

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

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WATES FAMILY ENTERPRISE TRUST LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2020

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.

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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	Michael Wates
Charles Wates	Paul Wates
James Wates	Tim Wates
Jonathan 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.

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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

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- 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

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

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Grant Making

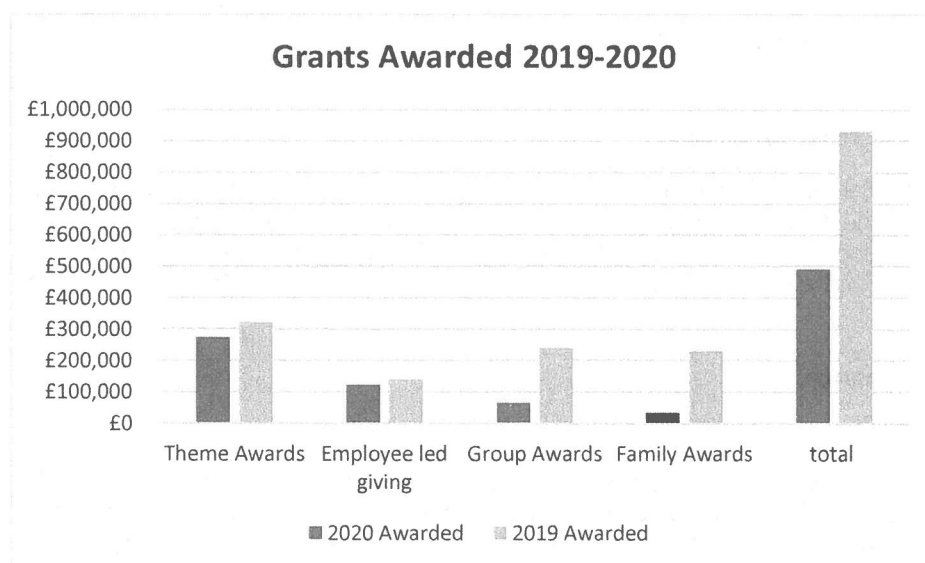
Outside the theme areas, funding available for each year is allocated on a proportional basis to:

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.

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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

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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 CSJ's 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.

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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

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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

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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://fundercommitmentclimatechange.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.

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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.

WATES FAMILY ENTERPRISE TRUST LIMITED
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2020

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 June 2021 to appoint Haysmacintyre LLP as auditors for 2021.

WATES FAMILY ENTERPRISE TRUST LIMITED
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2020

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 24th 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WATES FAMILY ENTERPRISE TRUST LIMITED

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-compliance 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WATES FAMILY ENTERPRISE TRUST LIMITED

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		<u>832,385</u>	<u>1,502,049</u>
Expenditure on:			
Charitable activities	3	(688,466)	(1,054,001)
Net movement in funds		<u>143,919</u>	<u>448,048</u>
Reconciliation of funds:			
Total funds brought forward	8	<u>192,575</u>	<u>(255,473)</u>
Total funds carried forward	8	<u><u>336,494</u></u>	<u><u>192,575</u></u>

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
BALANCE SHEET
AT 31 DECEMBER 2020

Company number: 06648896

	Notes	£	2020	£	£	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 £
<i>Net cash provided by/(used in) operating activities</i>	10	88,067	(63,924)
Cash flows from investing activities:			
Interest from investments		813	924
Net cash provided by investing activities		813	924
<i>Change in cash and cash equivalents in the year</i>	A	88,880	(63,000)
Cash and cash equivalents at the beginning of the year		555,163	618,163
<i>Cash and cash equivalents at the end of the year</i>	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

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Total 2020 £	Total 2019 £
2. GRANTS AND DONATIONS		
Donations	825,000	1,501,125
CJRS grant	6,572	-
	<u>831,572</u>	<u>1,501,125</u>

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)
	<u>429,404</u>	<u>200,224</u>	<u>58,838</u>	<u>688,466</u>	<u>1,054,001</u>
	(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)
	<u>790,328</u>	<u>243,574</u>	<u>20,099</u>	<u>1,054,001</u>	<u>1,550,257</u>
	(note 6)	(note 3b)	(note 3c)		

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>200,224</u>	<u>243,574</u>

3c. GOVERNANCE COSTS	2020	2019
	£	£
Professional fees	52,108	13,099
Audit and accounting fees	6,730	7,000
	<u>58,838</u>	<u>20,099</u>

Governance costs include auditor's remuneration of £7,250 (2019: £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
	<u>120,022</u>	<u>163,262</u>

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	2019
	Number	Number
Staff numbers		
Administration staff	<u>3</u>	<u>3</u>

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

4. CREDITORS: amounts falling due within one year		2020	2019
		£	£
Accruals		68,658	67,030
Scheduled grant payments		238,891	262,558
		<u>307,549</u>	<u>329,588</u>
5. CREDITORS: amounts falling after more than one year		2019	2019
		£	£
Scheduled grant payments		-	33,000
		<u>-</u>	<u>33,000</u>
6. GRANT COMMITMENTS		2020	2019
	£	£	£
Grant commitments at 1 January 2020		295,558	785,710
Grants awarded	492,966		932,278
Grants rescinded	<u>(63,562)</u>		<u>(141,950)</u>
Grant commitments charged to the SOFA in the period (note 3)		429,404	790,328
Grants paid in year		<u>(486,071)</u>	<u>(1,280,480)</u>
Total grant commitments		<u>238,891</u>	<u>295,558</u>
Grant commitments at 31 December 2020			
Due within one year		238,891	262,558
Due after more than one year		-	33,000
		<u>238,891</u>	<u>295,558</u>

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.

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>192,575</u>	<u>143,919</u>	<u>-</u>	<u>336,494</u>

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	<u>(255,473)</u>	<u>448,048</u>	<u>-</u>	<u>192,575</u>

9. TAXATION

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

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>88,067</u>	<u>(63,924)</u>
11. ANALYSIS OF CASH AND CASH EQUIVALENTS	2020 £	2019 £
Cash in hand	644,043	555,163
Total cash and cash equivalents	<u>644,043</u>	<u>555,163</u>

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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
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WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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
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Match Funding

Individual Match Funding	40	Total Award Amount	£15,870
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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

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

14. NEW AWARDS 2020 (continued)

100 for 500

Total Awards	95	Total Award Amount	£47,500
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Give As You Earn

All Matched contributions for 2020	£15,784
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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

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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
Brockwood 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

WATES FAMILY ENTERPRISE TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

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	