THE WATES FOUNDATION LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Registered charity number: 1202779

Company number: 01605766

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Charity Registration

Charity registered number: 1202779.
The business address of The Wates Foundation is Wates House, Station Approach, Leatherhead, Surrey KT22 7SW.

Company Registration of the Wates Foundation Ltd

Company number: 01605766
The registered office of The Wates Foundation Limited is Wates House, Station Approach, Leatherhead, Surrey KT22 7SW.

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

Lloyds Banking Group
Commercial servicing
Edinburgh
BX2 1LB

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

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Website: www.watesfoundation.org.uk

Statement from Chair

Across the charitable landscape, we continue to witness the profound strain placed on organisations serving communities in the face of rising demand and persistent cost-of-living pressures. Small and medium-sized charities—those most deeply rooted in local neighbourhoods—report that financial instability is pushing some toward closure or administration, even as need grows. These realities highlight how essential flexible, core-cost funding remains, particularly as it is still the hardest form of support for charities to secure.

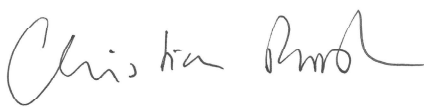
Our grant making continues to reflect where the most acute pressures fall. Community Health has consistently accounted for almost 40% of our grants, a trend seen throughout both the 2024 and 2025 financial years. The ongoing social and economic effects of the pandemic are still shaping the lives of families and individuals, and our funding responds to this complexity with flexibility and trust—qualities at the heart of our approach.

A distinctive strength of the Wates Foundation lies in our multigenerational family involvement. Over 100 active family members contribute to governance and grant making each year, bringing continuity of purpose alongside fresh insight. Recent years have seen younger members help redefine our strategic direction, including revisions to our vision and mission and the development of new thematic priorities, particularly around the environment. This collective stewardship reinforces our commitment to philanthropy that evolves thoughtfully while remaining grounded in shared values.

Our responsibilities stretch beyond grants alone. Work on responsible investment has accelerated, with the Foundation assessing the environmental, social and governance dimensions of its portfolio and taking steps to disinvest from holdings that do not reflect our principles. We are increasingly focused on how our assets can maximise social impact—not only through the funds distributed annually, but also through the way capital is invested for the long term. This shift broadens our understanding of what family philanthropy can achieve: deploying every part of the Foundation's resources to advance the wellbeing of communities.

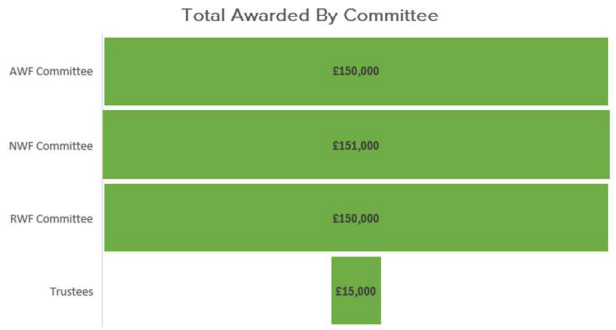
We remain committed to a relational and adaptive model of philanthropy, one that prioritises genuine partnership and reduces administrative burden. Our processes continue to evolve so that grantees can focus more of their energy on serving their communities rather than navigating unnecessary reporting requirements.

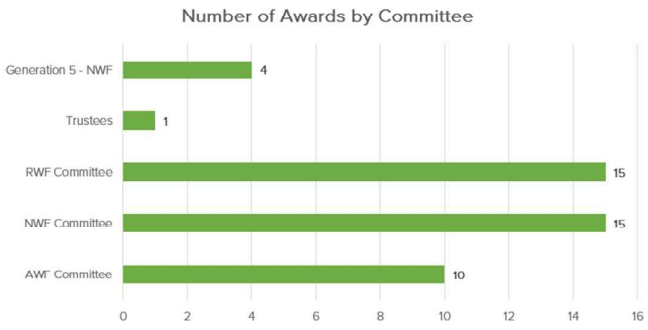
Despite the many pressures facing the sector, the determination and creativity of the organisations we support continue to inspire us. As trustees, we look ahead with optimism and responsibility—committed to strengthening the resilience of communities and to stewarding the Foundation's philanthropic and financial assets with care, integrity and ambition.

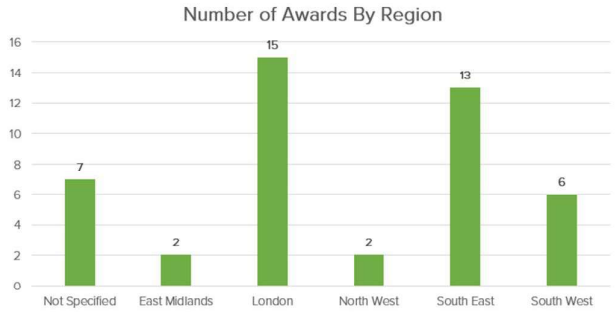


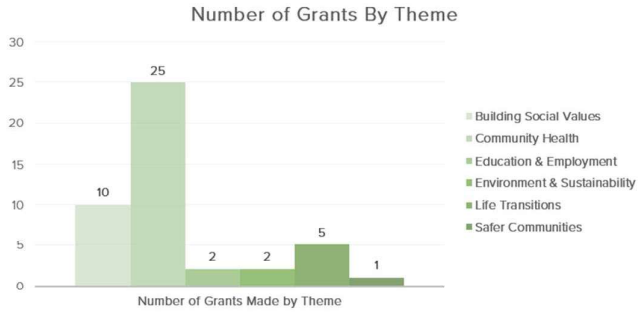
Christian Brodie, Chair, Wates Foundation

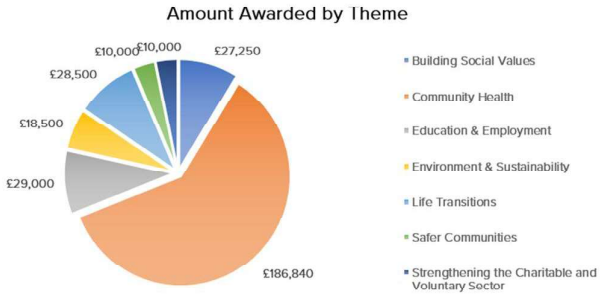
Our Year in Numbers

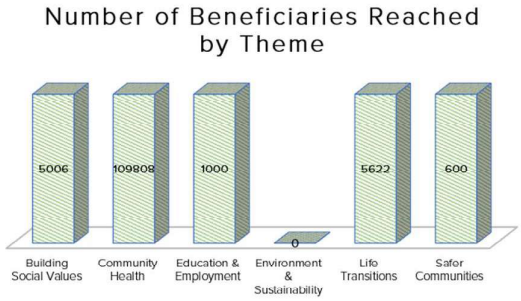


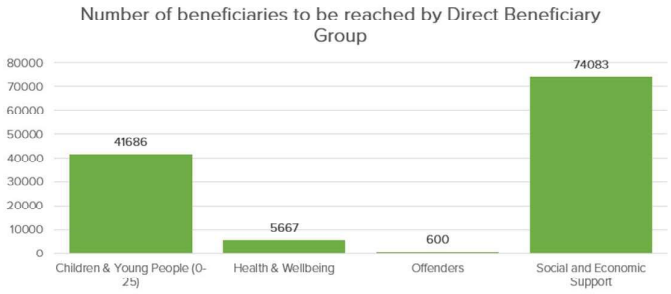


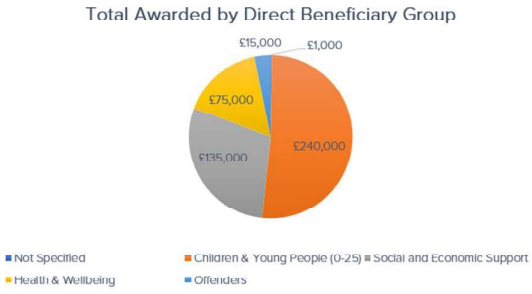












Themes

2025 was the first year of a new five year strategy which involved significant consultation with over 100 family members before presenting to the trustees for final approval. Family committee budgets were

increased to pre covid levels of £150,000 per family branch (AWF, NWF, RWF). A core priority remains engagement of the next generation into the governance and philanthropy of the foundation. Recognition of the 60th anniversary of the Foundation will be marked in 2026 through a number of media assets and an all-family celebration. The Foundation's Socially Responsible Investment Policy is due for review with a desire to become more proactive in impact investing through a portion of the portfolio. Finally, during this strategic period, the trustees will continue to explore how to balance a growing body of family members eager to give meaningful grants against the desire to grow and maintain the Foundation's portfolio for generations ahead.

In the year, family members sponsored 41 full applications (27: 2024) 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.

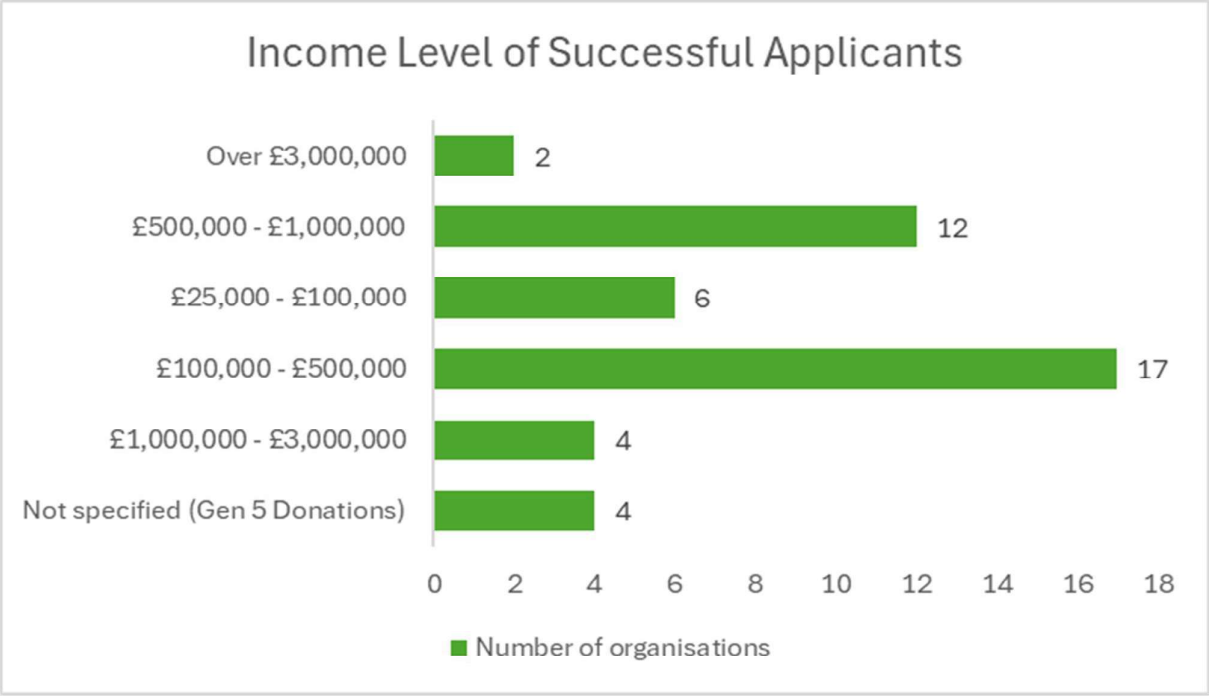
- ***Life Transitions*** - Preparing people for key transitions to facilitate informed and accessible changes in life circumstances: addressing failure to deal adequately with key transitions, leading to negative outcomes in the short term and potentially in later life; promoting personal resilience, 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 2025.



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.

Family Engagement

In the year, members from the fifth-generation proposed applications for funding. RWF received 5 (2024: 6), AWF 2 (2024: 1) and NWF received 5 nominations (2024: 3).
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 2025, as a result of targeted support to family members, there were four donations made from Generation 6 – children of NWF Gen 5.

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

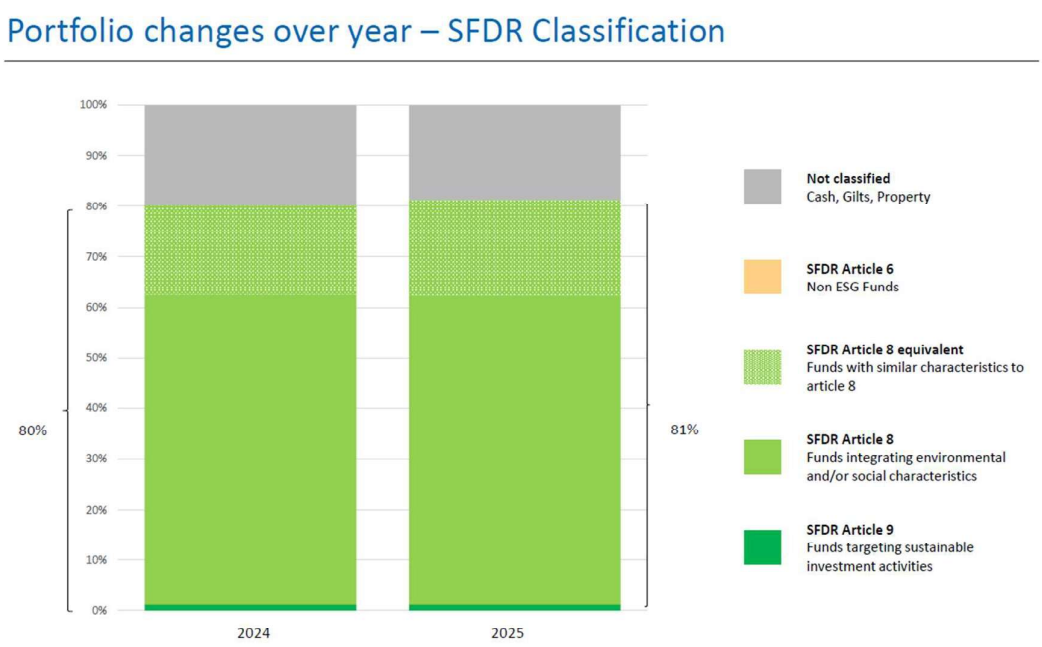
The Wates Foundation's investment aim is to manage its funds to balance Trustees' desire to maintain a high level of grant-making consistent with operating in the long term, which is defined as 30+ years. This aim provides the underlying basis for our investment objective, which is to achieve a real 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.

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.

At the end of December 2025, 81% of the portfolio was in Article 8 or 9 funds or ones which would meet the SFDR requirements and the remaining 19% was in UK government bonds, property and cash which are not rated. There are no holdings in Article 6 funds.

Portfolio changes over year –SFDR Classification



Investment Performance

At the end of December 2025, the total value of the Foundation's investment portfolio was £27,262,575. Fees of £24,225 were paid to Charles Stanley to manage the Foundation's investments and assets and £46,773 was paid for financial advice from Stanhope Consulting. The income generated by the portfolio over the period was £585,593, broadly in line with Trustee expectations.

Unrealised gains on investments at 31st December 2025 amounted to £1,833,985. Over the year (2025), the portfolio has returned 8% as a result of positive returns from equity, property and corporate bond markets over the period whilst applying a strong ESG lens to the portfolio.

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

Detailed charges

Manager	% of Total	% Fee
BNY Mellon Resp Global Income	19.7	0.75
CT Responsible Global Equity	13.2	0.75
iShares Dev World ESG Screened	24.2	0.30
iShares MSCI Europe Screened ETF	1.0	0.12
iShares MSCI EM Screened ETF	4.6	0.18
Wellington Global Impact	1.2	0.65
iShares Core UK Gilts ETF	9.7	0.20
Rathbone Ethical Bond	5.4	0.52
Royal London Ethical Bond	3.4	0.40
Troy Trojan Ethical Fund	6.0	0.75
Charities Property Fund	6.8	0.54
Property Income Trust for Charities	2.8	0.64
Cash	2.1	0.00
Total fund fees	**100**	**0.50**
Stanhope fee		0.15
Custody fee		0.10
Total fee --		**0.74**

Income and Expenditure

The Foundation's income derives from its investment portfolio.
Total investment income of £583,593 (2024: £598,336) represents a decrease reflecting the reduction 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 £167,160 (2024: £135,493). 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 £466,000 (2024: £309,840), excluding the value of grants cancelled amounting to £3,141 (2024: £3,000).

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. The trustees will review the Foundation's Socially Responsible Investment Policy in 2026.

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.

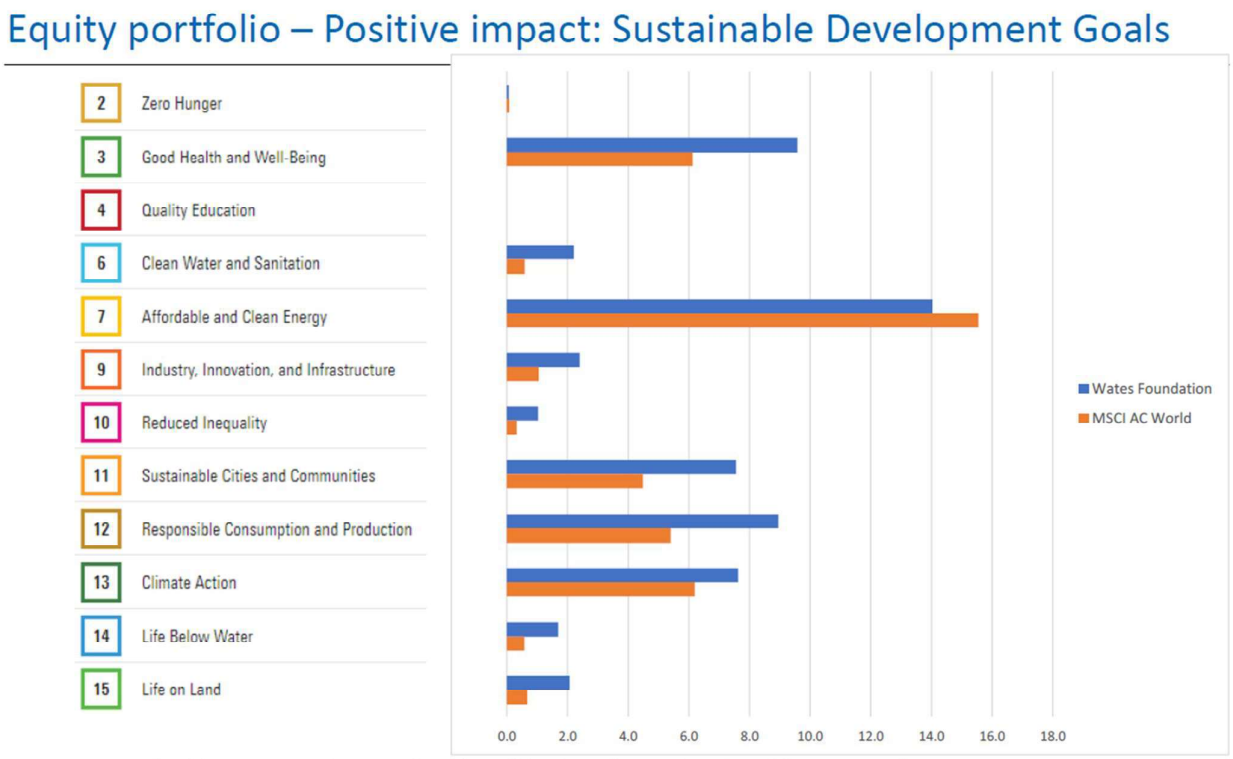
To reduce the risk of high forward commitments, the Trustees resolved that future years' commitments by Committee should not exceed 20% of the current year's budget. Where possible, committees are encouraged to award multi-year-old annual awards from the financial year the decision is made. This helps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

Reserves Policy

At 31st December 2025, reserves stood at £27,246,447 (2024: £25,482,341). 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 2025, 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. The table below demonstrates the current equities held in the portfolio against the UN's SDGs. At present, the trustees do not prefer any focus on one SDG over another but maintain a general view of the portfolio against SDG ambitions.



Note: Percentage of portfolio in companies with revenues of more than 10% directly contributing to the UN SDGs; definitions in Appendix; source Morningstar

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.
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, Grants officer, which is solely attributed to the Foundation. This was undertaken as the shared post of Grants Administrator (50:50) was moved out of the Foundation. Shared administration costs, with Wates Family Enterprise Trust, 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.

The Directors of the Wates Foundation Limited who also served as Trustees of the Wates Foundation during the year 2025 were:

Mr Christian Brodie (Chairman)
Mrs Nichola Adams (retired June 2025)
Mrs Victoria Tanner (retired June 2025)
Mr Luke Wates (retired June 2025)
Mr Jonathan Wates
Mr Alexander Heynes
Mrs Clare Price (June 2025)
Mrs Emily King (June 2025)
Mr Hugo Brodie (June 2025)

All are direct descendants of the Foundation's Founders.

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. In the year 2025, the Foundation's Finance Manger retired and it was agreed by trustees that continuity in Financial Advisors would be important at this time of change, therefore, their contract will continue for at least another year into 2025/26.

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.

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. A change in staffing structure address issues of risk around succession and staff capacity.

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.

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 2025 provision of £74,833 is made in the accounts for accrued grant instalments, authorised for payment but falling in the next financial year.

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 (who are also the Directors of the Wates Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 Wates Foundation and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Wates Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Wates Foundation's transactions and disclose with reasonable accuracy at any time

the financial position of the Wates Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Wates Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees and directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Wates Foundation has taken advantage of the exemptions available to small companies in presenting these financial statements.

Approved by the Board on 4th August 2026 and signed on its behalf:

Christian Brodie, Chairman

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

Opinion

We have audited the financial statements of The Wates Foundation Limited for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), and [local] tax regulations. 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 necessary to the charitable company's ability to operate or to avoid a material penalty. 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 also considered the opportunities and incentives that may exist within the charitable company for fraud. 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 governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Blundell LLB FCA FCIE DChA

(Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP, Statutory Auditor

Round Greens Road, Oldbury, West Midlands B69 2DG

Date: 5 September 2026

	Notes	Unrestricted Funds Total 2025 £	Total 2024 £
Income and endowments from:			
Investments	2	584,366	598,336
Total		584,366	598,336
Expenditure on:			
Raising funds			
Investment management costs		24,225	28,134
Charitable activities			
Building social values		135,871	39,550
Community health		361,078	273,686
Safer communities		20,381	14,648
Education and employment		20,381	42,480
Environment		13,927	27,099
Strengthening the charitable and voluntary sectors		-	14,648
Life transitions		81,523	41,747
Less: rescinded grants		(3,141)	(3,000)
Total	3	630,019	478,992
Net expenditure before (losses) on investments		(69,878)	119,344
Net (losses)/gains on investments	7,8	1,833,985	1,450,954
Net (expenditure)/income		1,764,106	1,570,298
Net movement in funds		1,764,106	1,570,298
Total funds brought forward		25,482,341	23,912,043
Total funds carried forward		27,246,447	25,482,341

All funds held in 2025 and 2024 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 18 to 24 form part of these financial statements.

	Notes	2025 £	2024 £
FIXED ASSETS			
Investments	7	26,845,213	25,044,576
Programme related investments	8	417,362	401,789
Total fixed assets		27,262,575	25,446,365
CURRENT ASSETS			
Debtors		43,889	51,656
Cash at bank and in hand		50,636	33,564
Total current assets		94,525	85,220
Liabilities			
Creditors: Amounts falling due within one year	10	(110,653)	(46,411)
Net current liabilities		(16,127)	38,809
Total assets less current liabilities		27,246,447	25,485,174
Liabilities			
Creditors: Amounts falling due after more than one year	10	-	(2,833)
Total net assets		27,246,447	25,482,341
The funds of the charity:			
Unrestricted funds		27,246,447	25,482,341

The notes on pages 17 to 23 form part of these financial statements.

The accounts were approved by the Trustees on 4th August 2026

and signed on their behalf by:

Christian Brodie
Chairman.....

THE WATES FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2024 £
Net cash used in operating activities	(584,316))	(455,766)
Cash flows from investing activities:		
Income from investments	584,366	598,336
Less scrip dividend		(14,010)
Proceeds from disposal of investments	6,921,896	5,014,539
Purchase of investments	(7,229,741)	(4,965,767)
Net cash provided by investing activities	(307,795)	177,332
Change in cash and cash equivalents in the year	(307,795)	177,332
Cash and cash equivalents at the beginning of the year	894,015	716,683
Cash and cash equivalents at the end of the year	586,220	894,015

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	**2025 £**	**2024 £**
Net movement in funds	1,764,106	1,570,298
Adjustments for:		
Decrease/(Increase) in debtors	7,767	35,533
(Decrease) in creditors	61,408	(12,307)
Dividends and interest	(584,366)	(598,336)
Loss/(Gain) on investments	(1,833,231)	(1,450,954)
Revaluation of foreign currency	-	-
Net cash used in operating activities	(584,316)	(455,766)

ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 January 2025 £	**Cashflows £**	**At 31 December 2025 £**
Cash at bank and in hand	33,564	17,072	50,636
Cash in investment portfolio	860,451	(324,867)	535,584
Total cash and cash equivalents	894,015	(307,795)	586,220

1. ACCOUNTING POLICIES

Statement of compliance
The financial statements have been prepared under the historical cost convention, as modified by the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006."
The charity constitutes a public benefit entity as defined by FRS 102.

General information
The Charity is a company limited by guarantee, number 01605766 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.

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.

2. INCOME

	Notes	Unrestricted Funds Total 2025 £	Total 2024 £
Income and endowments from Investments:			
	2	584,366	625,026
Total		584,366	625,026

3a ANALYSIS OF EXPENDITURE

	Grants £	Support Costs £	Governance Costs £	Total 2025 £	Total 2024 £
Grants to institutions:					
Building Social values	90,000	30,546	1,738	122,284	39,550
Community health	265,750	90,195	5,132	361,077	273,686
Safer communities	25,000	8,485	483	33,968	14,648
Education and employment	15,000	5,091	290	20,381	42,480
Environment	10,250	3,479	198	13,927	27,099
Life transitions	60,000	20,364	1,159	81,523	41,747
Strengthen Voluntary Sect	-	-	-	-	14,648
Less rescinded grants	-3,141	-	-	-3,141	-3,000
Total expenditure	462,859	158,160	9,000	630,019	450,858
	Note 11	Note 3b	Note 3c		
Expenditure on raising funds Investment management costs				24,225	28,134
				654,244	478,992

Prior Year

	Grants	Support Costs	Governance Costs	2024
Grants to institutions:				
Building Social values	27,000	11,807	743	39,550
Community health	186,840	81,705	5,141	273,686
Safer communities	10,000	4,373	275	14,648
Education and employment	29,000	12,682	798	42,480
Environment	18,500	8,090	509	27,099
Life transitions	28,500	12,463	784	41,747
Strengthening the Voluntary Sector	10,000		275	14,648
Less rescinded grants	-3,000			-3,000
Total expenditure	306,840	135,493	8,525	450,858

3b. SUPPORT COSTS

	2025 £	2024 £
Staff costs	75,058	60,652
Other staff costs	2,654	2,990
Professional fees	60,572	49,125
Rent	4,000	4,000
Office expenses	14,353	17,380
Subscriptions	1,476	1,346
	158,112	135,493

3c. GOVERNANCE COSTS

	2025 £	2024 £
Audit and accountancy fees	9,000	8,490
Legal fees	47	35
	9,047	8,525

4. STAFF COSTS AND NUMBERS

	2025 £	2024 £
Salaries and wages	58,925	49,822
Social security costs	6,560	5,491
Pension costs	4,612	4,237
Staff benefits	4,961	1,102
	75,058	60,652

The Wates Foundation shares jointly a Secretariat with the Wates Family Enterprise Trust Limited. The above staff costs represent the Trust's 20% (2024: 20%) 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 period was £29,506 (2024: £28,840).

£nil remuneration or expenses were paid to the Trustees (2024: £Nil).

The following information on staff numbers and salaries relates to the Secretariat, across six posts during the 12 month period:

	2025 Number	2024 Number
Staff numbers:		
Administration staff - Headcount	6	4
Employees whose emoluments amounted to over £60,000 in the year:	-	-

5. NET INCOME/(EXPENDITURE)

	2025 £	2024 £
Net income/(expenditure) is stated after charging:		
Auditors' remuneration – audit services	9,000	8,490

6. TAXATION

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

7. INVESTMENTS

	2025 £	2024 £
Listed investments at valuation		
At 1 January	24,184,125	22,826,822
Additions	7,229,741	4,965,767
Disposals	(6,921,895)	(5,006,389)
Net (losses)/gains on investments	1,817,658	1,397,925
	26,309,629	24,184,125
Cash held as part of investment portfolio	535,584	860,451
At 31 December	26,845,213	25,044,576
Historic cost at 31 December	22,259,080	21,640,355
Investments comprise:		
UK fixed interest investments	4,420,474	4,018,276
Shares listed on the London Stock Exchange	19,402,233	17,714,180
Alternative investments	2,486,922	2,451,669
Cash	535,584	860,451
	26,845,213	25,044,576

8. PROGRAMME RELATED INVESTMENTS	2025	2024
	£	£
Ordinary shares in Charity Bank	417,362	401,789
	417,362	401,789

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 £754 (2024: £8,150) which has been taken to gain on investments.

9. DEBTORS:	2025	2024
	£	£
Accrued Income	43,889	51,636
	43,889	51,636

10. CREDITORS: amounts falling due within one year	2025	2024
	£	£
Grants payable due at the year end	74,833	17,833
Accruals	35,820	28,578
	110,653	46,411

CREDITORS: amounts falling after more than one year	2025	2024
	£	£
Grants payable due at the year end	-	2,833

11. GRANTS PAYABLE	2025	2024
	£	£
Accrued grants brought forward	20,666	37,000
Grants awarded in the year	466,000	309,840
Payments in the year	(411,833)	(326,174)
Total grants	74,833	20,666

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 2025 the potential amounts payable are as follows:

	2025 £	2024 £
Payable within one year	74,833	17,833
Payable between one and four years	-	2,833
	74,833	20,666

12. RELATED PARTY TRANSACTIONS

During the year a grant of £10,000 (2024: £Nil) was awarded to United Communities, of which Christian Brodie is a Director.

13. GRANTS AWARDED IN YEAR

Allan Wates Committee	
Dogs for Autism	15000
Irene Taylor Trust	15000
GASP Motor	15000
Move More	15000
Shop & Drop	15000
Strength & Learning through Horses	15000
Tetbury Are Youth	15000
Noah's Ark Children's Venture	15000
Woodland Centre Trust	15000
Shelter from the Storm	15000
Total Allan Wates Committee	**150000**
Norman Wates Committee	
Open Door	250
Bromley Brighter Beginnings	500
The Swan Sanctuary	250
Agnes Smith Advice Centre (Blackbird Leys NSS)	10000
Create Arts	10000
Different Planet Arts	10000
Friends of Cathja	10000
Furnishing Futures	10000
Jasmin Vardimon	10000
Kids Kitchen	10000
One World Orchestra	10000
Skylarks	10000
United Communities	10000
Support Through Court	10000
The Bob Champion Cancer Trust	10000
The Prout BridgeTrust	10000
LAMDA	10000
Walbrook Rowing Club	10000
Total Norman Wates Committee	**151000**
Ronald Wates Committee	
British Eventing Support Trust	10000
Crawley Open House	10000
Dementia Support	10000
Kids Matter	10000
Leicester Rape Crisis Limited	10000
MADMAC	10000
Northern Roots (Oldham) Ltd	10000
Portsmouth Downs Syndrome Association	10000
StreetDoctors	10000
The Carers Centre	10000
The Farming Community Network	10000
The King's Arms Youth Project	10000
The Mowlem Institute	10000
Together Our Community	10000
Khady's Dream	10000
Total Ronald Wates Committee	**150000**
Trustee awards	
Trevi Women	15000
TOTAL GRANTS	**466000**