



**THE WATES FOUNDATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Registered charity number: 1202779
Company number 1605766

**THE WATES FOUNDATION LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**THE WATES FOUNDATION LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Charity Registration

Charity registered number: 1202779.

The business address of The Wates Foundation is Wates House, Station Approach, Leatherhead, Surrey KT22 7SW.

Company Registration

Company number: 1605766

The registered office of The Wates Foundation Limited is Wates House, Station Approach, Leatherhead, Surrey KT22 7SW.

Directors

Mr Christian Brodie (Chairman)

Mrs Nichola Adams

Mrs Victoria Tanner

Mr Luke Wates

Mr Jonathan Wates

Mr Oliver Heynes (retired 11th July 2024)

Mr Alexander Heynes (appointed 11th July 2024)

Financial Advisers

Stanhope Consulting
35 Portman Square
LONDON W1H 6LR

Investment Brokers and Custodians

Charles Stanley
55 Bishopsgate
London EC3N 3AS

Stanhope Consulting is a trading name of Stanhope Capital, which is regulated by the Financial Conduct Authority.

Bankers

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

Auditors

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

Memberships

The Wates Foundation is a subscribing member of the Association of Charitable Foundations and the London Funders.

Contact Information

Telephone: E-mail: director@watesfoundation.org.uk

Fax: Website: www.watesfoundation.org.uk

Statement from Chair

This year continued to present significant challenges to those working in the charitable sector and we heard time and again how much pressure the cost-of-living crisis and increasing demands on services was impacting on the organisations we support. It is with deep sadness and concern that we heard of charities closing and being forced into administration despite the glaring need for their work and support. The Foundation remains committed to offering core costs to charities in recognition that these are some of the most essential funds required but often the most difficult to secure.

The Foundation gave £309,840 in 30 grants in the year across all seven themes guiding our grant making. It was unsurprising to note that Community Health took almost 40% of the grants, at £186,840, reflecting the spiralling complexity in need that all communities, families and individuals experience as society continues to recover from the Covid-19 pandemic and the resulting economic hardship.

As a family foundation, with over 100 active members across three branches of the founding Wates family, the trustees are keen to involve the next generation in understanding the philanthropy of the family and support them in shaping the foundation for the future.

In the year, we ran a pilot project providing carbon literacy training to our grantees, with bespoke consultancy support to two shortlisted groups to ensure their operations were developed with sustainability in mind. This pilot was proposed by a member of our fifth generation of the family and we hope to adopt this as an ongoing feature of support to charities.

In response to our grantee perception survey, the staff and trustees have made several changes to the way our grants are offered. We have removed the clause preventing repeat funding applications in recognition of how challenging the funding environment remains and are working to find ways to offer visits during the life of a grant rather than just prior to application. We are delighted to hear from grantees that they value the close contact and relationship with family members and staff and want to find more ways to showcase what has been achieved each funding. It has also been encouraging to learn that organisations have found our new application form and reporting format much simpler, less time consuming and relevant. We continue to consider how we can improve on our process and have been a proactive member of the London Funders Shared Due Diligence pilot which holds the same aim.

Since 2020, the Foundation has a clearly articulated Socially responsible Investment Policy which guides our stewardship of the assets we hold. Our portfolio is designed not just for 'total return' but, also, for 'total impact'. Starting from a Do No Harm position in 2020, the trustees are becoming more proactive in understanding how the Foundation can become more of an impact investor. In 2021, the Foundation had 26% in highly rated ESG funds. By the end of 2023, this has risen to 79% of the portfolio being invested in Sustainable Financial Disclosures Regulation Article 8&9 rated funds. We continue to hold shares in Charity Bank which provides small and medium sized charities the opportunity to access loans and working capital. You will note the significant changes the trustees have made, in the year, within the portfolio in the section Responsible Investment (below). We feel the responsibility of the stewardship of our assets for now and the future.

We thank Oliver Heynes for the six years he spent on the trustee board and the time served on the Investment Committee and as Chair of the AWF Family Grant Committee. Oliver gave readily of his time and we are delighted to welcome Alex Heynes to join the board and Nichola Adams as she takes over as Chair of the AWF Committee.

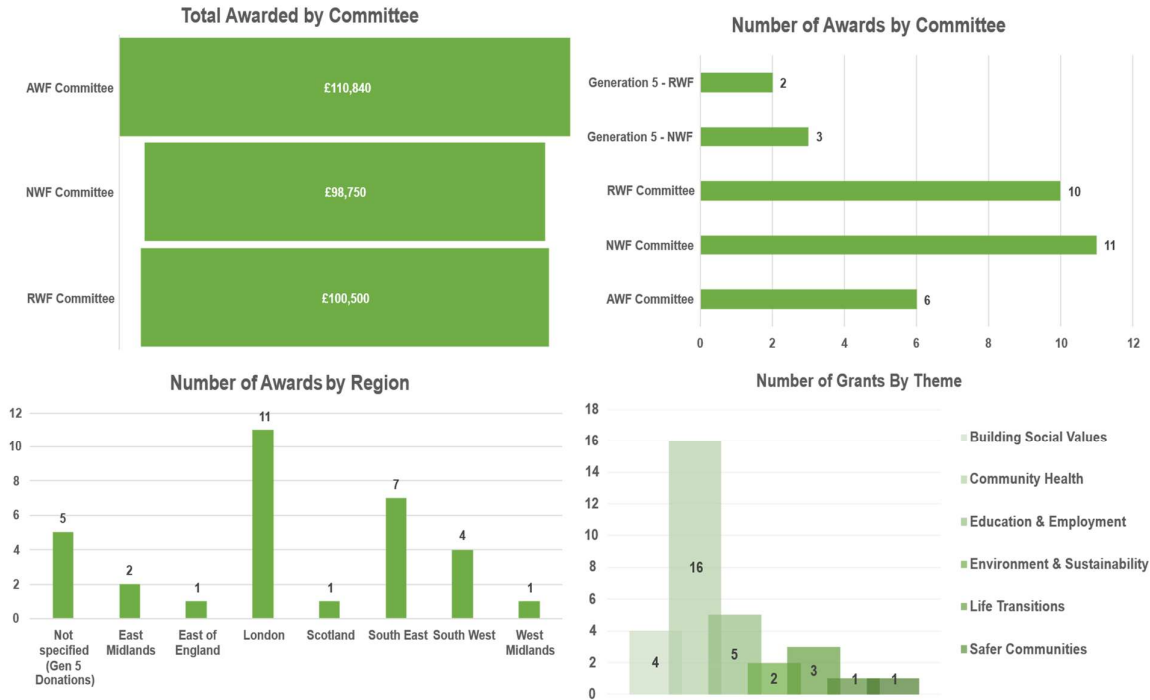
I am proud that the Wates Foundation continues to support so much of the family's philanthropy and we look forward to learning more from those we support in 2024.



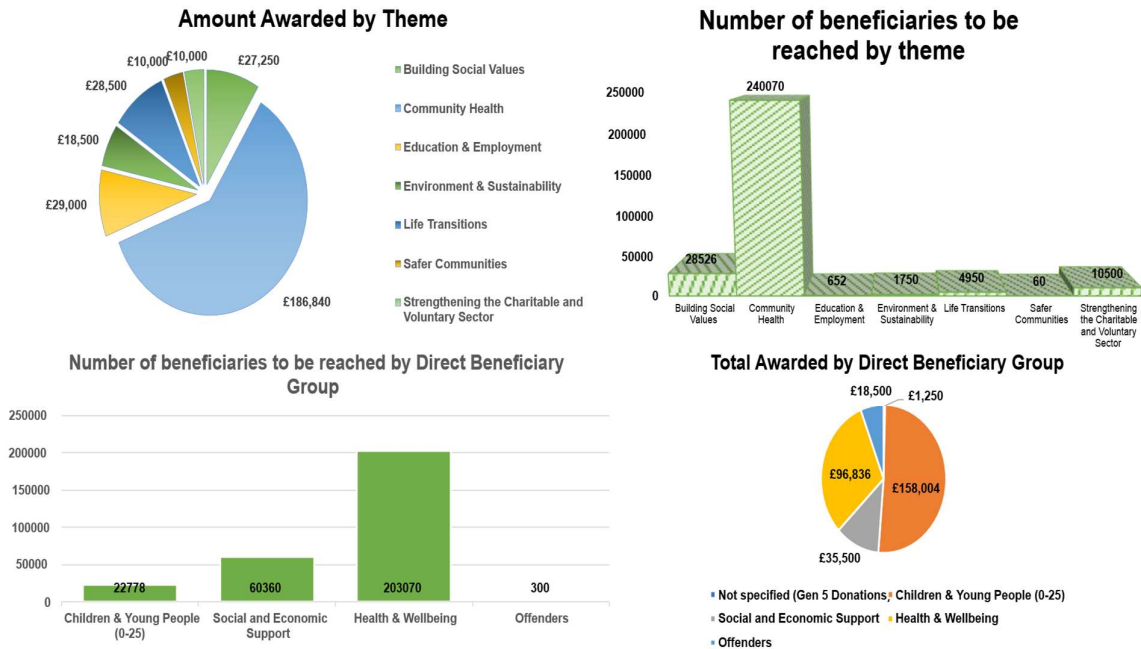
Christian Brodie, Chair, Wates Foundation

Our Year in Numbers

Wates Foundation
2024 Grants



Wates Foundation
2024 Grants



Themes

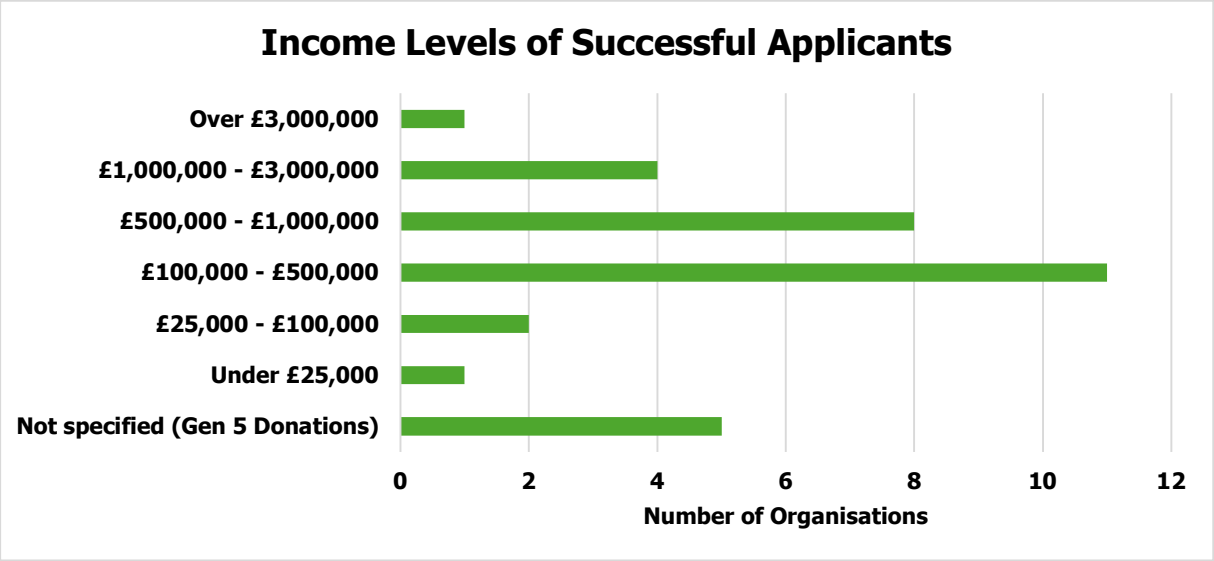
2024 was the final year of our renewed strategy 2021-24. Family members sponsored 27 full applications under the following themes:

- **Building Social Values** - promotion of the family unit; social and civic responsibilities; parenting and children; and culture.
- **Employment & Education** - education and work opportunities for children and young people 5-25 years of age.
- **Community Health** - Wellbeing and, but not exclusively: addiction; mental health and disabilities; the aged and infirm; alternative and complementary practice.
- **Safer Communities** – criminal justice generally, but also crime in communities; alternatives to custody; preparing offenders for release; resettlement of offenders after release; female offenders.
- **Life Transitions** - Preparing people for key transitions to facilitate informed and accessible changes in life circumstances: addressing failure to deal adequately with key transitions, leading to negative outcomes in the short term and potentially in later life; promoting personal resilience, allowing beneficiaries to access life opportunities better, having achieved a key transition successfully.
- **Strengthening the Charitable & Voluntary Sectors** – building the capacity and infrastructure of the charity and community sector: governance; improving the effectiveness of organisations; promoting quality and accreditation.
- **Environment:** - Funding will focus on: farming practices and the conservation/protection of the countryside; the prevention of toxin use; and the funding of increased and novel ways to recycle and responsibly deal with waste

Applications to the Foundation's three Family Grants Committees are by invitation only. Invitations to apply are issued following a personal engagement by a Family Committee member with the prospective beneficiary and are made regardless of any track record of former awards from the Foundation. This invitation does not amount to a commitment to fund. Decision-making responsibility remains with the Family Committees under delegated authority from the Trustees. As a rule, the Foundation prefers to support smaller charities, local to the areas in which Family members live and work. In general, the Foundation seeks to support charities with a turnover of less than £3 million. At their 2022 meeting, the AWF committee applied a criterion of awarding to charitable organisations with an income of under £1million.

The table below shows the income of the organisations funded in the year 2024. 1 organisation exceeded the £3million income threshold. This was due to an exception made by the NWF Committee to support an organisation which had assisted the family in a bereavement.

The table below shows the income of the organisations funded in the year 2024.



Our strategy and policies are reviewed at our Board meetings throughout the year, and through the annual objectives that are set for staff on governance, management, grant making and our wider operations, finance and personal development.

The Strategy for 2021-24 is summarised in 4 strategic priorities: to grow the endowment in real terms with a minimum ambition to preserve capital over the next three years; to widen family engagement and sponsored applications; to support the next generation on their “philanthropic journey; and to retain the existing focus of grant making through the three Family Committees.

Family Engagement

In the year, members from the fifth-generation proposed applications for funding. RWF received 6 (2023: 3), AWF 1 (2023: 1) and NWF received 3 nominations (2023: 5). Committees have actively encouraged Under 18 members to make donations to a charity of their choice. These donations are in the region of £250 each. In 2024, as a result of targeted support to family members, the RWF made two U18 awards and NWF saw three U18 donation made, no awards were made for AWF.

Public benefit

Public benefit flows from the Foundation making grants to charities engaged in activities in pursuit of their agreed vision and mission. We offer funding towards the project and core costs of delivering an organisation's work, reflecting our belief in empowering organisations to deliver their work as flexibly and as effectively as they can. Our Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing our objectives and aims, and our grant making-related strategy and policy.

Financial Review

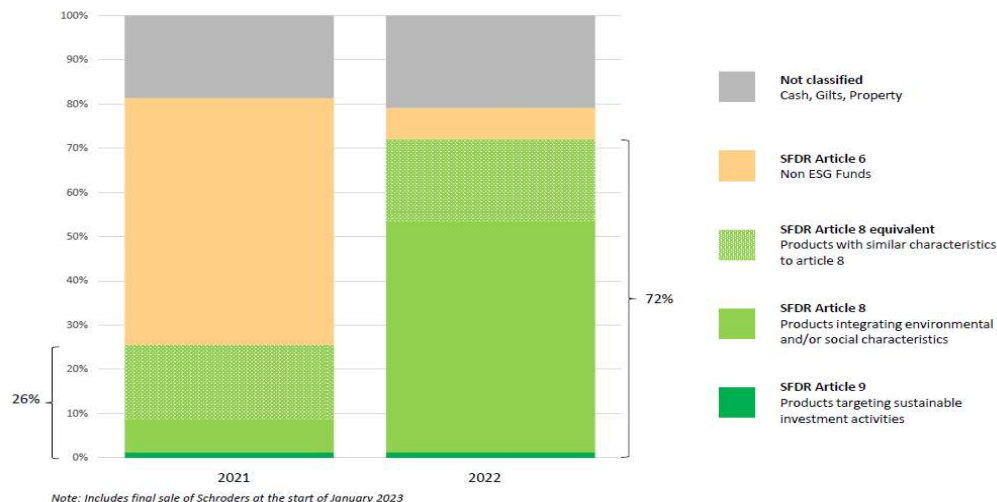
Investments

The Wates Foundation's investment aim is to manage its funds to balance Trustees' desire to maintain a high level of grant-making consistent with operating in the long term, which is defined as 30+ years. This aim provides the underlying basis for our investment objective, which is to achieve a real return of 3.5% pa (calculated as 3.5% + CPIH). Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support the Foundation's activities.

An Investment Committee of Trustees and representatives of the three Family Committees is delegated by the Trustees to work with the guidance of the Foundation's independent financial advisers, Stanhope Capital, to monitor performance, make operational investment decisions, review strategy and make recommendations to the Trustees. The Trustees retain responsibility for the strategic direction of the portfolio (e.g. the asset allocation model) and the overall investment policy.

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During the year, investments continued to be made in line with the Foundation's Socially Responsible Investment Policy, which was approved in 2019. The Investment Committee embarked on a process to better understand the ESG policies and practices of the managers and funds we are invested with. Portfolio changes over year –SFDR Classification.



Investment Performance

At the start of 2024, the portfolio stood at £23,514,943 and stood at £25,044,576 by the close of the year. Fees of £28,134 were paid to Charles Stanley to manage the Foundation's investments and assets and £45,600 was paid for financial advice from Stanhope Consulting. The income generated by the portfolio over the period was £598,336, broadly in line with Trustee expectations. Unrealised gains on investments at 31st December 2024 amounted to £1,450,954. At 15 July 2025 the investment valuation was £25,126,004.

The Trustees confirm the Fund's Custodians in the year were Charles Stanley. The Foundation's Financial Advisors were Stanhope Capital.

Income and Expenditure

The Foundation's income derives from its investment portfolio.

Total investment income of £598,336 (2023: £630,639) an increase reflecting the increase in interest rates in the UK.

We have three significant items of expenditure: the grants that we make, the costs of managing the investment portfolio and our running expenses (of which staff costs are the major component). Total expenditure this year was £144,018 (2023: £126,006). Trustees are mindful of the need to control running costs in order to maximise the amount available to spend on grants. We continue to monitor these closely. In addition grants were £309,840 (2023: £349,233), excluding the value of grants cancelled amounting to £3,000 (2023: £0).

The Foundation continues to share operational costs with the Wates Family Enterprise Trust. These costs are benchmarked with similar Trusts periodically for review.

Spending Policy

The Foundation manages its assets and expenditure for the long term – which we define as 30 plus years. This time horizon is reviewed every three years and will be reviewed again in 2025.

The financial strategy will manage the endowment for modest real growth, within a spending policy of 3% p.a. of its value, based on a rolling 3-year calculation, and drawing mostly on the income generated by the endowment rather than its capital. Whilst we adopt a total returns approach overall, the preference is to utilise investment income rather than to realise assets.

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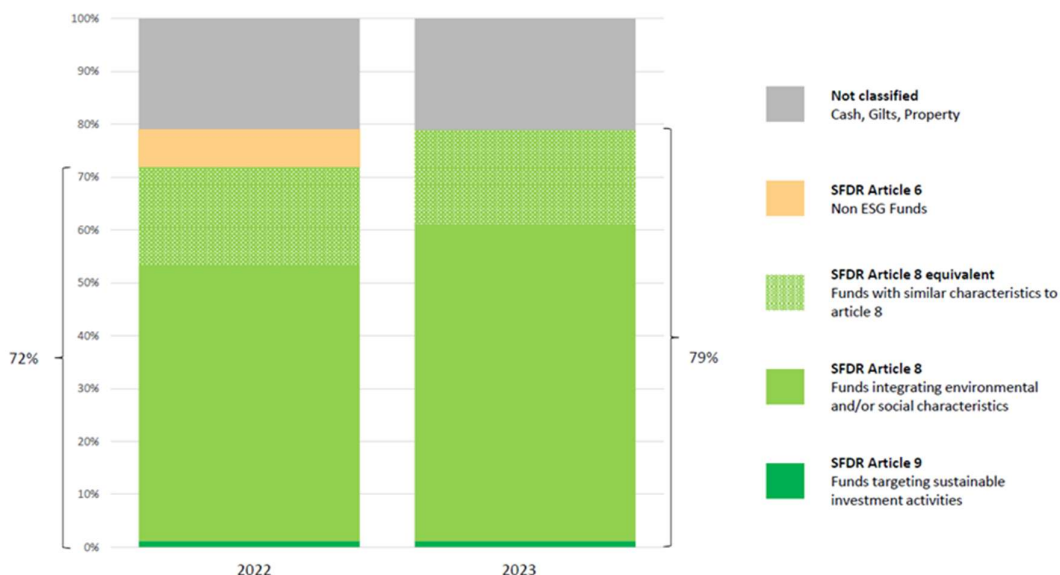
As a direct result of the impact of Covid-19 on the volatility of the market, the Trustees took the decision to reduce grant budgets for 2021 and this continued into 2024. This ensured the Foundation's grant making would fall within the anticipated reduced income from the portfolio. Budgets will be reviewed against key financial trigger points to ensure spend remains in line with projected income.

To reduce the risk of high forward commitments, the Trustees resolved that future years' commitments by Committee should not exceed 20% of the current year's budget. Where possible, committees are encouraged to award multi annual awards from the financial year the decision is made. This helps to reduce the risk of over committing into future budgets.

Reserves Policy

At 31st December 2024 reserves stood at £25,482,341 (2023: £23,912,043). For the Foundation, the reserves policy is inextricably linked with its spending policy. The Foundation adopts a total return approach to managing its investments. This means that actual income earned and received from the portfolio is supplemented, where needed, by drawdowns of capital. Given that all investments are unrestricted and therefore expendable, Trustees have sufficient flexibility to respond to unforeseen circumstances if necessary. It is not considered appropriate to identify a level of free reserves that needs to be maintained. Trustees are satisfied that this approach ensures the Foundation is a going concern.

Responsible Investment



Throughout 2024, the Investment Committee scrutinized the Foundation's investment portfolio. Specific ESG reporting is requested from Stanhope Capital on the Foundation's portfolio which has enabled some specific action to divest and find alternatives. This reflects the ambition to have a 'total impact' alongside a 'total return' approach.

- **SFDR** The last remaining Article 6 funds were sold during 2023. The portfolio now has 79% in Article 8 and 9 funds with the remaining exposure in non-classified property, gilts and cash.
- **Sin stocks** The portfolio now has no tobacco holdings and very limited exposure to controversial weapons and gambling through the i-Shares fund. The alcohol exposure has also fallen from 1.2% to 0.3% over 2024.
- **Fossil fuels** The portfolio has limited exposure to fossil fuels (<1%).
- **ESG risk** The ESG risk has remained steady through 2024 and is below that of the market and peer group.

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- **Carbon risk** The various carbon metrics have remained steady over 2024 and are significantly below that of the market and peer group. We now include Scope 3 in the carbon emissions analysis of the portfolio.
- **Impact** The portfolio has a reasonably high exposure to companies which contribute to SDGs 3 (good health and well-being) and 7 (affordable and clean energy). The portfolio also continues to score well in the impact metrics.
- **Ratings** All of the funds in the portfolio achieve at least a four-star Morningstar Sustainability rating and the majority are first quartile in their peer group.

Structure, Governance and Management

Trustees

The Wates Foundation Limited is a registered charity number 1202779 and a registered company number 1605766. As noted in last year's report it was intended to move the entire operation from the old charity The Wates Foundation established under a trust deed number 247941 and this transfer was concluded on 31st December 2024. In due course application will be made to the Charity Commission to remove the old charity from the register.

The Foundation is a grant-making charity run by Trustees and is wholly independent of the Wates Group of companies.

The Foundation shares a Secretariat that operates as the Wates Family Charities, with The Wates Family Enterprise Trust an incorporated registered charity no 1126007. The day-to-day-running of the Foundation is delegated by the Trustees to the Director and Secretariat of the Wates Family Charities.

For all legal and operational purposes, the Foundation and the Trust are totally separate and independent entities. However, costs are apportioned on a basis agreed between the Trustees of the two charities based on estimates of workload, currently 80% to the Trust and 20% to the Foundation. One new administration post was agreed in the year at a cost share of 50:50 with the Trust based on the specific duties of the role. These costs include rent for office space and other administrative services within premises occupied by a company owned by the Trustees of the Enterprise Trust. During the year, rent was charged proportionally between the Foundation and Trust at 100% of the passing rent. A Memorandum of Understanding sets out the relationship between the Wates Group (provider of office facilities and services), The Wates Family Enterprise Trust and the Wates Foundation. These three entities remain separate from each other but share and pay for resources as per the MoU.

In 2022, the trustees undertook a review of the Foundation's financial advisors and received presentations from several advisory services. Stanhope Capital was reappointed for 3 years, as a result of a clear, determined shortlisting process against the Foundation's investment policy.

Organisation/structure

An Investment Committee is drawn up from wider family members. The purpose of the Investment Committee is to maintain a detailed overview of the portfolio and its returns, whether held directly with the advice of professional financial advisors and/or through fund managers. The committee, subject to any other directions which the trustees may from time to time give, should deliver the agreed investment objectives of:

- At least maintaining the real value of the investment portfolio over the long term
- Generating a consistent and sustainable return to fund annual expenditure
- Delivering the objectives within an acceptable level of risk
- Ensuring investments are aligned with the Foundation's charitable mission

The investment policy, which is set by the trustees, sets out the investment objectives, risk tolerance, liquidity requirements, time horizon, asset allocation, socially responsible framework and operational arrangements for implementation, monitoring and reporting.

Risk Statement

The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years.

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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 Foundation in the short to middle term.

Risk: Severely reduced income

Key mitigating controls already in place:

- regular review and revision of portfolio performance and investment targets, policy and practice
- Revision to budgets in the event of significant falls in income, such as with Covid-19/Cost of Living Crisis
- Scheduled payments covered by Trustees' policy on reserves and on the limitation of future years' grant commitments to 20% of the current year's budget.
- Terms & Conditions limit liability on payments over more than one year
- Annual review and agreement of grant-making budgets based on rolling 3-year value of the endowment
- Budgets will be reviewed annually against key financial trigger points to ensure spend remains in line with projected income.

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
- Formal Gifts & Hospitality Policy
- Meeting declarations by attendees
- Media defensive statement policy
- Statement of themes and guidelines
- Due diligence by Wates Family Charities Secretariat
- Formal policies covering complaints, confidentiality and equal opportunities
- Comprehensive review of strategy in 2020 with wide and deep consultation of Family members

Further actions (controls not yet effective or to be implemented): Periodic independent review of deliverables against objectives, strategy, policies and governance.

Conflict of Interest

It is the Trustees' policy to encourage active involvement in the voluntary sector by their peers and the Wates Family generally. However, where a Trustee or a member of the Wates family serving on a Grants Committee has an interest in any capacity in an external body applying for funds from the Foundation, then that person is excluded from the final 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.

The Foundation maintains a register of the interests of members of the Wates Family and staff that take part in the Foundation's philanthropic activities. A list of awards, where related party interests occur, is in the Notes to the Accounts. The Trustees regularly review a register of gifts and hospitality offered and received in line with the formally adopted policy.

Conditional Liabilities

Since the inception of the Foundation, it has been the Trustees' policy and practice to make grants payable over a period of between one and three years dependant on; beneficiaries complying with the Terms & Conditions for which a grant is mad; satisfactory reporting on the progress of the activity and any relevant changes of circumstances by the beneficiary.

These Terms & Conditions are agreed in writing by the beneficiary organisation at the time of the grant award.

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The Trustees comply, on an annual basis, with SORP requirements on conditional liabilities by carrying out a review of the performance of current grants payable over more than one year, as a condition of releasing subsequent payments during the year.

The Trustees authorised the commitment of sums for accrued payments for the three following financial years subject to the Foundation's available income and annual reviews to assess the performance of grants. At 31 December 2024 provision of £17,833 is made in the accounts for accrued grant instalments, authorised for payment but falling in the next financial year and a further £2,833 for one grant payable 2026.

Remuneration Policy

The review of staff remuneration is conducted in December each year to set scales for the coming year. This is done as a joint exercise with the Wates Family Enterprise Trust with which the Foundation shares the Secretariat. The review takes into account the rate of inflation and benchmarks against scales of remuneration set by a small group of other grant-making trusts and foundations. Decisions arising from the review are agreed by the Chairman of the Foundation and Trust and conveyed to staff in writing.

Details of the remuneration received by the Foundation's highest paid member of staff are in the Notes to the Accounts as required. The stated amounts are in line with the agreed revised allocation of costs with the Wates Family Enterprise Trust.

In accordance with FRS 102 SORP, the Trustees have reviewed the Foundation'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.

Statement of responsibility of Board of Trustees

The Trustees 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 charity, including the incoming resources and the application of resources, including income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the 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 charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

So far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and

THE WATES FOUNDATION LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

- So far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Board on 17th July 2025 and signed on its behalf:

A handwritten signature in black ink, appearing to read 'Christian Brodie', written in a cursive style.

Christian Brodie, Chairman

Independent Auditor's Report to the Trustees of The Wates Foundation Limited

Opinion

We have audited the financial statements of The Wates Foundation Limited ('the company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flow 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 charity's affairs as at 31 December 2024 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 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 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees'

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report; or

- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 10-11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 charity 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 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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity 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 valuation of investments 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 investments, 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

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

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

Date: 13 August 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE WATES FOUNDATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds Total 2024 £	Total As restated 2023 £
Income and endowments from:			
Investments	2	598,336	630,639
Total		<u>598,336</u>	<u>630,639</u>
Expenditure on:			
Raising funds			
Investment management costs		28,134	26,698
Charitable activities			
Building social values		39,550	70,804
Community health		273,686	177,779
Safer communities		14,648	45,655
Education and employment		42,480	65,945
Environment		27,099	11,635
Strengthening the charitable and voluntary sectors		14,648	-
Life transitions		41,747	103,421
Less: rescinded grants		(3,000)	-
Total	3	<u>478,992</u>	<u>501,937</u>
Net expenditure before (losses) on investments		119,344	128,702
Net (losses)/gains on investments	7,8	<u>1,450,954</u>	<u>1,353,578</u>
Net (expenditure)/income		<u>1,570,298</u>	<u>1,482,280</u>
Net movement in funds		1,570,298	1,403,934
Total funds brought forward		23,912,043	22,429,763
Prior year adjustment	2	<u>-</u>	<u>78,346</u>
Total funds carried forward		<u><u>25,482,341</u></u>	<u><u>23,912,043</u></u>

All funds held in 2024 and 2023 are unrestricted.

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

The notes on pages 17 to 24 form part of these financial statements.

THE WATES FOUNDATION LIMITED
BALANCE SHEET COMPANY NUMBER 1605766
AS AT 31 DECEMBER 2024

	Notes	2024 £	2023 As restated £
FIXED ASSETS			
Investments	7	25,044,576	23,514,943
Programme related investments	8	401,789	342,900
Total fixed assets		25,446,365	23,857,843
CURRENT ASSETS			
Debtors	9	51,656	87,189
Cash at bank and in hand		33,564	28,562
Total current assets		85,220	115,751
Liabilities			
Creditors: Amounts falling due within one year	10	(46,411)	(61,551)
Net current liabilities		38,809	54,200
Total assets less current liabilities		25,485,174	23,912,043
Liabilities			
Creditors: Amounts falling due after more than one year	11	(2,833)	(-)
Total net assets		25,482,341	23,912,043
The funds of the charity:			
Unrestricted funds		25,482,341	23,912,043

The notes on pages 19 to 27 form part of these financial statements.

The accounts were approved by the Trustees on 17th July 2025

and signed on their behalf by:



.....
Christian Brodie
Chairman

THE WATES FOUNDATION LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	£	As restated £
Net cash used in operating activities	(455,766)	(516,323)
Cash flows from investing activities:		
Income from investments	598,336	552,293
Less scrip dividend	(14,010)	
Proceeds from disposal of investments	5,014,539	3,639,235
Purchase of investments	(4,965,767)	(3,545,508)
Net cash provided by investing activities	<u>177,332</u>	<u>129,697</u>
Change in cash and cash equivalents in the year	A 177,332	129,697
Cash and cash equivalents at the beginning of the year	<u>716,683</u>	<u>586,986</u>
Cash and cash equivalents at the end of the year	<u><u>894,015</u></u>	<u><u>716,683</u></u>
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024	2023
	£	£
Net movement in funds	1,570,298	1,403,934
Adjustments for:		
Decrease/(Increase) in debtors	35,533	(8,843)
(Decrease) in creditors	(12,307)	(5,543)
Dividends and interest	(598,336)	(552,293)
Loss/(Gain) on investments	(1,450,954)	(1,353,578)
Revaluation of foreign currency	-	-
Net cash used in operating activities	<u><u>(455,766)</u></u>	<u><u>(516,323)</u></u>

A ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2024 £	Cashflows £	At 31 December 2024 £
Cash at bank and in hand	28,562	5,002	33,564
Cash in investment portfolio	688,121	172,330	860,451
Total cash and cash equivalents	<u>716,683</u>	<u>177,332</u>	<u>894,015</u>

**THE WATES FOUNDATION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments.

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 charity constitutes a public benefit entity as defined by FRS 102.

General information

The Charity is a company limited by guarantee number 1605766 and a charity registered in England and Wales (charity number: 1202779). The Charity's registered office is Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW.

Basis of preparation of accounts/merger accounting

The Wates Foundation Limited is a company which was registered as a charity on 20 April 2023. Its objects are consistent with those of The Wates Foundation, unincorporated charity number 247941. As has been previously reported, the trustees of the unincorporated charity resolved to transfer the assets, liabilities and activities of the charity to The Wates Foundation Limited and this was effective 31 December 2024. The financial statements have been prepared under merger accounting as if the activities have always been undertaken by the charitable company. There has been no restatement to fair values as a result of the restructuring. Comparatives for the previous period reflect those reported under the unincorporated charity. Further details are set out in note 14.

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.

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Income Recognition

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure Recognition

Expenditure items are recognised in the period in which they are incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure consists of grants, support costs and governance costs, which are allocated to areas of activity in line with the level of direct costs for each area of activity.

Expenditure on raising funds relates to the costs of managing the investment portfolio.

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.

1. ACCOUNTING POLICIES (continued)

Allocation of support and governance costs and charitable activities

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.

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Pensions

The Wates Foundation operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Wates Foundation in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

Employee short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end rate of exchange. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date.

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.

THE WATES FOUNDATION LIMITED
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. INCOME	2024	2023 As restated
	£	£
Investment income from assets in the UK	598,336	630,639
A prior year adjustment has been processed of £78,346 in 2023 to recognise accruals of dividends declared but not paid at year end.	<u>598,336</u>	<u>630,639</u>

3a. ANALYSIS OF EXPENDITURE

	Grants £	Support Costs £	Governance Costs £	Total 2024 £	Total 2023 £
Grants to institutions:					
Building family values	27,000	11,807	743	39,550	70,804
Community health	186,840	81,705	5,141	273,686	177,779
Safer communities	10,000	4,373	275	14,648	45,655
Education and employment	29,000	12,682	798	42,480	65,945
Environment	18,500	8,090	509	27,099	11,635
Life transitions	28,500	12,463	784	41,747	103,421
Strengthening the voluntary sector	10,000	4,373	275	14,648	-
Less rescinded grants	(3,000)	-	-	(3,000)	-
Total expenditure	<u>306,840</u>	<u>135,493</u>	<u>8,525</u>	<u>450,858</u>	<u>475,239</u>
	Note 11	Note 3b	Note 3c		

Expenditure on raising funds

Investment management costs	28,134	26,698
	<u>478,992</u>	<u>501,937</u>

ANALYSIS OF EXPENDITURE (2023)

	Grants £	Support Costs £	Governance Costs £	Total 2023 £	Total 2022 £
Grants to institutions:					
Building family values	52,031	17,562	1,211	70,804	114,361
Community health	130,642	44,096	3,041	177,779	167,367
Safer communities	33,550	11,324	781	45,655	10,165
Education and employment	48,460	16,357	1,128	65,945	65,349
Environment	8,550	2,886	199	11,635	31,222
Life transitions	76,000	25,653	1,768	103,421	35,216
Total expenditure	<u>349,233</u>	<u>117,878</u>	<u>8,128</u>	<u>475,239</u>	<u>423,680</u>
	Note 11	Note 3b	Note 3c		

THE WATES FOUNDATION LIMITED
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3b. SUPPORT COSTS	2024	2023
	£	£
Staff costs	60,652	51,523
Other staff costs	2,990	2,939
Professional fees	49,125	45,745
Rent	4,000	4,000
Office expenses	17,380	12,134
Subscriptions	1,346	1,537
	<u>135,493</u>	<u>117,878</u>
3c. GOVERNANCE COSTS	2024	2023
	£	£
Audit and accountancy fees	8,490	8,080
Legal fees	35	48
	<u>8,525</u>	<u>8,128</u>
4. STAFF COSTS AND NUMBERS	2024	2023
	£	£
Salaries and wages	49,822	42,527
Social security costs	5,491	4,689
Pension costs	4,237	3,535
Staff benefits	1,102	772
	<u>60,652</u>	<u>51,523</u>

The Wates Foundation shares jointly a Secretariat with the Wates Family Enterprise Trust Limited. The above staff costs represent the Trust's 20% (2023: 20%) allocation of the Secretariat cost with one person allocated at the rate of 50%.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the period was £28,840 (2023: £28,127).

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

The following information on staff numbers and salaries relates to the Secretariat:

	2024	2023
	Number	Number
Staff numbers:		
Administration staff - Headcount	<u>4</u>	<u>4</u>
Employees whose emoluments amounted to over £60,000 in the year:	<u>-</u>	<u>-</u>
5. NET INCOME/(EXPENDITURE)	2024	2023
	£	£
Net income/(expenditure) is stated after charging:		
Auditors' remuneration – audit services	<u>8,490</u>	<u>8,080</u>

THE WATES FOUNDATION LIMITED
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

6. TAXATION

The charity is exempt from corporation tax on its charitable activities.

7. INVESTMENTS

	2024	2023
	£	£
Listed investments at valuation		
At 1 January	22,826,822	21,605,923
Additions	4,965,767	3,545,509
Disposals	(5,006,389)	(3,619,678)
Net (losses)/gains on investments	1,397,925	1,295,068
	<u>24,184,125</u>	<u>22,826,822</u>
Cash held as part of investment portfolio	860,451	688,121
	<u>25,044,576</u>	<u>23,514,943</u>
At 31 December	<u>25,044,576</u>	<u>23,514,943</u>
Historic cost at 31 December	<u>21,640,355</u>	<u>21,252,537</u>
Investments comprise:		
UK fixed interest investments	4,018,276	4,145,137
Shares listed on the London Stock Exchange	17,714,180	16,231,537
Alternative investments	2,451,669	2,450,148
Cash	860,451	688,121
	<u>25,044,576</u>	<u>23,514,943</u>

At 15 July 2025 the listed investment valuation was £25,126,004.

8. PROGRAMME RELATED INVESTMENTS

	2024	2023
	£	£
Ordinary shares in Charity Bank	401,789	342,900
	<u>401,789</u>	<u>342,900</u>

In 2020 Trustees took the decision to divest the Foundation of the CAF Venturesome Fund. The holding was fully written off at 31st December 2023. Repayments are being received as loans are repaid to CAF by the underlying social enterprises. During the year disposals amounted to £8,150 (2023: £10,714) which has been taken to gain on investments.

9. DEBTORS:

	2024	2023
	£	As restated
	£	£
Accrued income	51,636	87,189
	<u>51,636</u>	<u>87,189</u>

10. CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Grants payable due at the year end	17,833	37,000
Accruals	28,578	24,551
	<u>46,411</u>	<u>61,551</u>

THE WATES FOUNDATION LIMITED
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

CREDITORS: amounts falling after more than one year	2024	2023
	£	£
Grants payable due at the year end	2,833	-
	<u>2,833</u>	<u>-</u>

11. GRANTS PAYABLE

	2024	2023
	£	£
Accrued grants brought forward	37,000	35,000
Grants awarded in the year	309,840	349,233
Payments in the year	(326,174)	(347,233)
Total grants	<u>20,666</u>	<u>37,000</u>

The Trustees consider grants payable over more than one year. Further grant payments are subject to conditions within the control of the Foundation and the Foundation has discretion at all times to terminate the grant before payments are made. At 31 December 2024 the potential amounts payable are as follows:

	2024	2023
	£	£
Payable within one year	17,833	37,000
Payable between one and four years	2,833	-
	<u>20,666</u>	<u>37,000</u>

12. RELATED PARTY TRANSACTIONS

During the year, a grant of £0 (2023: £15,000) was made The Irene Taylor Trust of which Jonathan Adams is a trustee.

THE WATES FOUNDATION LIMITED
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

13. GRANTS AWARDED IN YEAR

Allan Wates Committee

Ark T	19,168
Autism Family Support	19,168
Dogs for Autism	19,168
Freewheelers	19,168
GoLive	15,000
The Door Charity	19,168
Total Allan Wates Committee	£110,840

Norman Wates Committee

Actors Touring Company	8,500
Asylum Welcome	8,500
Holly Lodge Centre	10,000
Katherine Low Settlement	8,500
Langford Cricket Club	8,500
Led by the Wild	8,500
Prout Bridge Project	8,500
St Mark's Hospital	10,000
SANDS	10,000
The Upper Room	8,500
Tom's Trust	8,500
Lily Mae Foundation	250
St Christopher's Hospice	250
Total Norman Wates Committee	£98,500

Ronald Wates Committee

Highfield School Centenary Bursaries	500
Switch Up	10,000
Warning zone	10,000
Onwards & Upwards	10,000
The Orchard Project	10,000
Street Doctors	10,000
Anstey Community Assoc	10,000
Debate Mate	10,000
Highground Projects	10,000
The Country Food Trust	10,000
Emmaus Transformation	10,000
Total Ronald Wates Committee	£100,500

14. Merger accounting

The transfer of assets from The Wates Foundation (charity number 247941) to The Wates Foundation Limited has taken place during the year concluding on 31 December 2024 with the transfer of the investment portfolio.

The income and expenditure in 2024 and 2023 represents pre-merger - the unincorporated charity. The balance sheet at 31 December 2023 represents the assets and liabilities of the unincorporated charity. The balance sheet at 31 December 2024 represents the assets and liabilities of The Wates Foundation Limited.