, applicable law and *Charities Statement of Recommended Practice (FRS 102).*

Grant Making

The Trust's grant making is allocated across four key legacy outcomes;

Building Resilience Using the Trust's knowledge and insight to address social needs and improve lives	**Engaging the Disengaged** Providing resources to create sustainable change within communities	**Influencing the System** Shining a light on pressing issues and convening stakeholders to create solutions	**Fostering Active Citizenship** Providing opportunities for Wates employees to engage with and support local communities

Thematic Grants

Three key strategic areas of Housing, Life Opportunities for Young People and Sustainability guide the majority of the Trust's funding. Each theme is led by a nominated trustee with the Director of the Trust.

The fourth area of funding, Fostering Active Citizenship, has been designed to support and encourage Wates Group employees in their fundraising and support of charities local to them and in which they volunteer. Group and Employee awards sit under this area of funding.

Outside the theme areas, funding available for each year is allocated on a proportional basis to:

Employee awards: in support of initiatives of employees of the Wates businesses acting in a private capacity. The latter includes: personal fundraising for local charitable and community causes; Give As You Earn donations through payroll; engagement with community organisations as volunteers, trustees, governors, sports coaches or other roles; participation of immediate family members in sport at national and international levels.

Group awards: in support of bids originating from initiatives of the Wates Group and its business units.

Family awards: in support of bids which are the initiative of the Wates Family.

The Trust does not accept unsolicited applications for grant funding.

Achievements & Performance

Funding Summary

In 2022, the Trust made 250 new awards in the period to the value of £919,367. A full list of awards, given and rescinded in the year, is to be found in the Notes to the Accounts.

The following provides a brief look at some of the new awards from the Trust's core strategic programmes in 2022, starting with the initial awards made under the Focus Themes

1. Life Opportunities for Young People

The Trust's partnership with The Difference, continued in 2022 with a further grant of £100,000.

The Difference works to identify and promote a 'best practice' curriculum in Alternative Provisions and to improve mainstream school inclusion.

2. Housing

We are delighted to continue our support to the Housing and Communities Unit at the Centre for Social Justice and to witness the incredible impact the Unit has had in its first full year as a stand-alone policy unit. This year, the CSJ had its highest impact to date, with 43% of their recommendations taken up by government, up from 33% last year. The latest report, co-funded by the Trust, *Levying Up,* highlights the obstacles that the proposed Infrastructure Levy poses to delivering new affordable homes. Launched by the former Minister for Housing and Rough Sleeping, Eddie Hughes MP, it makes recommendations to strengthen primary legislation and improve planning policy to unlock new affordable housing at scale and release the potential of communities that have for too long been left behind.

Grants to the Smith Institute and Look Ahead saw publications of key research into the crisis surrounding temporary accommodation; and alternative residential options for young people experiencing severe mental health crisis. We have been encouraged by the response to the reports and look forward to exploring how the recommendations can be put into action.

3. Sustainability

A two-year commitment (2022-23) sees the Trust continue its support to Hubbub as it works with Manchester City Council, Manchester Climate Agency and a range of other local, Manchester based partners. This coalition investigate how positive and playful campaigns can bring communities together

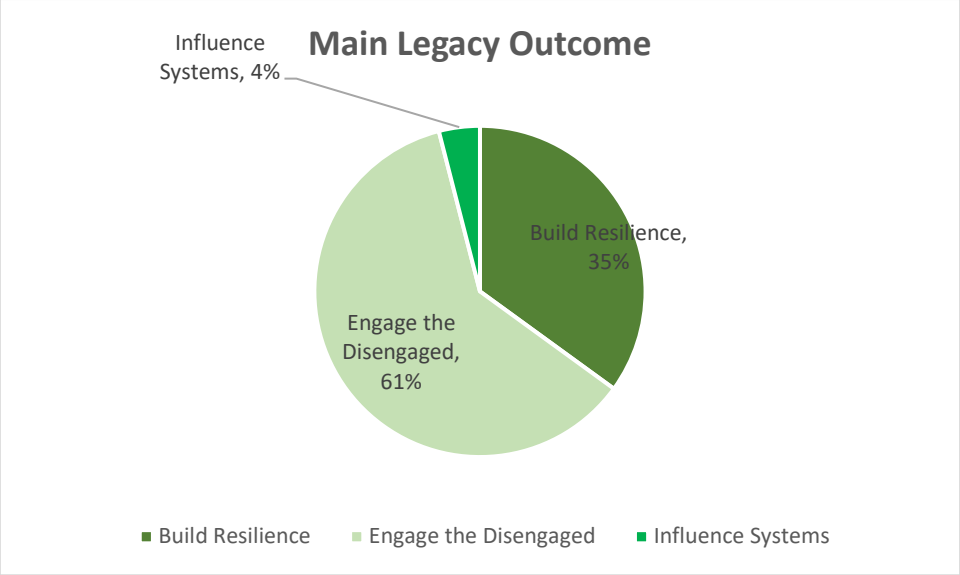
and help residents live more sustainably, supporting Manchester on its journey to be a zero-carbon city by 2038.

Three new grants were made to Rewilding Britain, Conservation Collective and Conservative Environmental Network in recognition and support of the enormous work they do supporting local grassroots, policy and national ambition to reclaim, preserve and maintain the natural beauty and bio diversity across the UK.

Group Awards 2022

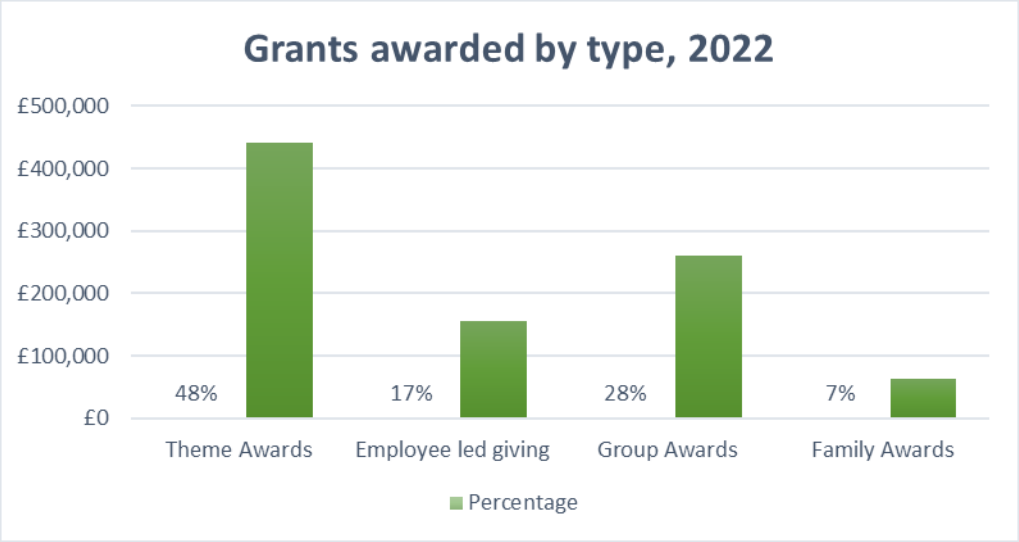
The Trust contributes to communities in which the Group works. In 2022, it made 24 grants totalling £260,000. One of these awards was to the Disasters Emergency Committee's national appeal in early 2022 in response to the war in Ukraine. This donation of £30,000 was made, by the Trust, to match the donation awarded by the Wates Group.

The awards made sat under all three of the Trust's main legacy outcomes with 61% of all grants meeting the Engaged the Disengaged outcome. This is not unsurprising given the ongoing impact of covid and this distribution is an illustration of how much the Trust was asked to respond to community groups and charities supporting their communities in the face of so many social, health, isolation and basic poverty needs.



Summary focus of grants made

Thematic grant making remained the highest focus of awards at 48% of the total giving. This was followed by Group Awards at 28% and Employee led giving at 17%.



Family Awards
In 2022, the Wates Family members, who are the Trustees, made 18 awards valued at £62,530 to causes and initiatives in which they have a personal interest or in support of causes in Surrey, London and the South-East in particular.

Employee Awards
The Trust makes awards in support of philanthropic initiatives of employees of the Wates' businesses. The latter includes: personal fundraising for local charitable and community causes; Give as You Earn (GAYE) donations through payroll; engagement with community organisations; participation in sport at national and international levels.

2022 saw 96 grants totalling £82,324 awarded for Trust's support to the personal causes of Wates employees. £3,000 went to support Wates employees working on behalf of their local communities and charities as trustees, governors or in other volunteer roles such as fundraisers, sports coaches or general helpers.

The Trust ran its campaign 'Let's get Giving: 100 for 500' for a third year, specifically to enable Wates employees to ensure the small local causes they support could receive funding. 100 awards of £500 were distributed during December 2022, all of which had been chosen and assessed by Wates employees.

The Trust made a grant to match the ***Give As You Earn (GAYE)*** donations made by Wates Group employees, which totalled £18,024 in 2022. This was consistent with the previous year.

Finally, we make mention of the Trust's support to individual Wates employees who fundraise for a wide range of charities by undertaking marathons, parachute jumps, wing-walking, Dragon Boat racing, long distance bike rides, hikes, baking, sleeping rough overnight and growing beards and moustaches or, even, in shaving them off. The list of organisations in receipt of these awards is included at the end of the notes to the accounts. Its length and variety are resounding testaments to the interests and passions of the Wates employee sponsors.

Structure, Governance & Management
Wates Family Enterprise Trust Limited is an incorporated charity, registered with the Charity Commission No. 1126007 on 23 September 2008 and at Companies House No. 06648896 on 16 July 2008. The Trust is a grant-making charity run by trustees, is independent of the Wates Group of

companies, and is incorporated in England and Wales. The funding made available for the charity is agreed on an annual basis by the Family members who are shareholders of the Wates Group.

The Trust has eight trustees. Five of these are also the Directors of Wates Family Enterprise Trust Limited. The Annual General Meeting (AGM) of the company is held in June/July each year. Directors retire and are elected at the AGM under the terms of the company's Articles of Association. Mr Andy Wates is Chairman of the Board of Directors and of the Trustees.

The Trust shares a Secretariat that operates as Wates Family Charities, with the Wates Foundation Limited, an unincorporated registered charity no 247941. The day-to-day administration of the Trust's grants and the processing and handling of applications is carried out by the Secretariat. Costs are apportioned on an agreed percentage basis between the two charities. These include rent for office space located within premises occupied by a company owned by the Trustees, as well as charges for use of the company's IT, HR and other administrative systems. During the year rent was charged proportionally between the Trust and Foundation at 100% of the passing rate. The agreed basis of the cost allocation was a split of 80% to the Trust and 20% to the Foundation throughout the entire year. This reflects the best view of the division of the time spent by the Secretariat between the two organisations.

For all legal and operational purposes, the Trust and the Foundation are totally separate and independent entities.

The Trustees agreed, in March 2019, to formally adopt the Charity Governance Code. The Trustees are satisfied that the Trust complies with the vast majority of the Code's provisions, with the following exceptions:

- Trustees fixed terms of office: because of the precise nature of the link between ownership of the Wates Group, the financing of the Trust and Trusteeship of the Trust, the Trustees have resolved that Trustee terms of office should remain unlimited.
- Appointment of independent Trustees from outside the Family (in the interests of diversity and transparency): for the same reason, The Trustees have resolved not to make any immediate appointments of new, non-Family Trustees but to keep the matter under regular review. The Trustees also felt that involvement of many employees of the Wates Group and of external experts in the Trust's deliberations offered the opportunity to ensure a wide variety of viewpoints were represented.

Trustees in the year were:

Andy (AEPW) Wates (Chairman of Trustees & Grants Panel Committee)
Andrew (ATAW) Wates
Charles Wates
James Wates
Jonathan Wates
Michael Wates
Paul Wates
Tim Wates

A Grants Panel Meeting, which is held approximately twice a year, is requested by the Trustees to assess applications under the Group Grants funding stream. These are grants made to support small organisations, with an income of under £1million, operational in the vicinity of Wates Group's activity.

Terms of Reference for the Grants Panel Meeting define its current membership at the year-end as:
Andy Wates, Chairman of the Grants Committee;
Andrew Wates and the Director of Wates Family Charities and Trust Secretary,
Su Pickerill, Group Community Investment Management
Andrew Riggs, Head of Government Sector, Wates Group
Ben Williams, Living Space National Strategic, Wates Group
Deep Mahinda, Key Account Director, Wates Group
Holly Gardiner, Senior Land and Planning Manager, Wates Group
Rachel Schofield, Proposals Manager, SES North, Wates Group
Lisa Cunningham, Pre-Construction Director, Wates Group
Eeva Paasiaro, Regional Development Director, Wates Residential, Wates Group

Felicity Mallam, Director, Wates Family Enterprise Trust

Other than the Trustees/Directors, who all give their time freely both for meetings and for visits, the Trust has no dependence on volunteers, donated facilities, donated services, or other donations in kind or other intangibles.

As a commitment to transparency, the Trust publishes all its grant award data to the 360 Giving website, where it can be seen and analysed by other funders and charities seeking funding.

Recruitment & Training of Trustees and Staff

Under Article 2(2)(b) of the Articles of Association of The Wates Family Enterprise Trust Limited membership of the Association, and eligibility for election as Directors and Trustees, is limited to members of the Wates Family, who are descendants of Sir Ronald Wates and who are shareholders in the Wates Group.

The Trustees have identified training and development as a key area within the Trust's strategic planning to ensure that members of the Wates Family associated with the work of the charity and the staff of the Secretariat have the relevant skills, competences, knowledge and understanding that they need to deliver the Trust's mission effectively, sustaining and improving the overall performance of the Trust and its grant making.

Trustees gain experience as members of the Trust's Grants Panel Committee, taking part in the grant assessment process and related visits, and in a programme of visits to relevant organisations and institutions. Where relevant, Trustees also undertake formal training conducted by bodies such as the Association of Charitable Foundations. All the staff members of the Secretariat have an annual performance and development review (PDR), as part of which, training needs are identified, and plans put in place for the year ahead by agreement with the Chairman of Trustees. Progress against objectives for the year, and the agreed development plans, is then reviewed in the mid-year. A register of training undertaken is maintained by the Secretariat and reviewed annually by the Trustees.

Object of the Trust
The Wates Family Enterprise Trust Limited supports the philanthropic aims of the Wates Family owners of the Wates Group and its associated enterprises. Under the Trust Deed, the charitable purposes or activities for which the Trust Fund may be used, together with the income that derives from it, are those that the Trustees may direct for the public benefit at their discretion.

Objectives and activities for the public benefit
The general charitable purposes, aims and policies of The Trust, including consideration of grant-making, policies and performance relating to social finance, reserves, staff remuneration and risk management are reviewed regularly by the Trustees.

When reviewing the Trust's aims and objectives, devising the new programmes and setting their grant making policy for the year, the Trustees confirm that they have referred to the latest information contained in the Charity Commission's general guidance on public benefit and complied with their duty under Section 4 of the Charities Acts 2006 and 2011.

The purpose of Wates Family Enterprise Trust Limited is to provide a means for the Wates Family to be engaged stewards of the Family business, blending wealth creation with social responsibility. The Trust provides funding for specific strategic issues which address social, environmental and human inequality alongside supporting communities where Wates employees work and live. Since launching the Trust in 2008, the Trust has invested £16.9m in charitable activities.

Current Strategy 2021-2025

The main goals of the current strategy are:

- To continue the Family vision to be a 'force for good'

- To grow Family (especially the younger generation's) engagement in philanthropy
- To build greater Family involvement and leadership for key initiatives
- To look over time to create a clearer legacy for future generations

As part of the longer-term plan, the Trustees set a medium-term ambition to build overall funding from £1.25m in 2017 towards £2m over time as the Wates Group grows in size and profitability. (The 'rule of thumb' remains that the Trust should receive up to 5% of the Group's pre-tax profits).

The key elements of the strategy remain to:

- Look to focus new funds behind a few more focused themes, initially three
- Aim to commit funding for organisations and programmes over 3+ years
- Ensure clear Family leadership of the thematic programmes
- Retain a level of funds for Family personal interests but reduced in scale
- Ensure future funding growth for Employee's individual philanthropic efforts
- Continue to support Wates Group's engagement in local communities
- More clearly focus the Trust's support of other projects put forward by the Wates Group behind established beneficiary-focused programmes, R&D (e.g. the ground-breaking Sustainability Knowledge Transfer Partnership) and innovation.

Three strategic funding priorities exist through; Life Opportunities for Young People, Housing and Sustainability. The role of each Group is to identify the precise scope of the Theme focus areas and propose to the trustees' specific charities, projects, programmes and research to be funded. Relationships with grantees are seen as partnerships, with a longer commitment to funding and a collaboration rooted in discussion, sharing and learning together.

2022 was the fifth year of the strategy. Life Opportunities for Young People (champion Andy Wates) and Housing (champion Tim Wates) continued to build on work commenced in 2018. In addition, the Sustainability theme (champion Jonny Wates) continued its strategic funding to Hubbub as part of the wider Manchester City response to climate change. The actual grant allocation in 2022 for the themes, was £441,990 (2021: £160,978). Further detail of the individual grants made, and organisations supported is given below.

Related Party Transactions

It is the Trustees' policy to encourage active involvement in the voluntary sector by their peers and the Wates Family generally. Where a Trustee has an interest in any capacity with an external body applying for funds from the Trust, then that trustee is excluded from the decision-making process. This and other potential conflicts of interest are covered by a formally adopted policy, which extends to members of the Secretariat and other persons attending meetings at which grant-making decisions are taken. Such potential conflicts will be noted in the minutes of the relevant meetings.

The Trust maintains an annually updated register of the business interests of members of the Wates Family and staff that take an active part in the Trust's philanthropic activities.

A list of awards where related party interests occur is in the Notes to the Accounts.

Evaluation of Governance

The Trustees recognise that there is a potential for additional conflicts of interest in their responsibilities as trustees of the Trust and owners of the Wates Group of businesses with which the Trust has a close working relationship. Diligent care is taken to ensure the separateness and independence of both organisations from each other. A Memorandum of Understanding was agreed and adopted in 2021, between the Wates Family Enterprise Trust, the Wates Foundation and the Wates Group, recognising the independence of each organisation and the areas where they collaborate

The Trustees regularly review a register of gifts and hospitality offered and received by Trustees and the Secretariat to ensure compliance with the Trust's policy in this matter.

Financial review
Financial Statements and Notes on activities for the year form part of this Annual Report. Full accounts have been lodged with the Charity Commission and Companies House.

The Trust's income arises from a formal agreement with the Wates Group in accordance with the wishes of the Wates Family owners and shareholders of the Wates businesses. In 2022, income net of investment interest and loan repayments was £1,500,000 (2021: £825,000).

Expenditure for the year was £1,165,277 (2021: £683,384) on charitable activities, support costs and governance. Support costs including salaries was £239,012 (2021: £225,090) and included communications and marketing expenses of £12,070 (2021: £3,467). Governance costs were £8,198 (2021: £16,595).

At the end of its twelfth full year of operations, the Trust Fund had an end of year surplus of £815,502 (2021: £478,496) when accounting for scheduled commitments out to 2022. Provision has been made in the budget for multi-year awards in future years.

Actual expenditure in 2022 and 2021 was contained within the reduced budgets and the overall surplus increased by 31st December 2022. On this basis the Trustees confirm that the Trust has adequate resources to make it a going concern for the future.

Reserves and investment policy
At 31st December 2021 the Trust's total reserves were £478,496. The policy of limiting levels of forward commitments for new awards remains at 30% of the current year's grant budget.

As further reassurance, the Trustees agreed in November 2021 to raise the current reserves of £150,000 to £300,000 over the period 2022, as a reflection of the increased strategic funding being awarded. These unrestricted funds will meet, if necessary, scheduled payments on extant awards and will make funds available for support and governance costs. Currently, a sum of £100,000 is held in a Scottish Widows Bank Account and a further £50,000 is held with Charity Bank, representing 10% of pre-Covid income. No reserve funds are restricted and not available for the general purposes of the Trust at the end the reporting period. The Trustees have agreed to hold these funds in short-term notice bank accounts, in order to ensure the funds are readily available should the need arise and to avoid any of the risk of volatility that other types of investment holding might bring.

Social Investment Policy
The Trustees have determined that providing grant support to social enterprises and social businesses is an important element in developing the capacity and sustainability of the charity, community and enterprise sectors. The Trustees believe that social investment has a role to play in this development by providing funding that might not be available from traditional sources to address social issues in line with the Trust's charitable objectives. It is not, however, part of the current policy to use the Trust's funds or reserves for further loans or equity investment in social enterprises based on the need for funds to be readily available (see Reserves Policy above).

Sustainability Policy and Funder Commitment to combat Climate Change
As a Trust, we are committed to better understanding how our operations, grant-making, and our knowledge can develop to ensure risks to climate change are mitigated. As part of this we joined other funders in early 2020, in their pledge to make a commitment to climate change. We recognise we can play a part in addressing the causes of climate change, supporting adaptations to its effects and reporting on our progress. https://fundercommittmentclimatechange.org

The trustees approved a Sustainability Policy in 2020 which sets out the Trust's commitment to address the effects of climate change through its operations and grant making. This is in addition to the Trust's commitment of a third of its strategic, thematic funding to sustainability.

Diversity, Equality and Inclusion
As part of its general Governance management, The Trust undertook an audit of its policies, procedures and grant making with regard to Diversity, Equality and Inclusion. This will now form the basis for work

to be undertaken. The Trustees recognise that the Trust's Board membership is limited in its diversity as this is made up of family members who are typically also shareholders of the Wates Group. With this in mind, the Trust will endeavour to find ways to ensure other voices, perspectives and experiences are fed into and become part of the Trust's operational and decision-making fabric.

Remuneration Policy

The review of staff remuneration is conducted in December each year to set rates for the coming year, which are implemented from 1st April onwards. This is done as a joint exercise with the Wates Foundation with which the Trust divides the cost of the Secretariat. The review takes into account the rate of inflation and benchmarks pay scales against rates of remuneration set by a small group of other similar grant-making trusts and foundations. Decisions arising from the review are agreed by the Chairman of the Trust and Foundation and conveyed to staff in writing.

Details of the remuneration received by the Trust's highest paid member of staff are in the Notes to the Accounts. The stated amounts take account of division between the Trust and the Wates Foundation in accordance with the agreed schedule.

In accordance with FRS 102 SORP, the Trustees have reviewed the Trust's liability for untaken paid leave. They have concluded that this does not constitute a material component of total expenditure and is not further recognised in the accounts.

Risk management

The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years. An assurance audit was conducted in November 2022.

The Trustees have considered the major risks and uncertainties to which the charity is presently exposed and the systems and procedures to manage those risks. The Trustees identify risk to reputation and uncertainty of income as the two key issues facing the Trust in the short to middle term.

Risk: **Severely reduced income**

Key mitigating controls already in place:

- Scheduled payments covered by Trustees' policy on increased reserves
- Limit on the scale of future years' grant commitments
- Terms & Conditions limit liability on payments over more than one year
- Engagement with Wates Group Board allows mitigation policy in adequate time frame

Risk: **Reputation**:

- Potential and actual conflicts of interests
- Support to illegal or controversial causes
- Charges of discrimination, unfairness and breach of trust

Key mitigating controls already in place:

- Formal Conflict of Interests policy
- Meeting declarations by attendees
- Media defensive statement policy
- Statement of themes and guidelines
- Review of strategy carried out in 2018 with wide consultation amongst Trustees and other interested parties
- External, independent review of Trust governance and ethics in Q1 2018
- Due diligence by Wates Family Charities Secretariat
- Formal policies covering complaints, confidentiality and equal opportunities

Safeguarding Policy

Although the Trust does not work directly with children and vulnerable young adults, it recognises that it has a responsibility to both the staff it employs and those intended to be the beneficiaries of the grants it makes. A renewed Safeguarding policy sets out the commitment to ensure all Secretariat staff receive external safeguarding training every three years.

Audit

The Trust's accounts for 2022 were filed following the Annual General Meeting of the Trustee Board on 13th June 2023. A statement has been included setting out the Trustees' responsibility in respect of the accounts and the Annual Report.

In the case of each person who was a trustee at the time this report was approved:

- so far as each trustee was aware there was no relevant available information of which the Trust's auditors were unaware; and
- that each trustee had taken all steps that the trustee ought to have taken, as a trustee, to make himself aware of any relevant audit information and to establish that the Trust's auditors were aware of that information.

A resolution was passed at the AGM on 13th June 2023 to appoint Crowe UK LLP as auditors for 2023.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Wates Family Enterprise Trust Limited for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

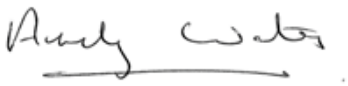
Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, including the incoming resources and the application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 13th June 2023 and signed on its behalf:



AEP Wates
CHAIRMAN of TRUSTEES

Independent Auditor's Report to the Members of Wates Family Enterprise Trust Limited

Opinion

We have audited the financial statements of Wates Family Enterprise Trust Limited ('the charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2022 and of its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is

consistent with the financial statements; and

the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate and proper accounting records have not been kept; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit; or

the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

11 July 2023

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022

	Notes	Total 2022 £	Total 2021 £
Income and endowments from:			
Grants and donations	2	1,500,000	825,000
Investments		2,283	386
Total		1,502,283	825,386
Expenditure on:			
Charitable activities	3	(1,165,277)	(683,384)
Net movement in funds		337,006	142,002
Reconciliation of funds:			
Total funds brought forward	8	478,496	336,494
Total funds carried forward	8	815,502	478,496

All activities are classified as continuing.

There are no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

All funds were unrestricted in 2022 and 2021.

WATES FAMILY ENTERPRISE TRUST LIMITED **Company number: 06648896**

BALANCE SHEET

AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
CURRENT ASSETS					
Debtors		750,000		-	
Cash at bank and in hand		502,792		599,646	
TOTAL CURRENT ASSETS		1,252,792		599,646	
CREDITORS: amounts falling due within one year	4	(437,290)		(121,150)	
NET CURRENT ASSETS			815,502		478,496
TOTAL ASSETS LESS CURRENT LIABILITIES			815,502		478,496
CREDITORS: amounts falling due after more than one year	5		-		-
TOTAL NET ASSETS			815,502		478,496
FUNDS					
Unrestricted funds	8		815,502		478,496

The financial statements were approved and authorised for issue on 13 June 2023 by the trustees and signed on their behalf by:

.....
A E P Wates
Chairman of Trustees

The accompanying notes form part of these financial statements.

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Net cash (used in) operating activities	10	(99,137)	(44,783)
Cash flows from investing activities:			
Interest from investments		2,283	386
Net cash provided by investing activities		2,283	386
Change in cash and cash equivalents in the year	A	(96,854)	(44,397)
Cash and cash equivalents at the beginning of the year		599,646	644,043
Cash and cash equivalents at the end of the year	11	502,792	599,646

A ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2022 £	Cashflows £	At 31 December 2022 £
Cash at bank and in hand	599,646	(96,854)	502,792
Total cash and cash equivalents	599,646	(96,854)	502,792

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

1.2 General information

The Charity is an incorporated private company limited by guarantee without share capital in England and Wales (company registration number: 06648896) and a charity registered in England and Wales (charity number: 1126007). The Charity's registered office is : Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.

1.3 Preparation of accounts on a going concern basis

After the inclusion of grant commitments there is a surplus of £815,502 on unrestricted funds as at 31 December 2022. The Trustees have considered the ability of the Trust to meet its grant commitments and its ongoing overhead costs in the light of anticipated future awards from The Wates Group and believe that it is appropriate to adopt the going concern basis of accounting.

1.4 Significant judgements and estimation uncertainty

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

1.5 Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

1.6 Income recognition

Voluntary income comprises donations from The Wates Group. Donations are credited to the Statement of Financial Activities when the criteria for income recognition of certainty, measurement and entitlement are met.

1. ACCOUNTING POLICIES (continued)

1.7 **Expenditure recognition**

Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

1.8 **Allocation of support and governance costs**

Support costs are allocated to either charitable activities, when applied in order to meet its charitable objectives or to governance costs when costs are incurred in relation to the constitutional and statutory requirements of the Trust. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees.

1.9 **Charitable activities**

These comprise gross grants payable, plus an apportionment of support and governance costs for the year.

1.10 **Financial instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognized as expenditure.

1.11 **Operating leases**

Costs in respect of operating leases are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.12 **Employee benefits**

Pensions

The charity operates a defined contribution pension scheme. The payments are charged to the statement of financial activities in the year they become payable.

2. GRANTS AND DONATIONS	**Total 2022 £**	**Total 2021 £**
Donations	1,500,000	825,000
	1,500,000	825,000

3a. ANALYSIS OF CHARITABLE ACTIVITIES

	Grants £	**Support Costs £**	**Governance Costs £**	**Total 2022 £**	**Total 2021 £**
Grants to institutions:					
Group projects	260,000	67,593	2,318	329,911	199,716
Themed Projects	441,990	114,906	3,941	560,837	245,870
Family projects	62,529	16,256	558	79,343	55,214
Community projects	3,000	780	27	3,807	31,890
GAYE	18,024	4,686	161	22,871	25,985
Matched funding – Individual	35,559	9,244	317	45,120	35,794
Matched funding - team	43,765	11,378	390	55,533	36,785
100 for 500	50,000	12,999	446	63,445	68,730
Sports sponsorship	4,500	1,170	40	5,710	0
Repaid grants	(1,300)	0	0	(1,300)	(16,600)
	918,067	239,012	8,198	1,165,277	683,384
	(note 6)	(note 3b)	(note 3c)		

ANALYSIS OF CHARITABLE ACTIVITIES – 2021

	Grants £	**Support Costs £**	**Governance Costs £**	**Total 2021 £**	**Total 2020 £**
Grants to institutions:					
Group projects	130,760	64,221	4,735	199,716	99,159
Themed Projects	160,978	79,063	5,829	245,870	417,291
Family projects	36,150	17,755	1,309	55,214	50,723
Community projects	20,879	10,255	756	31,890	37,055
GAYE	17,013	8,356	616	25,985	24,079
Matched funding – Individual	23,435	11,510	849	35,794	24,211
Matched funding - team	24,084	11,829	872	36,785	22,471
100 for 500	45,000	22,101	1,629	68,730	72,462
Sports sponsorship	-	-	0	0	4,577
Repaid grants	(16,600)	-	0	(16,600)	(63,562)
	441,699	225,090	16,595	683,384	688,466

3b. SUPPORT COSTS

		2022	2021
		£	£
Salaries	(Note 3d)	175,616	172,289
Rent		16,000	16,000
Travelling expenses		1,601	202
Subscriptions		638	2,435
Marketing and		12,070	3,467
communications		33,087	30,697
Office expenses			
		239,012	225,090

3c. GOVERNANCE COSTS

	2022	2021
	£	£
Professional fees	48	9,265
Audit and accounting fees	8,150	7,330
	8,198	16,595

Governance costs include auditor's remuneration of £8,150 (2021: £7,330).

3d. STAFF COSTS AND NUMBERS

	2022	2021
	£	£
Staff costs were as follows:		
Salaries and wages	142,711	145,209
Social security costs	17,961	15,288
Pension costs	12,553	10,137
Staff benefits	2,391	1,655
	175,616	172,289

The Wates Family Enterprise Trust Limited shares a Secretariat with the Wates Foundation. The above staff costs represent the Trust's 80% allocation of the total Secretariat cost. Following a re-structure of the Secretariat a termination payment of £16,000 was paid in 2021.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the year was £97,673 (2021: £89,682).

£Nil remuneration or expenses have been paid to the Trustees (2021: £nil).

In the period, one employee received remuneration above £60,000 (2021: 1) in the bracket of £90,000 to £100,000.

	2022	2021
	Number	Number
Staff numbers		
Administration staff	3	3

4. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Accruals	67,492	63,578
Scheduled grant payments	369,798	57,572
	437,290	121,150

5. CREDITORS: amounts falling after more than one year

	2022	2021
	£	£
Scheduled grant payments	-	-

6. GRANT COMMITMENTS

	2022		2021	
	£	£	£	£
Grant commitments at 1 January 2022		57,572		238,891
Grants awarded	919,367		458,299	
Grants rescinded	(1,300)		(16,600)	
Grant commitments charged to the SOFA in the period (note 3)		918,067		441,699
Grants paid in year		(605,841)		(623,018)
Total grant commitments		369,798		57,572
Grant commitments at 31 December 2022				
Due within one year		369,798		57,572
Due after more than one year		-		-
		369,798		57,572

7. RELATED PARTY TRANSACTIONS

During the year, a grant of £10,000 (2021: 5,000) was made to Forum for the Future of which Jonny Wates is a trustee.

8. FUNDS

	At 1 January 2022 £	Surplus for the period £	Transfer	At 31 December 2022 £
Unrestricted general funds	328,496	337,006	(150,000)	515,502
Designated funds	150,000	-	150,000	300,000
At 31 December 2022	478,496	337,006	-	815,502

Designated funds of £300,000 have been set aside by the trustees as reserves in order to respond to scheduled grant payments and to cover support and governance costs.

PRIOR YEAR FUNDS	At 1 January 2021 £	Surplus for the period £	Transfer	At 31 December 2021 £
Unrestricted general funds	186,494	142,002	-	328,496
Designated funds	150,000	-	-	150,000
At 31 December 2021	336,494	142,002	-	478,496

9. TAXATION

The Trust is exempt from corporation tax under current tax legislation as all its income is applied for charitable purposes.

10.	**RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**	**2022 £**	**2021 £**
	Net movement in funds	337,006	142,002
	Adjustments for:		
	(increase)/Decrease in debtors	(750,000)	-
	Increase/(Decrease) in creditors	316,140	(186,399)
	Interest from investments	(2,283)	(386)
	Net cash (used in) operating activities	(99,137)	(44,783)

11.	**ANALYSIS OF CASH AND CASH EQUIVALENTS**	**2022 £**	**2021 £**
	Cash in hand	502,792	599,646
	Total cash and cash equivalents	502,792	599,646

13. NEW AWARDS 2022

Group Awards

B@ttitude			£5,000
Citizen's Advice Havering			£5,000
DEC Ukraine			£30,000
Dings Community Centre			£5,000
Emerge Advocacy			£5,000
Fall into Place			£5,000
Harrow Association for the Disabled			£4,920
Hornchurch & District Allotment			£4,932
Horsforth Shed			£5,000
If U Care Share			£4,969
Leatherhead Community Hub			£5,579
LS14 Trust			£5,000
Mary Francis Trust			£5,000
Medway Food Bank			£1,600
New Life Wood			£5,000
Noah's Ark			£5,000
Parallel Youth			£3,000
Rising Stars			£5,000
Rumney Forum			£5,000
Suited & Booted			£5,000
The Conservation Volunteers			£5,000
The Borden Men's Shet			£5,000
Total Group Grants	**22**	**Total Award Amount**	**£130,000**

Group Awards- Thinking Differently

Construction Youth Trust			£80,000
Cooking for Good			£50,000
Total Group Grants	**2**	**Total Award Amount**	**£130,000**

Family Awards

Construction Youth Trust	£10,000
Equine Warrior	£13,500
Forum for the Future	£10,000
Friends of St Peter & St Paul	£500
Heads On	£1,000

Heritage of London Trust	£5,000
Leatherhead Parish Church	£779
Lewa Wildlife Trust	£250
Manju Shahal-Hameed	£500
Mary Hare	£5,000
Restless Development	£500
St Kararine's	£1,000
The Conservation Volunteers	£2,500
The Childhood Trust	£10,000
The Kidney Fund	£500
The Skiers Trust	£1,000
Unicef	£250
Wateraid	£250

Total Family Awards	**18**	**Total Award Amount**	**£62,529**

14. NEW AWARDS 2022 (continued)

Themed Awards

The Difference (LOYP)			£100,000
Centre for Social Justice (Housing)			£120,000
Environmental Funders Network			£191,990
Conservation Collective			£10,000
Conservative Environment Network			£10,000
Rewilding Britain			£10,000
Total Themed Awards	**10**	**Total Award Amount**	**£441,990**

Employee Fund Awards

Community Awards

Andy Biddle Youth	£650
Barnsley Football WFC	£650
Stafford Rugby Union	£700
Wyke Wanderers	£1,000

Total Community Awards	**4**	**Total Award Amount**	**£3,000**

Match Funding

Individual Match Funding	**83**	**Total Award Amount**	**£35,559**

Team Match Funding

Birmingham Women & Children's Hospital			£6,534
FLAG			£924
The Conservation Volunteers			£29,698
UK Sepsis			£2,000
Young Women's Trust			£4,609
Total Team Match	**9**	**Total Award Amount**	**£43,765**

14. NEW AWARDS 2022 (continued)

100 for 500

Total Awards	**100**	**Total Award Amount**	**£50,000**

Give As You Earn

All Matched contributions for 2022	**£18,024**

Sports Sponsorship

All Sports Sponsorship	**2**	**Award amount**	**£4,500**

Total WFET Awards

Award Type	**No of Awards**	**Award Amount**
Group Awards	22	£130,000
Group Awards – Thinking Differently	2	£130,000
Family Awards	18	£62,529
Themed Awards	10	£441,990
Community Awards	4	£3,000
Match Funding - individual	83	£35,559
Match Funding - team	9	£43,765
Sports Sponsorship	2	£4,500
100 for 500	100	£50,000
Give as you earn	-	£18,024
Total Awards 2022	250	**£919,367**

14. NEW AWARDS 2022 (continued)

100 for 500

1st Cholsey Scout Group
1st Mendlesham Beavers
24th Wallasey Brownies
3rd Chingford Guides
5th Gosport Sea Scout Group
6th Raynes Park Brownies
Andy Biddle Youth Sport Foundation
Barking Churches Unite
Basingstoke East Adventure Skills Team (B.E.A.S.T.)
Bishop Wordsworth's School Parents' Association
Bradford Study Support Network
Brighton Hill Community School
Brookside Theatre
Cheam Sports FC
Crossroads Care South East London
DONS Local Action Group
Doorway
Dorset Search Dogs
Dudley Kidney Patients Association
East Anglian Air Ambulance
Emerge Advocacy
Entity Morris dancers
FACT -Fighting All Cancers Together
Fair Havens Hospice
Featherstone Lions ALFC
Feniscowles Cricket Club
Forgotten Foods CIC (Community Interest Company)
Friends of Earlswood
Friends of Thornden School
Fun Friends
Garforth Villa Football Club
Gravesend Rowing Club
Green Tree House
Greener Padbury Group
Group64 Theatre for Young People
Guardian Angels Animal Support
Haven House Children's Hospice
Sophie's Stars
SPIDER-Y Limited
Human Milk Foundation
Imago Dei Prison Ministry
Incredible Edible Leeds
Intensity Cheer and Dance
Ipplepen Primary School PTA
Irlam Steel Recreation & Social Club
Jack Russell Terrier Rescue UK
JOCA (Just One Click Away)
Khasla Aid - the Langar Aid Project
Kids Can Achieve
Kingston Rowing Club
Leckhampton Rovers FC
Letchworth Garden House Hospice
Leven Athletic AFC
Linthwaite Football Club
Lives not Knives
London Homeless Welfare Team
Mayfield Nurseries
Medway Street Angels
Misfits Theatre
Moor Nook Allotment Society
North Shields Juniors AFC
Oldbury Cottage Care Farm
OPAL
Opening Doors Project
Peterborough City Rowing club
Positive Bones
Rainhill Forge ABC
Reach Out Child Care
Roundhegians RFC
Sacred Heart PSA
Sam's Superheroes
Seacroft Chance
Seacroft Community on Top (SCOT)
SHAK (Safe Homes and Kindness)
Small Steps
The East Kent Railway Trust
The Bishop Wand School
The Good Company - Epsom & Ewell Foodbank

St Helens - Sefton Parish Church
St Johns C of E Primary School PTA
St Joseph's Hospice
St Mary & All Saints CofE Primary School PTA
St Mary's Hospice Birmingham
St Mildred's Church, Addiscombe
Stamford Bridge Primary School PACT
Sturminster Newton Scout Group
Tanner's Brook Primary School
Teddington Theatre Club
Thatto Heath Crusaders Rugby League Club (Girls Section)
The Jay C Trust
The Outside Project
The Place of Welcome Drop-in Centre
The Social Change Nest CIC
Thornaby and Ingleby Barwick (TIBS) Football Club
Troop Aid
West Leeds RUFC
West Midlands Anti-Slavery Network
Wetherby and District Foodbank
Wimbledon Greyhound Welfare

Minor Awards

Beneficiary organisations of Match Funding not otherwise listed above.

AADC Research
Andy Biddle Youth
Anthony Nolan Trust
Birmingham Children's hospital
Bishop Wordsworth School
Bone Cancer Research
Brain Tumour Trust
British Red Cross
Cancer Research
Cardiac Arrest
Children with Leukaemia
Children with Special Needs
CRUK
Doorway
East Lancashire Hospice
Embassy
End Youth Homelessness
Friends of St Clements
Fylde Coast
Noak's Ark
North West Air Ambulance
Parkinson's Disease Society
Queen Eleanor's School PSA
Railway Children
Royal Marsden
Royal National Lifeboat
Ryders Hayes School
Rylands
St Cuthbert's
Get Kids Going!
Great Ormond Street
Grenfell Foundation
Havering Ass for Disabled
Helen & Douglas House
Hollymount PTA
Irlam Steel
Juvenile Diabetes
Little Princess Trust
Macmillan Cancer Support
Maggie Keswick
Manchester United Foundation
Marie Curie
Melanoma Focus
MIND
Moor Nook
Motor Neurone Disease
Movember Europe
Myeloma
Stroke Association
Teddington Theatre Club
Teenage Cancer
The Christie Charitable Fund
The Conservation Volunteers
The Royal British Legion
The Talent Foundry
Wessex Cancer
Winchelsea School
Young Women's

WATES FAMILY ENTERPRISE TRUST

England & Wales - Charity number 1126007

Accounts

Wates Family

ENTERPRISE TRUST

WATES FAMILY ENTERPRISE TRUST LIMITED
Report and Financial Statements
Year ended 31 December 2021
Charity no: 1126007
Company no: 06648896

Directors of the Company
Mr A T A Wates
Mr A E P Wates (Chairman)
Mr P C R Wates
Mr T A de B Wates
Sir James Wates

Trustees
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr Jonathan G M Wates
Mr M E Wates
Mr P C R Wates
Mr T A de B Wates
Mr A E P Wates (Chairman)

Company Secretary
Mr Tahseen Sherwani

Company Number: 06648896

Charity Number: 1126007

Registered Office
Wates House
Station Approach
LEATHERHEAD
Surrey KT22 7SW

Auditors
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers
Charities Aid Foundation Bank Limited
5 King's Hill Avenue
King's Hill
West Malling
Kent
ME1 94J

Solicitors
Bates Wells
10 Queen Street Place
London EC4R 1BE

Memberships
The Wates Family Enterprise Trust Limited is a subscribing member of the Association of Charitable Foundations, London Funders and the Environmental Funders Network.

Contact Information

E-mail: director@watesfoundation.org.uk
Web: www.watesgiving.org

Message from the chair

A Charity Commission survey of just under 2000 charities in England and Wales in 2021, showed that nearly all charities have experienced some negative impact from Covid-19 – and we continued to hear throughout the year, from reports and anecdotal evidence, that this remains a concern to many of our grantees. The consequences have been wide ranging which, is a reflection of the diversity amongst charities.

At the Wates Family Enterprise Trust, we recognise the value of large and small, those that are rooted in communities and those that seek to work with policy makers and influencers and our support mirrors this. Recognising the urgency of flexible funding at this time, we ensured those smaller and community-based charities that were brought to our attention, continued to access funding. This has been made possible by the £39,760 awarded to charities identified and suggested by staff across the Wates Group as well as the £130,411 matched funding and campaign specific funding offered to charities Wates employees personally nominate and support.

In addition to the challenges our partners faced, 2021 saw a reduction in the Trust's grant making. Our budget remained at half our 2019 level, which impacted the number of new strategic partnerships we were able to develop. However, three key partnerships with Hubbub, The Difference and The Centre for Social Justice remain instrumental in informing the trustees and staff in how we can best support change in each of our strategic areas of funding. (Sustainability, Life Opportunities for Young People and Housing).

I am pleased that the Trust has been able to respond and balance the mix of strategic funding alongside that of support to core operations and enabling service delivery in communities where it is deservedly needed. We continue to offer flexible funding and listen to our grantees when there are problems. In the year, we successfully adapted our processes to reduce its administration by half. We remain as signatories to the ACF Funders Commitment to Climate Change and the London Funders flexible and responsive commitment to grantees. We continue to reflect and recognise where our practice could be strengthened, for example we have joined other foundations in considering how we can best ensure diversity, equality and inclusion across all that we do.

We continue with our commitment to learn from our partners and their expertise. 2021 saw our first impact report which allowed us to talk about our support in terms of our longer-term ambition. The Trust's outcomes were developed with our partners and help us to focus on what is important and critical in shifting the narrative and thinking across different sectors.

This was the year we also hosted our first Trust Talk, creating a space for discussion and thought leadership amongst colleagues in the Wates Construction Group. The first talk was led by the Centre for Social Justice and asked: 'How can Housing support thriving communities?'. We hope this will be the first of several opportunities to share with the corporate sector, the strategic work we fund.

Key to the Trust's ambition is supporting catalytic change, practice and political influence. With Trust funding, 2021 saw the Centre for Social Justice publish Close to Home, Delivering a national Housing First Programme in England and Exposing the Hidden Housing Crisis. In the foreword to the report, former PM Theresa May said: "*The dysfunction in our housing system is deep-rooted, having developed over multiple decades and under governments of all stripes. Addressing it fully remains one of the fundamental public policy challenges of our time.*" We value our partnership with the CSJ and the calibre of their research and publications in engaging with key policy and government decisionmakers.

The Trust has supported The Difference since its inception in tackling the issue of school exclusions and the poor-quality education offered to those who fall outside the mainstream education system. The country's most vulnerable children have overwhelmingly poor educational and life outcomes. National figures suggest that over 40 children are permanently excluded in England during every school day – this is nearly 8,000 children across the school year. We are thrilled to note how the

Difference continues to grow and, in particular, the growing demand for their support across the education sector.

We are all conscious of the urgency around the challenge of climate, which is why the Trust is proud to be working with Hubbub, Manchester City Council and Manchester Climate Agency to find ways to support Manchester city residents in adopting more sustainable lifestyles (#InOurNature). The campaign is in its second year and we have seen some wonderful, innovative approaches and increasing community engagement in nature close to home.

Collaboration and partnership are two values vital to all we do. This year we collaborated with the Wates Group to offer a new fund 'Thinking Differently', where the Trust will provide funding and the Group will bring resources, volunteering and expertise to a charity or social enterprise supporting them in a key strategic move or development. After a rigorous process, we are delighted to announce that Embassy, a young charity in Manchester serving homeless men, were successful and we look forward to supporting them as they develop a service specially for women.

Lastly, the Trust continues to hold itself to high standards of governance and transparency. We recognise that, with a governance board made up purely of family members, it remains important to include other voices and perspectives in the development of our strategy and grant making decisions. More detail on how we achieve this can be found on pages 7 and 8 under Structure, Governance and Management.

As we prepare to enter 2022, we are excited about our new partnership with Look Ahead and the Smith Institute under our Housing theme. We look forward to developing our support to others across all themes and we hope for a more stable year for all those we support and the communities they serve.

Andy Wates

Chairman
Wates Family Enterprise Trust

Introduction

The Trustees, who are also the Directors of the incorporated company, have pleasure in presenting their Report together with the financial statements of Wates Family Enterprise Trust Limited for the year ended 31st December 2021.

Legal and administrative information forms part of this Report. The financial statements comply with current statutory requirements, the Trust Deed, applicable law and *Charities Statement of Recommended Practice (FRS 102).*

Grant Making

The Trust's grant making is allocated across four key legacy outcomes;

Building Resilience Using the Trust's knowledge and insight to address social needs and improve lives	**Engaging the Disengaged** Providing resources to create sustainable change within communities	**Influencing the System** Shining a light on pressing issues and convening stakeholders to create solutions	**Fostering Active Citizenship** Providing opportunities for Wates employees to engage with and support local communities

Thematic Grants

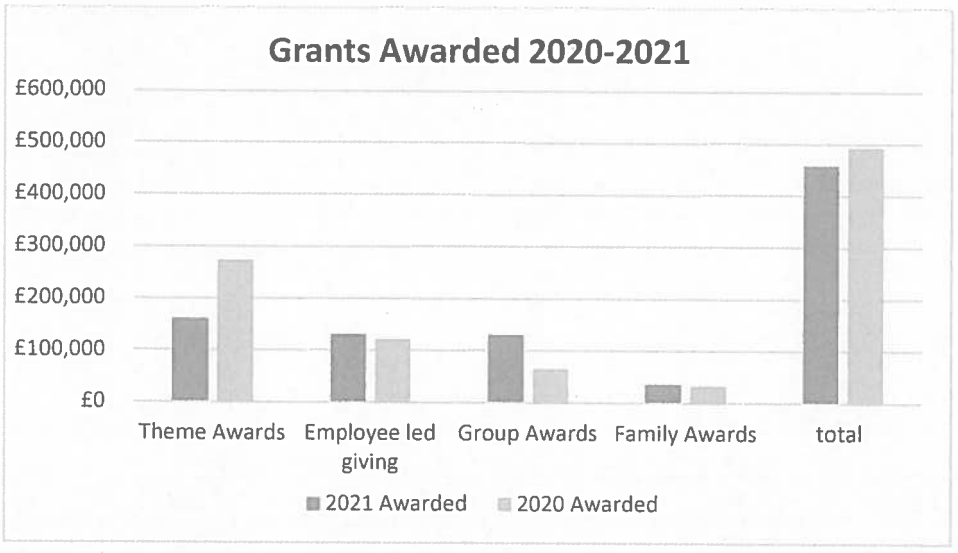
Three key strategic areas of Housing, Life Opportunities for Young People and Sustainability guide the majority of the Trust's funding. Each theme is led by a nominated trustee with the Director of the Trust.

Outside the theme areas, funding available for each year is allocated on a proportional basis to:

Employee awards: in support of initiatives of employees of the Wates businesses acting in a private capacity. The latter includes: personal fundraising for local charitable and community causes; Give As You Earn donations through payroll; engagement with community organisations as volunteers, trustees, governors, sports coaches or other roles; participation of immediate family members in sport at national and international levels.

Group awards: in support of bids originating from initiatives of the Wates Group and its business units.

Family awards: in support of bids which are the initiative of the Wates Family.



A revised grant making budget was drawn up in early 2020, as a result of the financial implications of Covid-19. This shifted the emphasis of funding for 2020 and 2021 whilst ensuring commitments to current grantees remain fulfilled.

Trustees have made clear their commitment to matched funding of Wates group employee fundraising. They continued to prioritise Thematic grant making but at a reduced level. The budgets for Group Awards and Family Awards were much reduced in the immediate term.

The Trust does not accept unsolicited applications for grant funding.

Achievements & Performance

Funding Summary

In 2021, the Trust made 200 new awards in the period to the value of £458,299. A full list of awards, given and rescinded in the year, is to be found in the Notes to the Accounts.

The following provides a brief look at some of the new awards from the Trust's programmes in 2021, starting with the initial awards made under the new Focus Themes

1. Life Opportunities for Young People

The Trust's partnership with The Difference, continued under the Life Opportunities for Young People thematic work. These partnerships are being cultivated to provide a key focus on disadvantaged young people struggling at school and on those at risk of, or suffering exclusion.

The Difference works to identify and promote a 'best practice' curriculum in Alternative Provisions and to improve mainstream school inclusion. 53 mainstream leaders have completed the Inclusive Leadership Course, tripling participation from 2020. They lead schools for 36,000 pupils across 25 local authorities. 86% of participating schools saw improved de-escalation of challenging behaviour and 60% reported a fall in exclusions, before the end of the one-year course.

In 2022, the Trust aims to build on the work supported to date, to ensure better opportunities and access to education for children and young people. We aim to support more organisations to build a body of evidence and support a sector influencing of policy and practice.

2. Housing

The Trust was delighted to see opportunity for the practical application of recommendations from the grant to St Mungo's in 2020. The report, Tackling Transient Work and Homelessness was published and launched in October 2020 to an audience of over 70 MPs, policy makers, homeless charities and grant making bodies. Clear recommendations were made illustrating how employers could support their workforce if at risk of homelessness. By the Autumn of 2021, St Mungo's was offering training to staff across Wates businesses, and across the construction sector, to raise awareness of 'in work homeless' and support practical interventions to identify, protect and prevent this homelessness in the workforce.

2021 saw the second year of a two year, £120,000 award to the Centre for Social Justice enabling them to publish Close to Home, Delivering a national Housing First Programme in England and Exposing the Hidden Housing Crisis.

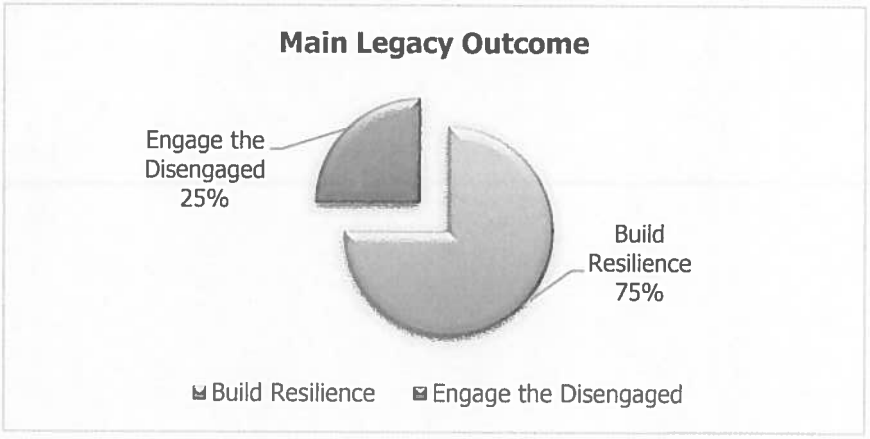
Two new awards were made to Look Ahead and Smith Institute, to support short term research into national housing challenges.

3. Sustainability

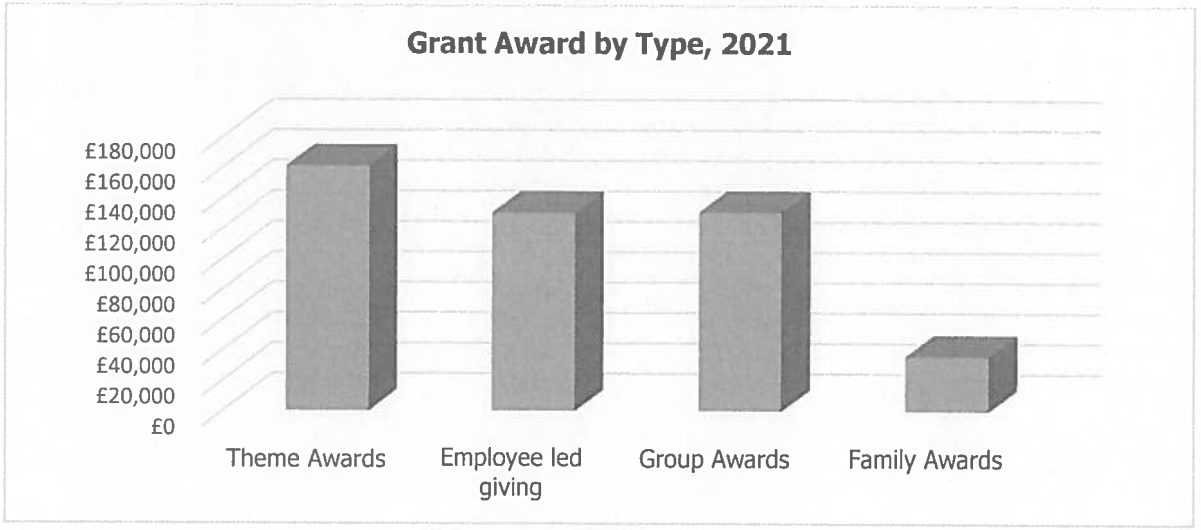
A two-year commitment (2020-22) sees the Trust continue its support to Hubbub as it works with Manchester City Council, Manchester Climate Agency and a range of other local, Manchester based partners. This coalition investigate how positive and playful campaigns can bring communities together and help residents live more sustainably, supporting Manchester on its journey to be a zero-carbon city by 2038.

Group Awards 2021
The increase in themed giving has seen a realignment of Group awards which are now smaller. 13 awards were made totalling £130,760 to charitable projects put forward by the Wates Group.

The awards made sat under two of the Trust's main legacy outcomes with 75% of all grants meeting the Building resilience outcome. This is not unsurprising given the ongoing impact of covid and this distribution is an illustration of how much the Trust was asked to respond to community groups and charities supporting their communities in the face of so many social, health, isolation and basic poverty needs.



Summary focus of grants made
Thematic grant making remained the highest focus of awards at 35% of the total giving. This was followed by Group Awards at 29% and Employee led giving at 28%. This almost even split is a reflection of the Trust's commitment to responding to communities in the continuation of covid, and there remains an expectation that thematic giving will return to previous levels in 2022 onwards.



Family Awards
In 2021, the Wates Family members, who are the Trustees, made 13 awards valued at £36,150 to causes and initiatives in which they have a personal interest or in support of causes in Surrey, London and the South-East in particular.

The Trust maintains its three-year commitment to the **National Cancer Research Institute** for its Future Cancer Research Leaders Programme bringing together researchers from across the UK examining new solutions. This programme is also being supported by the Wates Foundation with a further £90,000 bringing total funding to £120,000.

The Family Fund was pleased to support a number of national and local charities put forward by the younger 'Generation 5' family members. One grant was awarded to Brixton Soup Kitchen

Employee Awards

The Trust makes awards in support of philanthropic initiatives of employees of the Wates' businesses. The latter include: personal fundraising for local charitable and community causes; Give as You Earn (GAYE) donations through payroll; engagement with community organisations; participation in sport at national and international levels.

Despite the restrictions and frustrations 2021 presented for fundraising, the year saw 79 grants totalling £68,398 awarded for Wates Giving's support to the personal causes of Wates employees. £11,659 went to support Wates employees working on behalf of their local communities and charities as trustees, governors or in other volunteer roles such as fundraisers, sports coaches or general helpers.

In recognition that many organised, public fundraising events were cancelled as a result of the Covid-19 virus, the Trust ran its campaign 'Let's get Giving: 100 for 500' for a second year, specifically to enable Wates employees to ensure the small local causes they support could receive funding. 90 awards of £500 were distributed during December 2021, all of which had been chosen and assessed by Wates employees. The focus on 'small and local' was incredibly important to the Trust, given the increase in local responses to communities in need during the Covid-19 pandemic.

The Trust made a grant to match the ***Give As You Earn (GAYE)*** donations made by Wates Group employees, which totalled £17,031 in 2021. This was consistent with the previous year.

Finally, we make mention of the Trust's support to individual Wates employees who fundraise for a wide range of charities by undertaking marathons, parachute jumps, wing-walking, Dragon Boat racing, long distance bike rides, hikes, baking, sleeping rough overnight and growing beards and moustaches or, even, in shaving them off. As new initiative for 2021 saw the Trust make 3 awards of £1,000 to organisations which had received an employee award earlier in the year. The awards were called Chairman's Awards and were awarded under the following 3 categories: most daring activity undertaken to raise funds, most amount raised by an employee in one fundraising activity and the most hours volunteered at an organisation outside of an employee's working day.

The list of organisations in receipt of these awards is included at the end of the notes to the accounts. Its length and variety are resounding testaments to the interests and passions of the Wates employee sponsors.

Structure, Governance & Management

Wates Family Enterprise Trust Limited is an incorporated charity, registered with the Charity Commission No. 1126007 on 23 September 2008 and at Companies House No. 06648896 on 16 July 2008. The Trust is a grant-making charity run by trustees, is independent of the Wates Group of companies, and is incorporated in England and Wales. The funding made available for the charity is agreed on an annual basis by the Family members who are shareholders of the Wates Group.

The Trust has eight trustees. Five of these are also the Directors of Wates Family Enterprise Trust Limited. The Annual General Meeting (AGM) of the company is held in June/July each year. Directors retire and are elected at the AGM under the terms of the company's Articles of Association. Mr Andy Wates is Chairman of the Board of Directors and of the Trustees.

The Trust shares a Secretariat that operates as Wates Family Charities, with the Wates Foundation Limited, an unincorporated registered charity no 247941. The day-to-day administration of the Trust's

grants and the processing and handling of applications is carried out by the Secretariat. Costs are apportioned on an agreed percentage basis between the two charities. These include rent for office space located within premises occupied by a company owned by the Trustees, as well as charges for use of the company's IT, HR and other administrative systems. During the year rent was charged proportionally between the Trust and Foundation at 100% of the passing rate. The agreed basis of the cost allocation was a split of 80% to the Trust and 20% to the Foundation throughout the entire year. This reflects the best view of the division of the time spent by the Secretariat between the two organisations.

For all legal and operational purposes, the Trust and the Foundation are totally separate and independent entities.

Authority to make grants, and other awards, is delegated by the Trustees to a Committee that meets three or four times a year to consider how new grant applications meet relevant criteria for funding. The Committee also considers monitoring information concerning the performance of extant awards, as well as other operational matters, and makes recommendations to the Board of Trustees as necessary.

The Trustees agreed, in March 2019, to formally adopt the Charity Governance Code. The Trustees are satisfied that the Trust complies with the vast majority of the Code's provisions, with the following exceptions:

- Trustees fixed terms of office: because of the precise nature of the link between ownership of the Wates Group, the financing of the Trust and Trusteeship of the Trust, the Trustees have resolved that Trustee terms of office should remain unlimited.
- Appointment of independent Trustees from outside the Family (in the interests of diversity and transparency): for the same reason, The Trustees have resolved not to make any immediate appointments of new, non-Family Trustees but to keep the matter under regular review. The Trustees also felt that involvement of many employees of the Wates Group and of external experts in the Trust's deliberations offered the opportunity to ensure a wide variety of viewpoints were represented.

Trustees in the year, who are also the members of *Wates Giving*, were:

Andy (AEPW) Wates (Chairman of Trustees & Grants Panel Committee)
Andrew (ATAW) Wates
Charles Wates
James Wates
Jonathan Wates
Michael Wates
Paul Wates
Tim Wates

A Grants Panel Meeting, which is held approximately twice a year, is requested by the Trustees to assess applications, identify issues to be further explored and undertake performance monitoring of the Trust's operations prior to the higher-level Trustees' meetings.

Terms of Reference for the Grants Panel Meeting define its current membership at the year-end as:
Andy Wates, Chairman of the Grants Committee;
Andrew Wates and the Director of Wates Family Charities and Trust Secretary,
Su Pickerill, Group Community Investment Management
Andrew Riggs, Head of Government Sector, Wates Group
Ben Williams, Living Space National Strategic, Wates Group
Deep Mahinda, Key Account Director, Wates Group
Emma Gruenbaum, Market and Engagement Director, Wates Group
Holly Gardiner, Senior Land and Planning Manager, Wates Group
Julie Payne, Marketing Business Partner., Wates Group
Lisa Cunningham, Pre Construction Director, Wates Group
Matt Smith, Pre Construction Director, Wates Group

Their role is to represent the interests of Wates employees in schemes funded by the Trust; initiatives sponsored to the Trust by Wates employees, including reporting on the implementation of initiatives;

and the provision of advice to inform the Meeting's recommendations to the Trustees Committees on strategy, new awards and media.

Other than the Trustees/Directors, who all give their time freely both for meetings and for visits, the Trust has no dependence on volunteers, donated facilities, donated services, or other donations in kind or other intangibles.

As a commitment to transparency, the Trust publishes all of its grant award data to the 360 Giving website, where it can be seen and analysed by other funders and charities seeking funding.

Recruitment & Training of Trustees and Staff

Under Article 2(2)(b) of the Articles of Association of The Wates Family Enterprise Trust Limited membership of the Association, and eligibility for election as Directors and Trustees, is limited to members of the Wates Family, who are descendants of Sir Ronald Wates and who are shareholders in the Wates Group.

The Trustees have identified training and development as a key area within the Trust's strategic planning to ensure that members of the Wates Family associated with the work of the charity and the staff of the Secretariat have the relevant skills, competences, knowledge and understanding that they need to deliver the Trust's mission effectively, sustaining and improving the overall performance of the Trust and its grant making.

Trustees gain experience as members of the Trust's Grants Panel Committee, taking part in the grant assessment process and related visits, and in a programme of visits to relevant organisations and institutions. Where relevant, Trustees also undertake formal training conducted by bodies such as the Association of Charitable Foundations. All the staff members of the Secretariat have an annual performance and development review (PDR), as part of which, training needs are identified, and plans put in place for the year ahead by agreement with the Chairman of Trustees. Progress against objectives for the year, and the agreed development plans, is then reviewed in the mid-year. A register of training undertaken is maintained by the Secretariat and reviewed annually by the Trustees.

Object of the Trust

The Wates Family Enterprise Trust Limited supports the philanthropic aims of the Wates Family owners of the Wates Group and its associated enterprises. Under the Trust Deed, the charitable purposes or activities for which the Trust Fund may be used, together with the income that derives from it, are those that the Trustees may direct for the public benefit at their discretion.

Objectives and activities for the public benefit

The general charitable purposes, aims and policies of The Trust, including consideration of grant-making, policies and performance relating to social finance, reserves, staff remuneration and risk management are reviewed regularly by the Trustees.

When reviewing the Trust's aims and objectives, devising the new programmes and setting their grant making policy for the year, the Trustees confirm that they have referred to the latest information contained in the Charity Commission's general guidance on public benefit and complied with their duty under Section 4 of the Charities Acts 2006 and 2011.

The purpose of Wates Family Enterprise Trust Limited is to provide a means for the Wates Family to be engaged stewards of the Family business, blending wealth creation with social responsibility. The Trust provides funding for specific strategic issues which address social, environmental and human inequality alongside supporting communities where Wates employees work and live. Since launching the Trust in 2008, the Trust has invested £15.5m in charitable activities.

Current Strategy 2018-2021

The main goals of the current strategy are:

- To continue the Family vision to be a 'force for good'
- To grow Family (especially the younger generation's) engagement in philanthropy
- To build greater Family involvement and leadership for key initiatives
- To look over time to create a clearer legacy for future generations

As part of the longer-term plan, the Trustees set a medium-term ambition to build overall funding from £1.25m in 2017 towards £2m over time as the Wates Group grows in size and profitability. (The 'rule of thumb' remains that the Trust should receive up to 5% of the Group's pre-tax profits). As a result of Covid-19 and the impact on the Wates Group profit, the trustees agreed to distribute 2019's income across 2020 and 2021. In essence, this has halved the Trust's budget for each of the remaining years of the strategy.

The aims of the strategy remain, despite a reduced budget, with a priority focus on thematic funding, Employee led giving and Group grants.

The key elements of the framework of the new strategy were to:

- Look to focus new funds behind a few more focused themes, initially three
- Aim to commit funding for organisations and programmes over 3+ years
- Ensure clear Family leadership of the thematic programmes
- Retain a level of funds for Family personal interests but reduced in scale
- Ensure future funding growth for Employee's individual philanthropic efforts
- Continue to support Wates Group's engagement in local communities
- More clearly focus the Trust's support of other projects put forward by the Wates Group behind established beneficiary-focused programmes, R&D (e.g. the ground-breaking Sustainability Knowledge Transfer Partnership) and innovation.

Three themes were identified – Life Opportunities for Young People, Housing and Sustainability. The role of each Group is to identify the precise scope of the Theme focus areas and propose to the Grants' Committee (who retain the authority to make grants) specific charities, projects, programmes and research to be funded. Relationships with grantees are seen as partnerships, with a longer commitment to funding and a collaboration rooted in discussion, sharing and learning together. The Trust aims to make available larger levels of grant funding, up to £200,000 or more over 3-5 years.

2021 was the fourth year of the strategy. Life Opportunities for Young People (champion Andy Wates) and Housing (champion Tim Wates) continued to build on work commenced in 2018. In addition, the Sustainability theme (champion Jonny Wates) continued its strategic funding to Hubbub as part of the wider Manchester City response to climate change. The actual grant allocation in 2021 for the themes, post a Covid re-budgeting, was £160,978 (2020:£273,541). Further detail of the individual grants made and organisations supported is given below.

Related Party Transactions

It is the Trustees' policy to encourage active involvement in the voluntary sector by their peers and the Wates Family generally. Where a Trustee serving on the Grants Committee has an interest in any capacity with an external body applying for funds from the Trust, then that trustee is excluded from the decision-making process. This and other potential conflicts of interest are covered by a formally adopted policy, which extends to members of the Secretariat and other persons attending meetings at which grant-making decisions are taken. Such potential conflicts will be noted in the minutes of the relevant meetings.

The Trust maintains an annually updated register of the business interests of members of the Wates Family and staff that take an active part in the Trust's philanthropic activities.

A list of awards where related party interests occur is in the Notes to the Accounts.

Evaluation of Governance

The Trustees recognise that there is a potential for additional conflicts of interest in their responsibilities as trustees of the Trust and owners of the Wates Group of businesses with which the Trust has a close

working relationship. Diligent care is taken to ensure the separateness and independence of both organisations from each other. A Memorandum of Understanding was agreed and adopted in 2021, between the Wates Family Enterprise Trust, the Wates Foundation and the Wates Group, recognising the independence of each organisation and the areas where they collaborate

The Trustees regularly review a register of gifts and hospitality offered and received by Trustees and the Secretariat to ensure compliance with the Trust's policy in this matter.

Wates Family Enterprise Trust Web Site

With the development of thematic grant making and an ambition to understand the outcomes and impact of work funded by the Trust, the new website is a showcase of the Trust's work and provides transparency for the public and other interested parties on how the Trust operates. Applications cannot be made to the Trust through the website. The Trust also communicates to Wates Group staff via the company's Intranet.

Financial review

Financial Statements and Notes on activities for the year form part of this Annual Report. Full accounts have been lodged with the Charity Commission and Companies House.

The Trust's income arises from a formal agreement with the Wates Group in accordance with the wishes of the Wates Family owners and shareholders of the Wates businesses. In 2021, income net of investment interest and loan repayments was £825,000 (2020: £825,000).

Expenditure for the year was £683,384 (2020: £688,466) on charitable activities, support costs and governance. Support costs including salaries was £225,090 (2020: £200,224) and included communications and marketing expenses of £3,467 (2020: £17,415). Governance costs were £16,595 (2020: £58,838 including the costs of an interim director).

At the end of its twelfth full year of operations, the Trust Fund had an end of year surplus of £478,496 (2020: £336,494) when accounting for scheduled commitments out to 2021. Provision has been made in the budget for multi-year awards in future years.

The worldwide outbreak of the Covid-19 virus represented a significant event during the year. The Trustees met in April 2020 and appropriate budget adjustments were made to allow operations to continue for two years, on a reduced basis. Actual expenditure in 2021 and 2020 was contained within the reduced budgets and the overall surplus increased by 31st December 2021. On this basis the Trustees confirm that the Trust has adequate resources to make it a going concern for the future.

Reserves and investment policy

At 31st December 2021 the Trust's total reserves were £478,496. The policy of limiting levels of forward commitments for new awards remains at 30% of the current year's grant budget.

As further reassurance, the Trustees agreed in November 2021 to raise the current reserves of £150,000 to £300,000 over the period 2022, as a reflection of the increased strategic funding being awarded. These unrestricted funds will meet, if necessary, scheduled payments on extant awards and will make funds available for support and governance costs. Currently, a sum of £100,000 is held in a Scottish Widows Bank Account and a further £50,000 is held with Charity Bank, representing 10% of pre-Covid income. No reserve funds are restricted and not available for the general purposes of the Trust at the end the reporting period. The Trustees have agreed to hold these funds in short-term notice bank accounts, in order to ensure the funds are readily available should the need arise and to avoid any of the risk of volatility that other types of investment holding might bring.

Social Investment Policy

The Trustees have determined that providing grant support to social enterprises and social businesses is an important element in developing the capacity and sustainability of the charity, community and

enterprise sectors. The Trustees believe that social investment has a role to play in this development by providing funding that might not be available from traditional sources to address social issues in line with the Trust's charitable objectives. It is not, however, part of the current policy to use the Trust's funds or reserves for further loans or equity investment in social enterprises based on the need for funds to be readily available (see Reserves Policy above).

Sustainability Policy and Funder Commitment to combat Climate Change

As a Trust, we are committed to better understanding how our operations, grant-making, and our knowledge can develop to ensure risks to climate change are mitigated. As part of this we joined other funders in early 2020, in their pledge to make a commitment to climate change. We recognise we can play a part in addressing the causes of climate change, supporting adaptations to its effects and reporting on our progress. https://fundercommittmentclimatechange.org

The trustees approved a Sustainability Policy in 2020 which sets out the Trust's commitment to address the effects of climate change through its operations and grant making. This is in addition to the Trust's commitment of a third of its strategic, thematic funding to sustainability.

Diversity, Equality and Inclusion

As part of its general Governance management, The Trust undertook an audit of its policies, procedures and grant making with regard to Diversity, Equality and Inclusion. This will now form the basis for work to be undertaken. The Trustees recognise that the Trust's Board membership is limited in its diversity as this is made up of family members who are typically also shareholders of the Wates Group. With this in mind, the Trust will endeavour to find ways to ensure other voices, perspectives and experiences are fed into and become part of the Trust's operational and decision-making fabric.

Remuneration Policy

The review of staff remuneration is conducted in December each year to set rates for the coming year, which are implemented from 1st April onwards. This is done as a joint exercise with the Wates Foundation with which the Trust divides the cost of the Secretariat. The review takes into account the rate of inflation and benchmarks pay scales against rates of remuneration set by a small group of other similar grant-making trusts and foundations. Decisions arising from the review are agreed by the Chairman of the Trust and Foundation and conveyed to staff in writing.

Details of the remuneration received by the Trust's highest paid member of staff are in the Notes to the Accounts. The stated amounts take account of division between the Trust and the Wates Foundation in accordance with the agreed schedule.

In accordance with FRS 102 SORP, the Trustees have reviewed the Trust's liability for untaken paid leave. They have concluded that this does not constitute a material component of total expenditure and is not further recognised in the accounts.

Risk management

The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years. An assurance audit was conducted in November 2021.

The Trustees have considered the major risks and uncertainties to which the charity is presently exposed and the systems and procedures to manage those risks. The Trustees identify risk to reputation and uncertainty of income as the two key issues facing the Trust in the short to middle term.

Risk: **Severely reduced income**

Key mitigating controls already in place:

- Scheduled payments covered by Trustees' policy on increased reserves
- Limit on the scale of future years' grant commitments
- Terms & Conditions limit liability on payments over more than one year
- Engagement with Wates Group Board allows mitigation policy in adequate time frame
- Review of annual budget in view of Covid-19 and potential impact on 2021 income
- Full Board agreement of reallocation of 2020 and 2021 budget in view of Covid-19

Risk: **Reputation:**

- Potential and actual conflicts of interests
- Support to illegal or controversial causes
- Charges of discrimination, unfairness and breach of trust

Key mitigating controls already in place:

- Formal Conflict of Interests policy
- Meeting declarations by attendees
- Media defensive statement policy
- Statement of themes and guidelines

- Review of strategy carried out in 2018 with wide consultation amongst Trustees and other interested parties
- External, independent review of Trust governance and ethics in Q1 2018
- Due diligence by Wates Family Charities Secretariat
- Formal policies covering complaints, confidentiality and equal opportunities

Safeguarding Policy

Although the Trust does not work directly with children and vulnerable young adults, it recognises that it has a responsibility to both the staff it employs and those intended to be the beneficiaries of the grants it makes. A renewed Safeguarding policy sets out the commitment to ensure all Secretariat staff receive external safeguarding training every three years.

Impact of Covid-19 on operations

The worldwide outbreak of the COVID-19 virus represented a significant event affecting all businesses. At a meeting of Trustees of WFET on 30th April 2020 it was agreed that:

1. The donation of £1,650,000 would last for two years, until December 2021.
2. Any commitments of multi-year grants already made to charities would be honoured.
3. There would continue to be some grant making from WFET, especially supporting employee match funding and community projects.
4. The three strategic themes would continue to receive some funding but on a reduced basis.
5. New family and group grants would be significantly cut back

At a meeting on 23rd November 2021, it was agreed that the budget for 2022 will increase to £1,500,000.

Flexibility as a funder during the Covid-19 pandemic

Along with a wider group of funders, the Trust recognises that the Covid-19 outbreak is an exceptional event that will continue to have an impact on civil society groups in their ability to secure finances, the disruption to their operations and the consequent stress this may cause. As such, the Trustees chose to stand with the sector and offer reassurance to its grantees that all grants would be offered in a flexible manner. As such, we are a joint signatory to the Covid-19 funders pledge. https://covid19funders.org.uk/

Audit

The Trust's accounts for 2021 were filed following the Annual General Meeting of the Trustee Board on 7th July 2022. A statement has been included setting out the Trustees' responsibility in respect of the accounts and the Annual Report.

In the case of each person who was a trustee at the time this report was approved:

- so far as each trustee was aware there was no relevant available information of which the Trust's auditors were unaware; and

- that each trustee had taken all steps that the trustee ought to have taken, as a trustee, to make himself aware of any relevant audit information and to establish that the Trust's auditors were aware of that information.

A resolution was passed at the AGM on 7th July 2022 to appoint Crowe UK LLP as auditors for 2022.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Wates Family Enterprise Trust Limited for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

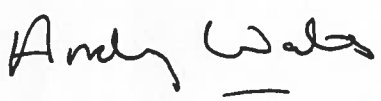
Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, including the incoming resources and the application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 7th July 2022 and signed on its behalf:



AEP Wates
CHAIRMAN of TRUSTEES

Independent Auditor's Report to the Members of Wates Family Enterprise Trust Limited

Opinion

We have audited the financial statements of Wates Family Enterprise Trust Limited ('the charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2021 and of its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is

consistent with the financial statements; and

the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate and proper accounting records have not been kept; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit; or

the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

27 September 2022

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

	Notes	Total 2021 £	Total 2020 £
Income and endowments from:			
Grants and donations	2	825,000	831,572
Investments		386	813
Total		825,386	832,385
Expenditure on:			
Charitable activities	3	(683,384)	(688,466)
Net movement in funds		142,002	143,919
Reconciliation of funds:			
Total funds brought forward	8	336,494	192,575
Total funds carried forward	8	478,496	336,494

All activities are classified as continuing.

There are no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

All funds were unrestricted in 2021 and 2020.

WATES FAMILY ENTERPRISE TRUST LIMITED **Company number: 06648896**
BALANCE SHEET
AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
CURRENT ASSETS					
Cash at bank and in hand		599,646		644,043	
TOTAL CURRENT ASSETS		599,646		644.043	
CREDITORS: amounts falling due within one year	4	(121,150)		(307,549)	
NET CURRENT ASSETS			478,496		336,494
TOTAL ASSETS LESS CURRENT LIABILITIES			478,496		336,494
CREDITORS: amounts falling due after more than one year	5		-		-
TOTAL NET ASSETS			478,496		336,494
FUNDS					
Unrestricted funds	8		478,496		336,494

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

.....
A E P Wates
Chairman of Trustees
7 July 2022

The accompanying notes form part of these financial statements.

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net cash provided by/(used in) operating activities	10	(44,783)	88,067
Cash flows from investing activities:			
Interest from investments		386	813
Net cash provided by investing activities		386	813
Change in cash and cash equivalents in the year	A	(44,397)	88,880
Cash and cash equivalents at the beginning of the year		644,043	555,163
Cash and cash equivalents at the end of the year	11	599,646	644,043

A ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2021 £	Cashflows £	At 31 December 2021 £
Cash at bank and in hand	644,043	(44,397)	599,646
Total cash and cash equivalents	644,043	(44,397)	599,646

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

1.2 General information

The Charity is an incorporated private company limited by guarantee without share capital in England and Wales (company registration number: 06648896) and a charity registered in England and Wales (charity number: 1126007). The Charity's registered office is : Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.

1.3 Preparation of accounts on a going concern basis

After the inclusion of grant commitments there is a surplus of £478,496 on unrestricted funds as at 31 December 2021. The Trustees have considered the ability of the Trust to meet its grant commitments and its ongoing overhead costs in the light of anticipated future awards from The Wates Group and believe that it is appropriate to adopt the going concern basis of accounting.

1.4 Significant judgements and estimation uncertainty

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

1.5 Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

1.6 Income recognition

Voluntary income is comprised of donations from The Wates Group. Donations are credited to the Statement of Financial Activities when the criteria for income recognition of certainty, measurement and entitlement are met.

Government grant income paid under the Coronavirus Job Retention Scheme (CJRS) has been recognised in the Statement of Financial Activities in the period to which the underlying furloughed staff costs relate to.

1. ACCOUNTING POLICIES (continued)

1.7 Expenditure recognition

Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

1.8 Allocation of support and governance costs

Support costs are allocated to either charitable activities, when applied in order to meet its charitable objectives or to governance costs when costs are incurred in relation to the constitutional and statutory requirements of the Trust. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees.

1.9 Charitable activities

These comprise gross grants payable, plus an apportionment of support and governance costs for the year.

1.10 Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognized as expenditure.

1.11 Operating leases

Costs in respect of operating leases are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.12 Employee benefits

Pensions

The charity operates a defined contribution pension scheme. The payments are charged to the statement of financial activities in the year they become payable.

2. GRANTS AND DONATIONS

	Total 2021 £	Total 2020 £
Donations	825,000	825,000
CJRS grant	-	6,572
	825,000	831,572

3a. ANALYSIS OF CHARITABLE ACTIVITIES

	Grants £	Support Costs £	Governance Costs £	Total 2021 £	Total 2020 £
Grants to institutions:					
Group projects	130,760	64,221	4,735	199,716	99,159
Themed Projects	160,978	79,063	5,829	245,870	417,291
Family projects	36,150	17,755	1,309	55,214	50,723
Community projects	20,879	10,255	756	31,890	37,055
GAYE	17,013	8,356	616	25,985	24,079
Matched funding – Individual	23,435	11,510	849	35,794	24,211
Matched funding - team	24,084	11,829	872	36,785	22,471
100 for 500	45,000	22,101	1,629	68,730	72,462
Sports sponsorship	-	-	0	0	4,577
Repaid grants	(16,600)	-	0	(16,600)	(63,562)
	441,699	225,090	16,595	683,384	688,466
	(note 6)	(note 3b)	(note 3c)		

ANALYSIS OF CHARITABLE ACTIVITIES – 2020

	Grants £	Support Costs £	Governance Costs £	Total 2020 £	Total 2019 £
Grants to institutions:					
Group projects	65,000	26,400	7,758	99,159	309,161
Themed Projects	273,541	111,102	32,648	417,291	411,786
Family projects	33,250	13,505	3,969	50,723	296,598
Community projects	24,290	9,866	2,899	37,055	20,051
GAYE	15,784	6,411	1,884	24,079	20,294
Matched funding – Individual	15,871	6,446	1,894	24,211	51,920
Matched funding - team	14,730	5,983	1,758	22,471	82,293
100 for 500	47,500	19,293	5,669	72,462	-
Sports sponsorship	3,000	1,218	359	4,577	3,848
Repaid grants	(63,562)	-	-	(63,562)	(141,950)
	429,404	200,224	58,838	688,466	1,054,001
	(note 6)	(note 3b)	(note 3c)		

3b. SUPPORT COSTS

		2021	2020
		£	£
Salaries	(Note 3d)	172,289	120,022
Rent		16,000	32,000
Travelling expenses		202	47
Subscriptions		2,435	2,066
Marketing and communications		3,467	17,415
Office expenses		30,697	28,674
		225,090	200,224

3c. GOVERNANCE COSTS

	2021	2020
	£	£
Professional fees	9,265	52,108
Audit and accounting fees	7,330	6,730
	16,595	58,838

Governance costs include auditor's remuneration of £7,330 (2020: £6,730) and professional fees for the Acting Director.

3d. STAFF COSTS AND NUMBERS

	2021	2020
	£	£
Staff costs were as follows:		
Salaries and wages	145,209	98,441
Social security costs	15,288	13,395
Pension costs	10,137	6,607
Staff benefits	1,655	1,579
	172,289	120,022

The Wates Family Enterprise Trust Limited shares a Secretariat with the Wates Foundation. The above staff costs represent the Trust's 80% allocation of the total Secretariat cost. Following a re-structure of the Secretariat a termination payment of £16,000 (2020: £nil) was paid during the year.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the year was £89,682 (2020: £42,216).

£Nil remuneration or expenses have been paid to the Trustees (2020: £nil).

In the period, one employee received remuneration above £60,000 (2020: 0) in the bracket of £80,000 to £90,000.

	2021 Number	2020 Number
Staff numbers		
Administration staff	3	3

4. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Accruals	63,578	68,658
Scheduled grant payments	57,572	238,891
	121,150	307,549

5. CREDITORS: amounts falling after more than one year

	2021	2020
	£	£
Scheduled grant payments	-	-

6. GRANT COMMITMENTS

	2021		2020	
	£	£	£	£
Grant commitments at 1 January 2021		238,891		295,558
Grants awarded	458,299		492,966	
Grants rescinded	(16,600)		(63,562)	
Grant commitments charged to the SOFA in the period (note 3)		441,699		429,404
Grants paid in year		(623,018)		(486,071)
Total grant commitments		57,572		238,891
Grant commitments at 31 December 2021				
Due within one year		57,572		238,891
Due after more than one year		-		-
		57,572		238,891

7. RELATED PARTY TRANSACTIONS

During the year, a grant of £5,000 (2020: nil) was made to Forum for the Future of which Jonny Wates is a trustee.

2020
A grant of £15,000 (2019: £15,000) was made to the Family Business Network International of which Andrew Wates is an ambassador.

8. FUNDS

	At 1 January 2021 £	Surplus for the period £	Transfer	At 31 December 2021 £
Unrestricted general funds	186,494	142,002	-	328,496
Designated funds	150,000	-	-	150,000
At 31 December 2020	336,494	142,002	-	478,496

Designated funds of £150,000 have been set aside by the trustees as reserves in order to respond to scheduled grant payments and to cover support and governance costs.

PRIOR YEAR FUNDS	At 1 January 2019 £	Surplus for the period £	Transfer	At 31 December 2019 £
Unrestricted general funds	42,575	143,919	-	186,494
Designated funds	150,000	-	-	150,000
At 31 December 2019	192,575	143,919	-	336,494

9. TAXATION

The Trust is exempt from corporation tax under current tax legislation as all its income is applied for charitable purposes.

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021 £	2020 £
Net movement in funds	142,002	143,919
Adjustments for:		
Decrease in debtors	-	-
(Decrease) in creditors	(186,399)	(55,039)
Interest from investments	(386)	(813)
Net cash provided by/(used in) operating activities	(44,783)	88,067

11. ANALYSIS OF CASH AND CASH EQUIVALENTS	2021 £	2020 £
Cash in hand	599,646	644,043
Total cash and cash equivalents	599,646	644,043

13. NEW AWARDS 2021

Group Awards

Bridge The Gap			£5,000
Carlisle Key			£5,000
Combat2Coffee			£5,000
EC Roberts Centre			£5,000
FUSE			£2,000
Havering MIND			£5,000
Horsham Matters			£1,000
My Yard			£2,760
Rise 365			£5,000
Sen Den			£5,000
Slough Homeless			£5,000
The Proud Trust			£5,000
Total Group Grants	**12**	**Total Award Amount**	**£50,760**

Group Awards- Thinking Differently

Embassy			£80,000
Total Group Grants	**1**	**Total Award Amount**	**£80,000**

Family Awards

Brixton Soup Kitchen	£1,000
Calvert Trust Keswick	£5,000
Forum for the Future	£5,000
Grinling Gibbons Society	£2,500
Guildford Cathedral	£500
Heritage of London Trust	£2,000
Innovations for Learning	£1,500
Positive Bones	£2,000
Starlight Children's Charity	£10,000
The Kidney Fund	£500
The Sick Children's Fund	£1,000
Tolga Talay	£150
Turn2Us	£5,000

Total Family Awards	**13**	**Total Award Amount**	**£36,150**

14. NEW AWARDS 2021 (continued)

Themed Awards

The Difference (LOYP)			£100,000
Look Ahead (Housing)			£30,000
Smith Institute (Housing)			£27,500
Various Other			£3,478
Total Themed Awards	**5**	**Total Award Amount**	**£160,798**

Employee Fund Awards

Community Awards

ACF Acorns Women	£650
Cystic Fibrosis	£1,000
Elsecar FC	£550
Harborough Town FC	£1,570
Land Aid	£1,000
Newburgh Harrocks JFC	£495
Sheldon Royals	£614
Synergy Global Alliance	£5,000
The Conservation Volunteers	£10,000

Total Community Awards	**10**	**Total Award Amount**	**£20,879**

Match Funding

Individual Match Funding	**60**	**Total Award Amount**	**£23,435**

Team Match Funding

Blackrod CC			£780
Bloodwise			£575
Cambridge United Youth			£555
Landaid Charitable Trust			£224
Midlands Air Ambulance			£1,265
The Conservation Volunteers			£12,250
Troop Aid			£682
Young Women's Trust			£7,753
Total Team Match	**8**	**Total Award Amount**	**£24,084**

14. NEW AWARDS 2021 (continued)

100 for 500

Total Awards	**90**	**Total Award Amount**	**£45,000**

Give As You Earn

All Matched contributions for 2021	**£17,013**

Sports Sponsorship

			-
All Sports Sponsorship	**0**	**Award amount**	-

Total WFET Awards

Award Type	**No of Awards**	**Award Amount**
Group Awards	12	£130,760
Family Awards	14	£36,150
Themed Awards	3	£160,978
Community Awards	11	£20,879
Match Funding - individual	40	£23,435
Match Funding - team	8	£24,084
Sports Sponsorship	0	-
100 for 500	95	£45,000
Give as you earn	-	£17,013
Total Awards 2020	185	**£458,299**

14. NEW AWARDS 2021 (continued)

100 for 500

1st Cholsey Scout Group	Hilltop Farm Sanctuary
1st Wickham Scout Group	Hollymount Primary School Parent Teacher Association
Alice's Arc	Holy Trinity Primary School
Andy Biddle Youth Sports Foundation	Huddersfield Society of Model Engineers
BabyAid Birmingham	If U Care Share Foundation
Basingstoke East Adventure Skills Team (B.E.A.S.T.)	Irlam Steel
Betsy Jenny Counselling and Wellbeing Cafe	JOCA (Just one click away)
Bicester Hockey Club	Joseph Rowntree Housing Trust
Bishop Wordsworth's School Parents' Association (BWSPA)	Kings Heath Cat Club
Bordon Men's Shed	Kingston Rowing Club
Bradford Organic Communities Services	Leckhampton Rovers
Bradford Study Support Network	Leeds Underdogs ARLFC
Cathedral Archers Project	Leicester Forest Rugby Club
Coombe Girls School	Leven AFC
Coton Green Primary School PTFA	Little Lifts
Cystic Fibrosis Trust	Mid Surrey Community Fridges
Derian House Children's Hospice	Migration Museum Project
Destination Florida Children's Charity	Moor Nook Allotment & Gardening Society
Different Strokes - Leeds Branch	Muffin Pug Rescue
Doorway	New Forest Bike Project
Dorset Search Dogs	Newcastle Westgate Football Club
Engage Leeds	Poole Town FC Wessex
ENTITY Morris dancers	Positive Bones
Erin go Bragh GAA	Queen Eleanor's School PSA
Feeding 50	Raynes Park Little League
Fox Hollies Community Association CIO	Read Easy
Foxhill Primary School	Reuben's Retreat
Foxwood Community Group - Acomb	Salford Loaves & Fishes
Friends of Pinner Village Gardens	Seacroft Colts Junior Football Club
Friends of Selborne School	Seneley & Garswood Junior Football Club
Friends of Thornden School (F.O.T.S/FOTS)	SPIDER-Y Limited
Fulham Reach Boat Club	St Johns C of E Primary School PTA
Fun Friends	St Marys and All Saints Primary School PTA
Halas Hawks Junior Football Club	St. Georges Crypt
Harrow Vutrix Korfball Club	Stamford Bridge Community Pool
Heworth Cricket Club	Stoke-on-Trent Churches Community Night Shelter

Teddington Theatre Club	Waingroves Table Tennis Club
The Hospice of St Francis	Walton & Hersham Youth Football Club
The Kidney Fund	Warrington Cheer Storm
The LIFE Foundation	Wateringbury C of E Primary School
The Place of Welcome	West Midlands Anti Slavery Network
The Swan Sanctuary	Whitehouse Common Primary School
Thornaby and Ingleby Barwick (TIBS) Football Club	Wimbledon Greyhound Welfare
Tooting Community Kitchen	Wirral RUFC
Troop Aid	Wycombe Food Hub

Minor Awards

Beneficiary organisations of Match Funding not otherwise listed above.

Acton Medical Research	ME Research
Alzheimer's Society	Michael Sobbell Hospice
Andy Biddle Youth Sports	MIND
Barty's Foodbank	Movember
Birmingham Children's Hospital	Neo Angels
British Kidney	Notting Hill Genesis
CALM	Oracle Cancer
Cancer Research	Ordinary 2 Extraordinary
Children with cancer	Orthopaedic Research
CRUK	Papyrus
Cystic Fibrosis	Polycystic Kidney Disease
Dementia UK	Prostate Cancer
Diabetes UK	Sacred Heart Primary
EHE Rare Cancer	Saint Francis Hospice
End Youth Homelessness	St Ann's Hospice
Friends of Gibside School	St Clements
Great Ormond Street	Starlight Children's Charity
Hollymount PSA	Stroke Association
Holy Trinity	The Conservation Volunteers
Hospice St Francis	The Hospice Charity
Kids Out	The Talent Foundry
Leukaemia & Myeloma	Wolverhampton Youth Zone
Macmillan Cancer Care	Young Minds
Macmillan Cancer Support	
Mary Stevens Hospice	

WATES FAMILY ENTERPRISE TRUST

England & Wales - Charity number 1126007

Accounts

WATES FAMILY ENTERPRISE TRUST LIMITED
Report and Financial Statements
Year ended 31 December 2020
Charity no: 1126007
Company no: 06648896

WATES FAMILY ENTERPRISE TRUST LIMITED
REFERENCE AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2020

Directors of the Company
Mr A T A Wates
Mr A E P Wates (Chairman)
Mr P C R Wates
Mr T A de B Wates
Sir James Wates

Trustees
Mr A T A Wates
Mr C W R Wates
Sir James Wates
Mr Jonathan G M Wates
Mr M E Wates
Mr P C R Wates
Mr T A de B Wates
Mr A E P Wates (Chairman)

Company Secretary
Mr Tahseen Sherwani

Company Number: 06648896

Charity Number: 1126007

Registered Office
Wates House
Station Approach
LEATHERHEAD
Surrey KT22 7SW

Auditors
Haysmacintyre LLP
10 Queen Street Place,
London,
EC4R 1AG

Bankers
Charities Aid Foundation Bank Limited
5 King's Hill Avenue,
King's Hill,
West Malling,
Kent,
ME1 94J

Solicitors
Bates Wells
10 Queen Street Place
London EC4R 1BE

Memberships
The Wates Family Enterprise Trust Limited is a subscribing member of the Association of Charitable Foundations, London Funder and the Environmental Funders Network.

Contact Information

Telephone: 01372 861251
E-mail: director@watesfoundation.org.uk
Web: www.watesgiving.org

Introduction

The Trustees, who are also the Directors of the incorporated company, have pleasure in presenting their Report together with the financial statements of Wates Family Enterprise Trust Limited for the year ended 31st December 2020.

Legal and administrative information forms part of this Report. The financial statements comply with current statutory requirements, the Trust Deed, applicable law and *Charities Statement of Recommended Practice (FRS 102).*

Structure, Governance & Management

Wates Family Enterprise Trust Limited is an incorporated charity, registered with the Charity Commission No. 1126007 on 23 September 2008 and at Companies House No. 06648896 on 16 July 2008. The Trust is a grant-making charity run by trustees, is independent of the Wates Group of companies, and is incorporated in England and Wales. The funding made available for the charity is agreed on an annual basis by the Family members who are shareholders of the Wates Group.

The Trust has eight trustees. Five of these are also the Directors of Wates Family Enterprise Trust Limited. The Annual General Meeting (AGM) of the company is held in June/July each year. Directors retire and are elected at the AGM under the terms of the company's Articles of Association. Mr Andy Wates is Chairman of the Board of Directors and of the Trustees.

The Trust shares a Secretariat that operates as Wates Family Charities, with the Wates Foundation Limited, an unincorporated registered charity no 247941. The day-to-day administration of the Trust's grants and the processing and handling of applications is carried out by the Secretariat. During the year we were saddened to report the death of our Director, Jerry Wright. He joined the organisation in 2016 and played a key role working with the Family to shape the future direction of the Wates Family Charities. A donation was made to St Bride Foundation in his memory. Our interim Director, Felicity Mallam was confirmed to the permanent post on 1st October 2020. Costs are apportioned on an agreed percentage basis between the two charities. These include rent for office space located within premises occupied by a company owned by the Trustees, as well as charges for use of the company's IT, HR and other administrative systems. During the year rent was charged proportionally between the Trust and Foundation at 100% of the passing rate. The agreed basis of the cost allocation was a split of 80% to the Trust and 20% to the Foundation throughout the entire year. This reflects the best view of the division of the time spent by the Secretariat between the two organisations.

For all legal and operational purposes, the Trust and the Foundation are totally separate and independent entities.

Authority to make grants, and other awards, is delegated by the Trustees to a Committee that meets three or four times a year to consider how new grant applications meet relevant criteria for funding. The Committee also considers monitoring information concerning the performance of extant awards, as well as other operational matters, and makes recommendations to the Board of Trustees as necessary.

As part of normal good practice, a comprehensive, independent and external third-party review of the Trust's governance and ethics was commissioned in late 2017 from Rosie Chapman and Liz Firth and the report and recommendations were considered by the Trustees in early 2018. An initial set of recommendations that proposed updating, clarifying and re-working a number of policies and procedures around grant-making protocols and processes, Conflicts of Interest, meeting terms of reference and the relationship with the Wates Group were implemented in the course of 2018, as verified by an interim review carried by the same consultants in early 2019. Following Charity Commission guidance on "connected entities" a further set of recommendations were adopted in July 2019 which ensured the independence of WFET from the Wates Group.

Structure, Governance & Management (continued)

The Trustees agreed, in March 2019, to formally adopt the Charity Governance Code. The Trustees are satisfied that the Trust complies with the vast majority of the Code's provisions, with the following exceptions:

- Trustees fixed terms of office: because of the precise nature of the link between ownership of the Wates Group, the financing of the Trust and Trusteeship of the Trust, the Trustees have resolved that Trustee terms of office should remain unlimited.
- Appointment of independent Trustees from outside the Family (in the interests of diversity and transparency): for the same reason, The Trustees have resolved not to make any immediate appointments of new, non-Family Trustees but to keep the matter under regular review. The Trustees also felt that involvement of many employees of the Wates Group and of external experts in the Trust's deliberations offered the opportunity to ensure a wide variety of viewpoints were represented.

Trustees in the year, who are also the members of *Wates Giving*, were:

Andy (AEPW) Wates (Chairman of Trustees & Grants Panel Committee)
Andrew (ATAW) Wates
Charles Wates
James Wates
Jonathan Wates
Michael Wates
Paul Wates
Tim Wates

A Grants Panel Meeting, which is held approximately twice a year, is requested by the Trustees to assess applications, identify issues to be further explored and undertake performance monitoring of the Trust's operations prior to the higher level Trustees' meetings. Terms of Reference for the Grants Panel Meeting define its current membership at the year-end as Andy Wates, Chairman of the Grants Committee; Tahseen Sherwani, Company Secretary of the incorporated Trust; Andrew Wates and the Director of Wates Family Charities and Trust Secretary, Su Pickerill, Group Community Investment Management. Their role is to represent the interests of Wates employees in schemes funded by the Trust; initiatives sponsored to the Trust by Wates employees, including reporting on the implementation of initiatives; and the provision of advice to inform the Meeting's recommendations to the Trustees Committees on strategy, new awards and media.

Other than the Trustees/Directors, who all give their time freely both for meetings and for visits, the Trust has no dependence on volunteers, donated facilities, donated services, or other donations in kind or other intangibles.

As part of its commitment to encouraging greater transparency, better standards of management and more independent evaluation of effectiveness in the sector, the Trust is accredited by Investors in People. In 2019 the accreditation was renewed with the Trust being listed as a finalist in the small business category. The accreditation was reviewed in March 2020 and January 2021 with final assessment due in Spring 2022

As a further commitment to transparency, the Trust has now agreed to join many of the other leading trusts and foundations in uploading all of its grant award data to the 360 Giving website, where it can be seen and analysed by other funders and charities seeking funding.

Recruitment & Training of Trustees and Staff

Under Article 2(2)(b) of the Articles of Association of The Wates Family Enterprise Trust Limited membership of the Association, and eligibility for election as Directors and Trustees, is limited to members of the Wates Family, who are descendants of Sir Ronald Wates and who are shareholders in the Wates Group.

The Trustees have identified training and development as a key area within the Trust's strategic planning to ensure that members of the Wates Family associated with the work of the charity and the staff of the Secretariat have the relevant skills, competences, knowledge and understanding that they need to deliver the Trust's mission effectively, sustaining and improving the overall performance of the Trust and its grant making.

Trustees gain experience as members of the Trust's Grants Panel Committee, taking part in the grant assessment process and related visits, and in a programme of visits to relevant organisations and institutions. Where relevant, Trustees also undertake formal training conducted by bodies such as the Association of Charitable Foundations. All the staff members of the Secretariat have an annual performance and development review (PDR), as part of which, training needs are identified and plans put in place for the year ahead by agreement with the Chairman of Trustees. Progress against objectives for the year, and the agreed development plans, is then reviewed in the mid-year. A register of training undertaken is maintained by the Secretariat and reviewed annually by the Trustees.

Object of the Trust

The Wates Family Enterprise Trust Limited supports the philanthropic aims of the Wates Family owners of the Wates Group and its associated enterprises. Under the Trust Deed the charitable purposes or activities for which the Trust Fund may be used, together with the income that derives from it, are those that the Trustees may direct for the public benefit at their discretion.

Objectives and activities for the public benefit

The general charitable purposes, aims and policies of The Trust, including consideration of grant-making, policies and performance relating to social finance, reserves, staff remuneration and risk management are reviewed regularly by the Trustees.

When reviewing the Trust's aims and objectives, devising the new programmes and setting their grant making policy for the year, the Trustees confirm that they have referred to the latest information contained in the Charity Commission's general guidance on public benefit and complied with their duty under Section 17 of the Charities Act 2011.

The purpose of Wates Family Enterprise Trust Limited is to provide a means for the Wates Family to be engaged stewards of the Family business, blending wealth creation with social responsibility. The Trust provides funding for specific strategic issues which address social, environmental and human inequality alongside supporting communities where Wates employees work and live. Since launching the Trust in 2008, the Trust has invested £15.5m in charitable activities.

Current Strategy 2018-2021

A review of the future strategy of the Wates Family Enterprise Trust began in 2016 with an initial framework agreed and in place by the autumn of 2017. The Trustees agreed this should be gradually implemented from the start of the 2018 year through to 2020 and beyond.

The main goals of the new strategy were identified as:

- To continue the Family vision to be a 'force for good'
- To grow Family (especially the younger generation's) engagement in philanthropy

- To build greater Family involvement and leadership for key initiatives
- To look over time to create a clearer legacy for future generations

As part of the longer-term plan, the Trustees set a medium-term ambition to build overall funding from £1.25m in 2017 towards £2m over time as the Wates Group grows in size and profitability. (The 'rule of thumb' remains that the Trust should receive up to 5% of the Group's pre-tax profits). As a result of covid-19 and the impact on the Wates Group profit, the trustees agreed to distribute 2019's income across 2020 and 2021. In essence, this has halved the Trust's budget for each of the remaining years of the strategy.

The aims of the strategy remain, despite a reduced budget, with a priority focus on thematic funding, Employee led giving and Group grants.

The key elements of the framework of the new strategy were to:

- Look to focus new funds behind a few more focused themes, initially three
- Aim to commit funding for organisations and programmes over 3+ years
- Ensure clear Family leadership of the thematic programmes
- Retain a level of funds for Family personal interests but reduced in scale
- Ensure future funding growth for Employee's individual philanthropic efforts
- Continue to support Wates Group's engagement in local communities
- More clearly focus the Trust's support of other projects put forward by the Wates Group behind established beneficiary-focused programmes, R&D (e.g. the ground-breaking Sustainability Knowledge Transfer Partnership) and innovation.

Three themes were identified – Life Opportunities for Young People, Housing and Sustainability. The role of each Group is to identify the precise scope of the Theme focus areas and propose to the Grants' Committee (who retain the authority to make grants) specific charities, projects, programmes and research to be funded. Relationships with grantees are seen as partnerships, with a longer commitment to funding and a collaboration rooted in discussion, sharing and learning together. The Trust aims to make available larger levels of grant funding, up to £200,000 or more over 3-5 years.

2020 was the third year of the strategy. Life Opportunities for Young People (champion Andy Wates) and Housing (champion Tim Wates) continued to build on work commenced in 2018. In addition the Sustainability theme (champion Jonny Wates) awarded its first major, strategic grant. The actual grant allocation in the third year for the themes, post a Covid re-budgeting, was £295,600 (£480,000:2019). Further detail of the individual grants made and organisations supported is given below.

In 2019 the Trustees appointed CAF Corporate Advisory to work with Secretariat staff, key grantees and trustees to develop an impact framework which would enable the review and reporting of outcomes of grants made across a number of key themes. This work culminated with the Trust's first Impact Report, 'The Start of our Journey'. The framework and the Impact Review place the Trust's grant making across four key legacy outcomes; –

Building Resilience	**Engaging the Disengaged**	**Influencing the System**	**Fostering Active Citizenship**
Using the Trust's knowledge and insight to address social needs and improve lives	Providing resources to create sustainable change within communities	Shining a light on pressing issues and convening stakeholders to create solutions	Providing opportunities for Wates employees to engage with and support local communities

Grant Making

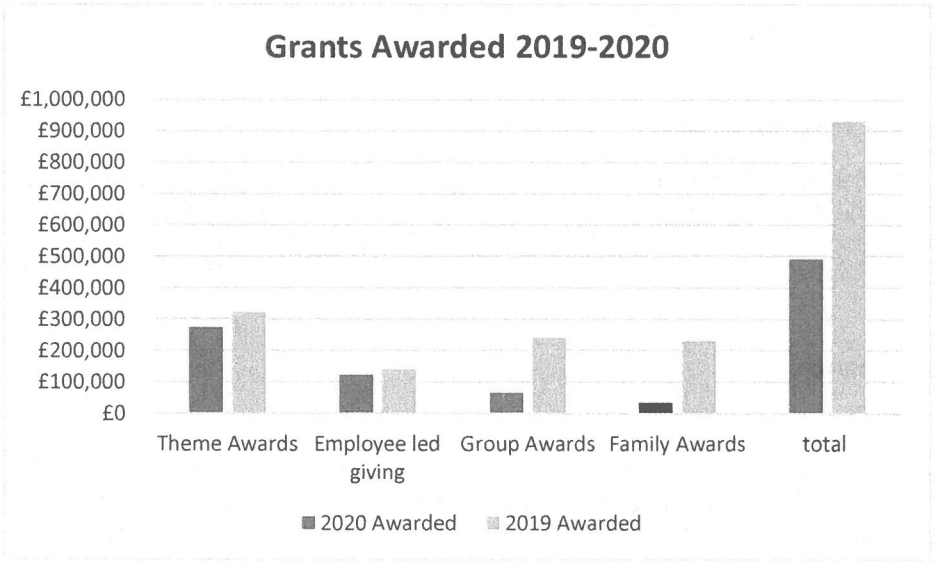
Outside the theme areas, funding available for each year is allocated on a proportional basis to:

Group awards: in support of bids originating from initiatives of the Wates Group and its business units.

Family awards: in support of bids which are the initiative of the Wates Family.

Employee awards: in support of initiatives of employees of the Wates businesses acting in a private capacity. The latter includes: personal fundraising for local charitable and community causes; Give As You Earn donations through payroll; engagement with community organisations as volunteers, trustees, governors, sports coaches or other roles; participation of immediate family members in sport at national and international levels.

The Trustees have agreed to make the funding of the new Theme grants the first priority in budget discussions and then to ensure that the Employee and Group community awards receive the funds needed to allow them to grow. The share of the budget available for the Family's personal giving and for some of the larger, centrally-managed Group projects will in all likelihood reduce in the coming years as the scale of the Theme funding grows to more than 50% of the grant-making budget.
A revised grant making budget was drawn up, as a result of the financial implications of covid-19. This shifted the emphasis of funding for the next two years whilst ensuring commitments to current grantees remain fulfilled.



Trustees have made clear their commitment to matched funding of Wates group employee fundraising through Wates Giving. They continued to prioritise Thematic grant making but at a reduced level. The budgets for Group Awards and Family Awards were much reduced in the immediate term. These funding revisions will be closely monitored in line with predicted income for WFET in 2021 and 2022 and in a way that reflects the best use of and need for philanthropic giving under the Trust's identified objectives.

The Trust does not accept unsolicited applications for grant funding.

Related Party Transactions

It is the Trustees' policy to encourage active involvement in the voluntary sector by their peers and the Wates Family generally. Where a Trustee serving on the Grants Committee has an interest in any capacity with an external body applying for funds from the Trust, then that trustee is excluded from the decision-making process. This and other potential conflicts of interest are covered by a formally adopted policy, which extends to members of the Secretariat and other persons attending meetings at which grant-making decisions are taken. Such potential conflicts will be noted in the minutes of the relevant meetings.

The Trust maintains an annually-updated register of the business interests of members of the Wates Family and staff that take an active part in the Trust's philanthropic activities.

A list of awards where related party interests occur is in the Notes to the Accounts.

Evaluation of Governance

The Trustees recognise that there is a potential for additional conflicts of interest in their responsibilities as trustees of the Trust and owners of the Wates Group of businesses with which the Trust has a close working relationship. Consequently, the Trustees have committed to periodic evaluations of the Trust's governance, processes and policies. Most recently an independent review was carried out in 2018 followed up by a review of "Connected Charities" in 2019. Diligent care is taken to ensure the separateness and independence of both organisations from each other.

The Trustees regularly review a register of gifts and hospitality offered and received by Trustees and the Secretariat to ensure compliance with the Trust's policy in this matter.

Wates Family Enterprise Trust Web Site

With the development of thematic grant making and an ambition to understand the outcomes and impact of work funded by the Trust, the new website is a showcase of the Trust's work and provide transparency for the public and other interested parties on how the Trust operates. Applications cannot be made to the Trust through the website. The Trust also communicates to Wates Group staff via the company's Intranet.

Achievements & Performance

Funding Summary

In 2020, the Trust made 185 new awards in the period to the value of £492,966. Several awards made during the year were subsequently rescinded at the request of the beneficiaries and are not included in these totals. A full list of awards, given and rescinded in the year, is to be found in the Notes to the Accounts.

The following provides a brief look at some of the new awards from the Trust's programmes in 2020, starting with the initial awards made under the new Focus Themes

1. Life Opportunities for Young People

The Trust's partnership with City Year UK and The Difference, continued under the Life Opportunities for Young People thematic work. These partnerships are being cultivated to provide a key focus on disadvantaged young people struggling at school and on those at risk of, or suffering exclusion. City Year UK supports the most disadvantaged pupils in schools to improve their engagement and attainment, ensuring they are on track for long-term educational success. This work specifically develops partnerships between Universities and schools, providing year-long volunteer mentoring and

support for those identified as at risk of exclusion and/or not reaching their academic potential. The mentoring is delivered by 18-25 young people, some of whom will have themselves struggled at school, who in turn benefit from a personal and employability development programme.
The Difference works to identify and promote a 'best practice' curriculum in Alternative Provisions and to improve mainstream school inclusion. It works with over 18 local authorities and 47 school leaders. The Trust was delighted that in 2020 The Difference was called to present to the Select Committee on supporting Year 11s during Covid and that they have joined an All-Party Parliamentary Group considering school exclusions.

In 2021, the Trust aims to build on the work supported to date, to ensure better opportunities and access to education for children and young people.

2. Housing
An additional grant of £19,621 was awarded to **St Mungo's,** to complete their peer research exploring the links between transient employment sectors and the transition between insecure accommodation (the hidden homeless) and rough sleeping. The extension was necessary due to the restrictions covid-19 created early in the year. The report, Tackling Transient Work and Homelessness was published and launched in October to an audience of over 70 MPs, policy makers, homeless charities and grant making bodies. Clear recommendations were made illustrating how employers could support their workforce if at risk of homelessness. The Trust will continue to work with St Mungo's into 2021 to support the development of appropriate training for employers thereby raising the awareness of 'in work homeless' and supporting practical interventions to protect and prevent this homelessness in the workforce.

Another report, funded by the Trust in 2018, was completed and published in 2020. The Smith Institute launched its report 'Consumer Rights in the Private Rented Sector' in June 2020, followed by an online roundtable. Tim Wates, lead trustee for Housing at the Trust, Chaired the event which included John Healy MP, Lewis Shand Smith former Chief Ombudsman amongst others. We are delighted the report was so well received and continues to be relevant to the considerations as the Renters Reform Bill is revisited in 2021.

In June, the Trust joined a group of eminent funders, as convened by the Nationwide Foundation, as a signatory to a letter to The Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government calling for government support for private tenants and people experiencing homelessness in the aftermath of Covid-19.

2020 saw the first of a two-year lead partnership between the Centre for Social Justice (CSJ) and the Trust. An award of £60,000 was made as a first-year payment from a two-year award. This partnership will enable CSJ to employ staff specifically to develop the Centre's research and work on Housing. The Trust has supported CSJs work in the past through The Housing Commission, however this partnership enables CSJ to formalise a commitment across the organisation to incorporating Housing as one of its key policy focus areas. A highlight of this year's work was the attendance of the Rt Hon Robert Jenrick MP at CSJ's fringe conservative party event 'What are the next steps to ending rough sleeping in England?'. Tim Wates, representing the Wates Family Enterprise Trust was part of the expert panel. We look forward to the continuation of this partnership into 2021.

3. Sustainability
In July 2020, we made an award to Hubbub, a foundation and social enterprise set up in 2014 that believes that to create positive environmental change at the scale and speed needed, collaboration is key. Hubbub designs and delivers campaigns that inspire ways of living that are good for the environment. We are working with Hubbub on an Urban Greening project centred around collaborating with local authorities and community stakeholders across the city of Manchester.

In December 2020 the first of these projects was launched with the announcement that Hubbub is teaming up with Manchester City Council, Manchester Climate Agency and a range of other local partners to investigate how positive and playful campaigns can bring communities together and help residents live more sustainably, supporting Manchester on its journey to be a zero-carbon city by 2038.

Group Awards 2020

The increase in themed giving has seen a realignment of Group awards which are now smaller. 12 awards were made totalling £65,000 to charitable projects put forward by the Wates Group.

The Trust's commitment to employment and training continued through several of the grants made under this funding stream. Papworth Trust received funding to ensure 23 of their adult clients with learning difficulties, received careers advice and training. This resulted in 6 finding full time employment by the end of 2020. A number of grants were awarded to school-based programmes to encourage STEM based learning. Many of these were affected by the school closures and social distance restrictions, however the Trust was delighted to see how much work was moved on-line and restructured to ensure delivery of as much interesting learning as possible.

There were several awards made specifically in the initial stages of the Covid-19 pandemic. These included supplying laptops to students through Let me Play and to supporting Cardiff's local food bank to respond to the overwhelming demand during the first lockdown. The remainder of grants made during this period focused on youth engagement and support.

Family Awards

In 2020, the Wates Family members, who are the Trustees, made 14 awards valued at £33,250 to causes and initiatives in which they have a personal interest or in support of causes in Surrey, London and the South-East in particular.

The Trust maintains its three-year commitment to the **National Cancer Research Institute** for its Future Cancer Research Leaders Programme bringing together researchers from across the UK examining new solutions. This programme is also being supported by the Wates Foundation with a further £90,000 bringing total funding to £120,000.

The Family Fund was pleased to support a number of national and local charities put forward by the younger 'Generation 5' family members. The awards focused mainly on health issues in the UK. One grant was awarded to UNHCR for its work with refugees in the UK.

Employee Awards

The Trust makes awards in support of philanthropic initiatives of employees of the Wates' businesses. The latter include: personal fundraising for local charitable and community causes; Give as You Earn (GAYE) donations through payroll; engagement with community organisations; participation in sport at national and international levels.

Despite the restrictions and frustrations 2020 presented for fundraising, the year saw 60 grants totalling £57,890 awarded for Wates Giving's support to the personal causes of Wates employees. £15,870 went to support Wates employees working on behalf of their local communities and charities as trustees, governors or in other volunteer roles such as fundraisers, sports coaches or general helpers.

In recognition that many organised, public fundraising events were cancelled as a result of the Covid-19 virus, the Trust launched a specific campaign 'Let's get Giving: 100 for 500' specifically to enable Wates employees to ensure the small local causes they support could receive funding. 95 awards of £500 were distributed during December 2020, all of which had been chosen and assessed by Wates

Achievements & Performance (continued)

employees. The focus on 'small and local' was incredibly important to the Trust, given the increase in local responses to communities in need during the Covid-19 pandemic.

The Trust made a grant to match the ***Give As You Earn (GAYE)*** donations made by Wates Group employees, which totalled £15,784 in 2020. This was consistent with the previous year.

Finally, we make mention of the Trust's support to individual Wates employees who fundraise for a wide range of charities by undertaking marathons, parachute jumps, wing-walking, Dragon Boat racing, long distance bike rides, hikes, baking, sleeping rough overnight and growing beards and moustaches or, even, in shaving them off. Since the inception of our matched funding scheme, Wates people have raised nearly £1,000,000. In 2020, £492,965 was added to the running totals by the Wates Family Enterprise Trust, bringing the grand total at the end of the year to over £2,000,000 since its launch in 2008.

The list of organisations in receipt of these awards is included at the end of the major awards list. Its length and variety are resounding testaments to the interests and passions of the Wates employee sponsors.

Financial review

Financial Statements and Notes on activities for the year form part of this Annual Report. Full accounts have been lodged with the Charity Commission and Companies House.

The Trust's income arises from a formal agreement with the Wates Group in accordance with the wishes of the Wates Family owners and shareholders of the Wates businesses. In 2020, income net of investment interest and loan repayments was £825,000 (2019: £1,500,000).

Expenditure for the year was £688,466 (2019: £1,054,001) on charitable activities, support costs and governance. Support costs including salaries was £200,224 (2019: £243,574) and included communications and marketing expenses of £17,415 (2019: £10,417). Governance costs were £58,838 including fees for the Acting Director (2019: £20,099).

At the end of its eleventh full year of operations, the Trust Fund had an end of year surplus of £336,494 (2019: £192,474) when accounting for scheduled commitments out to 2020. Provision has been made in the budget for multi-year awards in future years.

The worldwide outbreak of the COVID-19 virus represents a significant event during the financial period. The Trustees met in April 2020 and appropriate budget adjustments were made to allow operations to continue, on a reduced basis. On this basis the Trustees confirm that the Trust has adequate resources to make it a going concern for the future.

Reserves and investment policy

In 2019 the historic fund deficit was eliminated. The policy of limiting levels of forward commitments for new awards remains at 30% of the current year's grant budget. This policy served the Trust well as Trustees were able to honour all forward commitments, as well as continue some grant making activity when the Covid pandemic reduced income severely.

As further reassurance, the Trustees had previously allocated £150,000 in unrestricted funds to meet, if necessary, scheduled payments on extant awards and to make funds available for support and governance costs. A sum of £100,000 is held in a Scottish Widows Bank Account and a further £50,000 is held with Charity Bank, representing 10% of pre-Covid income. No reserve funds are restricted and not available for the general purposes of the Trust at the end the reporting period. The Trustees have

agreed to hold these funds in short-term notice bank accounts, in order to ensure the funds are readily available should the need arise and to avoid any of the risk of volatility that other types of investment holding might bring.

Social Investment Policy

The Trustees have determined that providing grant support to social enterprises and social businesses is an important element in developing the capacity and sustainability of the charity, community and enterprise sectors. The Trustees believe that social investment has a role to play in this development by providing funding that might not be available from traditional sources to address social issues in line with the Trust's charitable objectives. It is not, however, part of the current policy to use the Trust's funds or reserves for further loans or equity investment in social enterprises based on the need for funds to be readily available (see Reserves Policy above).

Sustainability Policy and Funder Commitment to combat Climate Change

Over the last 12 years, since WFET was launched, the Trust has supported a number of projects focused on sustainability. These have ranged from funding research into ground-breaking renewable energy solutions to supporting regenerative agricultural schemes and climate awareness projects in schools.

As a Trust we are committed to better understanding how our operations, grant-making, and our knowledge can develop to ensure risks to climate change are mitigated. As part of this we joined other funders in early 2020, in their pledge to make a commitment to climate change. We recognise we can play a part in addressing the causes of climate change, supporting adaptations to its effects and reporting on our progress. https://fundercommittmentclimatechange.org

The trustees approved a Sustainability Policy in 2020 which sets out the Trust's commitment to address the effects of climate change through its operations and grant making.

Diversity, Equality and Inclusion

As part of its general Governance management, The Trust undertook an audit of its policies, procedures and grant making with regard to Diversity, Equality and Inclusion. This will now form the basis for work to be undertaken in 2021 onwards. The Trustees recognise that the Trust's Board membership is limited in its diversity as this is made up of family members who are typically also shareholders of the Wates Group. With this in mind, the Trust will endeavour to find ways to ensure other voices, perspectives and experiences are fed into and become part of the Trust's operational and decision-making fabric.

Remuneration Policy

The review of staff remuneration is conducted in December each year to set rates for the coming year, which are implemented from 1st April onwards. This is done as a joint exercise with the Wates Foundation with which the Trust divides the cost of the Secretariat. The review takes into account the rate of inflation and benchmarks pay scales against rates of remuneration set by a small group of other similar grant-making trusts and foundations. Decisions arising from the review are agreed by the Chairman of the Trust and Foundation and conveyed to staff in writing.

Details of the remuneration received by the Trust's highest paid member of staff are in the Notes to the Accounts. The stated amounts take account of division between the Trust and the Wates Foundation in accordance with the agreed schedule.

In accordance with FRS 102 SORP, the Trustees have reviewed the Trust's liability for untaken paid leave. They have concluded that this does not constitute a material component of total expenditure and is not further recognised in the accounts.

Risk management

The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years. An assurance audit was conducted in June 2020.

The Trustees have considered the major risks and uncertainties to which the charity is presently exposed and the systems and procedures to manage those risks. The Trustees identify risk to reputation and uncertainty of income as the two key issues facing the Trust in the short to middle term.

Risk: **Severely reduced income**

Key mitigating controls already in place:

Scheduled payments covered by Trustees' policy on increased reserves
Limit on the scale of future years' grant commitments
Terms & Conditions limit liability on payments over more than one year
Engagement with Wates Group Board allows mitigation policy in adequate time frame
Review of annual budget in view of Covid-19 and potential impact on 2021 income
Full Board agreement of reallocation of 2020 and 2021 budget in view of covid-19

Risk: **Reputation**:
Potential and actual conflicts of interests
Support to illegal or controversial causes
Charges of discrimination, unfairness and breach of trust

Key mitigating controls already in place:
Formal Conflict of Interests policy
Meeting declarations by attendees
Media defensive statement policy
Statement of themes and guidelines

Review of strategy carried out in 2017 with wide consultation amongst Trustees and other interested parties
External, independent review of Trust governance and ethics in Q1 2018
Due diligence by Wates Family Charities Secretariat
Formal policies covering complaints, confidentiality and equal opportunities

Safeguarding Policy

Although the Trust does not work directly with children and vulnerable young adults, it recognises that it has a responsibility to both the staff it employs and those intended to be the beneficiaries of the grants it makes.

Impact of Covid-19 on operations
The worldwide outbreak of the COVID-19 virus represents a significant event affecting all businesses. The Wates Family Enterprise Trust (WFET) receives income each year based on the Shareholders' agreement to a donation from the profits of the Wates Group. The agreed donation to WFET for 2020 was £1,650,000, an amount based on profits arising to 31st December 2019 before the outbreak of the Covid 19 pandemic.

The Wates Group operations were strong at the outset of the first lockdown in 2020, however, through 2020 there was a material impact on profit, which prompted a significant review of the Trust's budget and grant making.

At a meeting of Trustees of WFET on 6th April 2020 it was agreed that:

1. The donation of £1,650,000 is to last for two years, until December 2021.
2. Any commitments of multi-year grants already made to charities would be honoured.
3. There would continue to be some grant making from WFET, especially supporting employee match funding and community projects.
4. The three strategic themes would continue to receive some funding but on a reduced basis.
5. New family and group grants would be significantly cut back

At a further meeting held on 30th April 2020 a schedule was confirmed by Trustees which ensures that the WFET operations can continue until December 2021 within the above parameters. The working assumption for 2022 is that the budget will remain at reduced levels and grant making budgets have been allocated on this basis. It is hoped that it will be possible to make a donation to WFET in 2022 but this decision will have to wait until the year end when the impact on operations is clearer.

Flexibility as a funder during the Covid-19 pandemic

Along with a wider group of funders, the Trust recognises that the Covid-19 outbreak is an exceptional event that will continue to have an impact on civil society groups in their ability to secure finances, the disruption to their operations and the consequent stress this may cause. As such, the Trustees chose to stand with the sector and offer reassurance to its grantees that all grants would be offered in a flexible manner. As such, we are a joint signatory to the Covid-19 funders pledge. https://covid19funders.org.uk/

Audit

The Trust's accounts for 2020 were filed following the Annual General Meeting of the Trustee Board on 29th June 2021. A statement has been included setting out the Trustees' responsibility in respect of the accounts and the Annual Report.

In the case of each person who was a trustee at the time this report was approved:

- so far as each trustee was aware there was no relevant available information of which the Trust's auditors were unaware; and
- that each trustee had taken all steps that the trustee ought to have taken, as a trustee, to make himself aware of any relevant audit information and to establish that the Trust's auditors were aware of that information.

A resolution was passed at the AGM on 29th June2021 to appoint Haysmacintyre LLP as auditors for 2021.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of Wates Family Enterprise Trust Limited for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, including the incoming resources and the application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 25th June 2021 and signed on its behalf:

AEP Wates
CHAIRMAN of TRUSTEES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WATES FAMILY ENTERPRISE TRUST LIMITED

Opinion

We have audited the financial statements of Wates Family Enterprise Trust Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement (set out on page 14), the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliances with laws and regulations related to Charity law and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that

have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP, Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of donations income and grant commitments. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to grant payments, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date 23 July 2021

10 Queen Street Place
London
EC4R 1AG

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2020

	Notes	Total 2020 £	Total 2019 £
Income and endowments from:			
Grants and donations	2	831,572	1,501,125
Investments		813	924
Total		832,385	1,502,049
Expenditure on:			
Charitable activities	3	(688,466)	(1,054,001)
Net movement in funds		143,919	448,048
Reconciliation of funds:			
Total funds brought forward	8	192,575	(255,473)
Total funds carried forward	8	336,494	192,575

All activities are classified as continuing.

There are no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

All funds were unrestricted in 2020 and 2019.

WATES FAMILY ENTERPRISE TRUST LIMITED **Company number: 06648896**
BALANCE SHEET
AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
CURRENT ASSETS					
Cash at bank and in hand		644,043		555,163	
TOTAL CURRENT ASSETS		644,043		555,163	
CREDITORS: amounts falling due within one year	4	(307,549)		(329,588)	
NET CURRENT ASSETS			336,494		225,575
TOTAL ASSETS LESS CURRENT LIABILITIES			336,494		225,575
CREDITORS: amounts falling due after more than one year	5		-		(33,000)
TOTAL NET ASSETS			336,494		192,575
FUNDS					
Unrestricted funds	8		336,494		192,575

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

A E P Wates
Chairman of Trustees

29/6/2021

The accompanying notes form part of these financial statements.

WATES FAMILY ENTERPRISE TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Net cash provided by/(used in) operating activities	10	88,067	(63,924)
Cash flows from investing activities:			
Interest from investments		813	924
Net cash provided by investing activities		813	924
Change in cash and cash equivalents in the year	A	88,880	(63,000)
Cash and cash equivalents at the beginning of the year		555,163	618,163
Cash and cash equivalents at the end of the year	11	644,043	555,163

A ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2020 £	Cashflows £	At 31 December 2020 £
Cash at bank and in hand	555,163	88,880	644,043
Total cash and cash equivalents	555,163	88,880	644,043

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

1.2 General information

The Charity is an incorporated private company limited by guarantee without share capital in England and Wales (company registration number: 06648896) and a charity registered in England and Wales (charity number: 1126007). The Charity's registered office is: Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.

1.3 Preparation of accounts on a going concern basis

After the inclusion of grant commitments there is a surplus of £336,494 on unrestricted funds as at 31 December 2020. The Trustees have considered the ability of the Trust to meet its grant commitments and its ongoing overhead costs in the light of anticipated future awards from The Wates Group and believe that it is appropriate to adopt the going concern basis of accounting.

1.4 Significant judgements and estimation uncertainty

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. There are no significant areas where judgement was needed other than on those already included in the accounting policies.

1.5 Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

1.6 Income recognition

Voluntary income is comprised of donations from The Wates Group. Donations are credited to the Statement of Financial Activities when the criteria for income recognition of certainty, measurement and entitlement are met.

Government grant income paid under the Coronavirus Job Retention Scheme (CJRS) has been recognised in the Statement of Financial Activities in the period to which the underlying furloughed staff costs relate to.

1. ACCOUNTING POLICIES (continued)

1.7 Expenditure recognition

Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

1.8 Allocation of support and governance costs

Support costs are allocated to either charitable activities, when applied in order to meet its charitable objectives or to governance costs when costs are incurred in relation to the constitutional and statutory requirements of the Trust. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees.

1.9 Charitable activities

These comprise gross grants payable, plus an apportionment of support and governance costs for the year.

1.10 Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognized as expenditure.

1.11 Operating leases

Costs in respect of operating leases are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.12 Employee benefits

Pensions

The charity operates a defined contribution pension scheme. The payments are charged to the statement of financial activities in the year they become payable.

2. GRANTS AND DONATIONS	**Total 2020 £**	**Total 2019 £**
Donations	825,000	1,501,125
CJRS grant	6,572	-
	831,572	1,501,125

3a. ANALYSIS OF CHARITABLE ACTIVITIES

	Grants £	**Support Costs £**	**Governance Costs £**	**Total 2020 £**	**Total 2019 £**
Grants to institutions:					
Group projects	65,000	26,400	7,758	99,159	309,161
Themed Projects	273,541	111,102	32,648	417,291	411,786
Family projects	33,250	13,505	3,969	50,723	296,598
Community projects	24,290	9,866	2,899	37,055	20,051
GAYE	15,784	6,411	1,884	24,079	20,294
Matched funding – Individual	15,871	6,446	1,894	24,211	51,920
Matched funding - team	14,730	5,983	1,758	22,471	82,293
100 for 500	47,500	19,293	5,669	72,462	-
Sports sponsorship	3,000	1,218	359	4,577	3,848
Repaid grants	(63,562)	-	-	(63,562)	(141,950)
	429,404	200,224	58,838	688,466	1,054,001
	(note 6)	(note 3b)	(note 3c)		

ANALYSIS OF CHARITABLE ACTIVITIES – 2019

	Grants £	**Support Costs £**	**Governance Costs £**	**Total 2019 £**	**Total 2018 £**
Grants to institutions:					
Major projects	241,000	62,965	5,196	309,161	622,208
Themed Projects	320,999	83,867	6,920	411,786	354,887
Family projects	231,207	60,407	4,984	296,598	406,896
Community projects	15,630	4,084	337	20,051	45,910
GAYE	15,820	4,133	341	20,294	19,897
Matched funding – Individual	40,473	10,574	873	51,920	49,587
Matched funding - team	64,149	16,760	1,383	82,293	54,571
Supply chain fund	-	-	-	-	428
Grants to individuals:					
Sports sponsorship	3,000	784	65	3,848	10,573
Repaid grants	(141,950)	-	-	(141,950)	(14,700)
	790,328	243,574	20,099	1,054,001	1,550,257
	(note 6)	(note 3b)	(note 3c)		

3b. SUPPORT COSTS

		2020	2019
		£	£
Office expenses		28,674	33,865
Travelling expense		47	2,031
Subscriptions		2,066	1,999
Marketing and communications		17,415	10,417
Rent		32,000	32,000
Salaries	(Note 3d)	120,022	163,262
		200,224	243,574

3c. GOVERNANCE COSTS

	2020	2019
	£	£
Professional fees	52,108	13,099
Audit and accounting fees	6,730	7,000
	58,838	20,099

Governance costs include auditor's remuneration of £7,250 (201: £7,560) and professional fees for the Acting Director.

3d. STAFF COSTS AND NUMBERS

	2020	2019
	£	£
Staff costs were as follows:		
Salaries and wages	98,441	133,210
Social security costs	13,395	16,870
Pension costs	6,607	10,806
Staff benefits	1,579	2,376
	120,022	163,262

The Wates Family Enterprise Trust Limited shares a Secretariat with the Wates Foundation. The above staff costs represent the Trust's 80% allocation of the total Secretariat cost.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the year was £42,216 (2019: £65,947).

£Nil remuneration or expenses have been paid to the Trustees (2019: £nil).

In the period, no employee received remuneration above £60,000 (2019: 0).

	2020 Number	2019 Number
Staff numbers		
Administration staff	3	3

4. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Accruals	68,658	67,030
Scheduled grant payments	238,891	262,558
	307,549	329,588

5. CREDITORS: amounts falling after more than one year

	2019	2019
	£	£
Scheduled grant payments	-	33,000

6. GRANT COMMITMENTS

	2020		2019	
	£	£	£	£
Grant commitments at 1 January 2020		295,558		785,710
Grants awarded	492,966		932,278	
Grants rescinded	(63,562)		(141,950)	
Grant commitments charged to the SOFA in the period (note 3)		429,404		790,328
Grants paid in year		(486,071)		(1,280,480)
Total grant commitments		238,891		295,558
Grant commitments at 31 December 2020				
Due within one year		238,891		262,558
Due after more than one year		-		33,000
		238,891		295,558

7. RELATED PARTY TRANSACTIONS

During the year, a grant of £15,000 (2019: £20,000) was made to the Family Business Network International of which Andrew Wates is an ambassador.

2019
A grant of £11,798 was made to Tomorrow's Company, a charity of which James Wates is Chair of Trustees (2018: £nil). A grant of £14,000 (2018: £15,000) was made to Construction Youth Trust, a charity of which Andy Wates is the Chair. A grant of £15,000 payable over 3 years (2018: £nil) was made to the Institute of Family Business Research Foundation, of which Andrew Wates is a Board member. The Wates Group is also a member of the Institute of Family Business. A grant of £1,000 (2018: £1,000) was made to the Clink Charity, of which Tim Wates is a Trustee.

8. FUNDS

	At 1 January 2020 £	Surplus for the period £	Transfer	At 31 December 2020 £
Unrestricted general funds	42,575	143,919	-	186,494
Designated funds	150,000	-	-	150,000
At 31 December 2020	192,575	143,919	-	336,494

Designated funds of £150,000 have been set aside by the trustees as reserves in order to respond to scheduled grant payments and to cover support and governance costs.

PRIOR YEAR FUNDS

	At 1 January 2019 £	Surplus for the period £	Transfer	At 31 December 2019 £
Unrestricted general funds	(505,473)	448,048	100,000	42,575
Designated funds	250,000	-	(100,000)	150,000
At 31 December 2019	(255,473)	448,048	-	192,575

9. TAXATION

The Trust is exempt from corporation tax under current tax legislation as all its income is applied for charitable purposes.

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2020 £	2019 £
Net movement in funds	143,919	448,048
Adjustments for:		
Decrease in debtors	-	11,798
(Decrease) in creditors	(55,039)	(522,846)
Interest from investments	(813)	(924)
Net cash provided by/(used in) operating activities	88,067	(63,924)

11. ANALYSIS OF CASH AND CASH EQUIVALENTS	2020 £	2019 £
Cash in hand	644,043	555,163
Total cash and cash equivalents	644,043	555,163

13. NEW AWARDS 2020

Major Awards

Cardiff Food Bank Support for a volunteer co-ordinator	£5,000
Carmel Village Hall Building refurbishment	£5,000
Exodus Youth Club Expansion of model railway for income generation	£5,000
Graduate Planet Programme of sustainability for 7-12 year olds	£5,000
Inspiring Youth Provision of musical instruments	£5,000
Let Me Play Provision of internet and IT facilities for disadvantaged students	£10,000
New Hackney Education (Inspire) A programme for young people to develop personal and employability skills	£5,000
Papworth Trust Support for disabled adults	£5,000
Tees Esk & Wear Valley Foundation Provision of mental health and learning disabilities services	£5,000
Teesside University Establishment of a community bakery for refugees and university students	£5,000
The Kings Arms Building fit out	£5,000
Young Futures CIC Support for care leavers moving into independent living	£5,000

Total Major Grants	**12**	**Total Award Amount**	**£65,000**

14. NEW AWARDS 2020 (continued)

Family Awards

ABF – The Soldiers Charity Support for virtual carol service	£1,500
Family Business Network Promotion of sustainability amongst family businesses	£15,000
Heritage of London Trust Restoration of buildings at risk.	£5,000
Leatherhead Drama Festival Advertising towards the costs of the festival	£300
M Brownsett Provision of visors for NHS	£1,500
Royal Engineers Museum Purchase of items relating to the Mulberry Harbour and D-Day landings	£7,000
The Kidney Fund Renal research	£500
University of Exeter Covid emergency appeal	£1,000
Open Garage Films Documentary about mental health	£200
Breast Cancer UK (Gen 5) Breast cancer research	£250
Campaign Against Living Miserably (CALM) (Gen 5) To support mental health workers in Croydon schools.	£250
Teenage Cancer (Gen 5) To raise awareness of teenage cancer	£250
The Foundation Centre (Gen 5) Support for young people with mental health issues	£250
Wework (Gen 5) Assistance for families in Syria displaced by war	£250

Total Family Awards	**14**	**Total Award Amount**	**£33,250**

14. NEW AWARDS 2020 (continued)

Themed Awards

Centre for Social Justice (Housing)			£120,000
St Mungo's (Housing and Homelessness)			£19,621
Hubbub (Sustainability)			£120,000
Various Other			£13,921
Total Themed Awards	**3**	**Total Award Amount**	**£273,542**

Employee Fund Awards

Community Awards

Cuxton 1991 FC	£1,500
East Anglia Children's Hospice	£2,525
Halesowen Town Colts FC	£650
Leckhampton Rovers	£649
Rainford Rangers	£600
Stamford Bridge	£1,420
St Bride Foundation	£5,000
Thamesians FC	£650
The Conservation Volunteers	£10,000
Whyteleaf	£646
Wirral Club	£650

Total Community Awards	**11**	**Total Award Amount**	**£24,290**

Match Funding

Individual Match Funding	**40**	**Total Award Amount**	**£15,870**

Team Match Funding

British Heart Foundation	£610
CALM	£1,000
Charlie Bear for Cancer Care Newcastle Hospitals	£2,200
Movember	£2,220
Royal British Legion	£4,025
St Mungo's	£2,500
Young Women's Trust	£2,175

Total Team Match	**8**	**Total Award Amount**	**£14,730**

14. NEW AWARDS 2020 (continued)

100 for 500

Total Awards	**95**	**Total Award Amount**	**£47,500**

Give As You Earn

All Matched contributions for 2020	**£15,784**

Sports Sponsorship

C Cahill Gymnastics			£3,000
All Sports Sponsorship	**1**	**Award amount**	**£3,000**

Total WFET Awards

Award Type	**No of Awards**	**Award Amount**
Major Awards	12	£65,000
Family Awards	14	£33,250
Themed Awards	3	£273,542
Community Awards	11	£24,290
Match Funding - individual	40	£15,870
Match Funding - team	8	£14,730
Sports Sponsorship	1	£3,000
100 for 500	95	£47,500
Give as you earn	-	£15,784
Total Awards 2020	185	**492,596**

14. NEW AWARDS 2020 (continued)

100 for 500

1st Bilston Scouts	Friends of Wardsend Cemetery
22nd Wimbledon Scout Group	Friends of Wateringbury Primary School
5th Raynes Park Rainbows	Greyhound Trust Hall Green
Acomb Fire Station	Group64 Theatre for Young People
Andy Biddle Youth Sports Foundation	Henrys Helping Hoof Charity
Back on Track Manchester	Holy Trinity Primary School, West End
Barty's Foodbank and Community Pantry	Hounslow Community FoodBox
Beckenham RFC	Human Milk Foundation
Beyond Autism	If U Care Share
Beyond the Streets	Inclusion Hampshire
Birmingham & Solihull Womens Aid	Irlam Primary School
Blackwood Primary School PTA	JDRF
Bleak Holt Animal Sanctuary	JOCA (Just One Click Away)
Blood Run EVS	JUMP Children's Charity
Blue Smile	Kings Heath Cat Club
BNatural Music Festival	Kingston Rowing Club - Junior Section
Brockswood Animal Sanctuary	Leckhampton Rovers FC
Budge Lane -Walsingham family of care homes	Leeds Underdogs ARLFC
Castle Hill Primary School Greenbank Campus	Live Lukes Dream
Chandler's Ford Help	Longhorsley Junior Football Club
Charlies Beach Hut	Maggie's Oldham
Compton Care	Manchester Environmental Education Network
Coombe Girls' School	Mani's Helping Hands
Coxhoe Village Hall	Margaret Haes Riding Centre
Derek's Tree	Mary Stevens Hospice (Stourbridge)
Destination Florida Children's Charity	Michael Sobell Hospice Charity
DONS Local Action Group	Mid Surrey Community Fridges
Dorset search dogs	MK Wanderers Football Club
Entity Morris dancers	Newcastle healthworks
Farleigh Hospice	NK Theatre Arts
Farley Hill Primary School Association	Options for Supported Living
Feniscowles Cricket Club	Parent & Carer Support Group Walsall
Foxhill Primary School	Pendleside Hospice
Francis House Children's Hospice	POhWER
Francis House Children's Hospice	PSDS
Friends of Selborne School	Putney Light Operatic Society (PLOS)
Friends of St Marks Primary School	Reading Zone
Friends of Thornden School	REEL CIC

14. NEW AWARDS 2020 (continued)

100 for 500

Sale Moor Community Partnership	The Indee Rose Trust
Slung Low	The Kidney Fund
Somerset Wildlife Trust	The Liberty Centre
St Catherine's Hospice	The Lily Mae Foundation
St Catherine's Hospice Crawley	The Royal British Legion
St Mary & All Saints CofE Primary School PTA	TIBS FC
Stamford Bridge Football Club	West Midlands Anti Slavery Network
Stripey Stork	Worcester Park Colts Football Club
Sue's House - Ilford Cancer & Holistic Help	Zoe's Place Baby Hospice
Teddington Theatre Club	

Minor Awards

Beneficiary organisations of Match Funding not otherwise listed above.

Abbeyfield Society - Bradbury House	Macmillan Cancer Support
Alzheimer's Society	Midlands Cash for Kids
Aspire	Movember
Association of NHS charities	Myeloma UK
Basingstoke Neighbourhood	NHS Charities Together
Birmingham Children's Hospital	Polycystic Kidney Disease
Campaign Against Living Miserably	PSDS
Cancer Research	Royal British Legion
Castle Town Junior School	Sacred Heart
Dementia UK	SHP
Doorway	St Mary's Hospice
Dorset Search Dogs	The Conservation Volunteers
Foxhills Primary	
Guide Dogs	
Irlam Primary School	
Lily Mae Foundation	
Link to Change	