

**THE WATES FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

Registered charity number: 247941

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**THE WATES FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2016**

Company Registration

Company number: 1605766. The registered office of The Wates Foundation Limited is Wates House, Station Approach, LEATHERHEAD, Surrey KT22 7SW. The Company Secretary is Mr Brian Wheelwright.

Charity Registration

Charity registered number: 247941. The business address of The Wates Foundation is Wates House, Station Approach, LEATHERHEAD, Surrey KT22 7SW. The Director is Mr Brian Wheelwright.

Investment Managers

Morgan Stanley & Co International plc
25 Cabot Square
Canary Wharf
London
E14 4QA

Aberdeen Asset Management
Bow Bells House
1 Bread Street
London
EC4M 9HH

Morgan Stanley and Aberdeen Asset Management are authorised and regulated by the Financial Services Authority.

Financial Advisers

Stanhope Capital
35 Portman Square
LONDON W1H 6LR

Stanhope Capital is regulated by the Financial Services Authority.

Bankers

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

Auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Memberships

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

Contact Information

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**THE WATES FOUNDATION
TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

Introduction

The Trustees who are also the Directors of the corporate trustee have pleasure in presenting their Report together with the financial statements of The Wates Foundation charity for the year ended 31 March 2016.

Reference and administrative information set out on page 1 forms part of this Report. The financial statements comply with current statutory requirements, the Trust Deed, applicable law and *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) 2015*.

Structure, Governance & Management

The Wates Foundation is an unincorporated registered charity no 247941. It is managed by a corporate trustee which is The Wates Foundation Limited, registered company no 1605766. The Foundation is a grant-making charity run by Trustees and is independent of the Wates Group of companies.

The Foundation shares a Secretariat that operates as 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 of the Foundation.

For all legal and operational purposes, the Foundation and the Trust are totally separate and independent entities. However, costs are apportioned on an agreed basis between the two charities. These include rent for office space located 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.

Directors of the Trustee Company

The Articles of Association of the Trust provide for the recruitment of new Directors of the Trustee Company, who also serve as Trustees of The Wates Foundation, only from the families of the natural heirs to the Founders of the charity. The Directors affirm that the numbers of those eligible for election is sufficiently large to provide diversity of interest, ability and experience in fulfilling duties as Trustees of The Wates Foundation.

The Annual General Meeting (AGM) of the Trustee is held in June or July each year. Directors retire and are elected at the AGM under the terms of the company's Articles of Association.

In addition to the Annual General Meeting of the Trustee Company, the Directors, constituted as the Trustees of the Foundation, meet at least three times in each financial year generally in July, November and March to set and review the strategies and policies under which the Foundation operates and to make new grant awards.

The Directors have adopted a Job Description that sets out their duties and responsibilities as Trustees. An additional Job Description has been adopted for the post of Chairman of the Boards of Directors and Trustees. Terms of Reference have been adopted for a Finance Committee. The Directors have resolved to undertake a formal evaluation of their performance as Trustees at least every two years.

Other than the Directors and other members of the Wates Family, who all give their time freely both for meetings and for visits, the Foundation has no dependence on volunteers, donated facilities, donated services, other donations in kind or other intangibles.

**THE WATES FOUNDATION
TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Directors & Trustees

The Directors of The Wates Foundation Limited who also served as Trustees of the Wates Foundation during the year 2015-2016 were:

Mr Andy Wates (Chairman)
Mr William Wates
Mrs Claire Spotswood-Brown
Mr Jonathan Heynes
Mr Christopher Wates
Mr Neil Wates

All are direct descendants of the Foundation's Founders.

- Mr William Wates will retire as a Trustee at the 2016 AGM and cannot be re-elected for three years. He will be succeeded by Mr Nick Edwards.
- Mrs Spotswood-Brown must retire as director/trustee at the 2016 AGM, but can be re-elected for a further three years.

Committee Structure

In addition to the Trustee Board and Finance Committee, the Foundation has a structure of three grants committees representing the Norman Wates, Ronald Wates and Allan Wates branches of the Family. Membership of the Family committees is drawn from a broad representation of the younger generations of the Wates Family. Each Family Committee includes the two elected Family branch trustees, has an elected chairman and agreed governance procedures and grant making guidelines. These arrangements are endorsed annually by the Trustees.

The Trustees delegate powers to these Committees to make new awards within an agreed allocation of annual spend. The Trustees also delegate powers to make small awards to the Committees' chairmen, with oversight and endorsement of decisions by the respective Committees' members. Minutes of Family Grants Committees are circulated for information to the chairmen of the other Committees.

An Investment Committee of Trustees and representatives of the three Family Committees is delegated by the Trustees, to work with the Foundation's independent finance advisers and investment managers to monitor performance, review strategy and make recommendations to the Trustees. The Committee's chairman is elected by its members and the appointment is endorsed by the Trustees. By agreement, the chairman is a person other than the Chairman of Trustees.

Related Interests

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 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 business 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.

Training & Development

The Foundation's Trustees have identified training and development as a key area within the Foundation's Strategic Plan. Their objective is to ensure that members of the Wates Family associated with the work of the charity and the Foundation's staff have the relevant skills, competences, knowledge and understanding that they need to deliver the Foundation's mission effectively. The long term aim is to sustain and improve the overall performance of the Foundation and its grant making.

Structure, Governance & Management (continued)

Training & Development (continued)

The Trustees have adopted five objectives that classify training and development activity in which the Foundation engages. These cover formal training, learning experiences and knowledge development that contribute to or impact on the ability of the Foundation to deliver its mission and related objectives. The objectives are: **Social and Public Policy & Practice; Programme Areas; Governance; Finance;** and **Philanthropy**. Activity in support of these objectives is reviewed at each meeting of the Trustees during the year.

Funds for training are earmarked annually. The cost of training and subscriptions to sector-related organisations and publications for Trustees and staff this year was £3,121 (£4,436 in 2014-2015 and £2,229 in 2013 -2014). This figure includes £1,838 in fees, but takes no account of a substantial amount of training at nil cost. These costs arise from training for new trustees and Grants Committee members.

New Trustees are inducted by gaining experience as members of the Foundation's Grants Committees, taking part in the grant assessment process and related visits, and in a programme of visits to relevant organisations and institutions. New Trustees also undertake formal training conducted by bodies such as the Association of Charitable Foundations.

Object of the Foundation for the public benefit

Under the Trust Deed, the charitable purposes or activities for which the Trust Fund and any income that derives from it may be disbursed are those that the Trustees may decide at their discretion for the public benefit. The general charitable purposes, aims and policies of The Trust, including consideration of grant making, investments, policies and performance relating to social finance, reserves, staff remuneration and risk management are reviewed regularly by the Trustees.

In practice, since its inception in 1966, the Foundation's strategic objective and purpose has been to promote beneficial change through a philanthropic ethos summarised in the following statements:

Vision

The Wates Family and Trustees of The Wates Foundation believe that the quality of life in society can be improved for the public benefit by informed and independent intervention to alleviate distress, deprivation and social exclusion.

Mission

To harness the generosity of the Founders to the enthusiasm and knowledge of the Wates family and present Trustees to improve for the public benefit the quality of life of the deprived, disadvantaged and excluded in the community in which we live.

The Trustees seek to accomplish the Mission by making financial awards and other support to those activities with outcomes that have the potential to impact on society for the public benefit. The Trustees review the Foundation's aims and objectives annually, devising new programmes and setting their grant making policies as required, referring to the guidance contained in the Charity Commission's general guidance on public benefit and complied with their duty under the Charities Act 2011.

Themes and Objectives 2015-2018

As a consequence of the strategic review in November 2014, the Trustees formally adopted a pro-active grant making policy for the three-year period to March 2018. Applications to the Foundation's three Family Grants Committees are by invitation only and from April 2015 are only accepted if made on-line.

Themes and Objectives 2015-2018 (continued)

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 beneficiaries with the Foundation. This invitation does not amount to a commitment to fund as decision-making remains with the Family Committees under delegated authority from the Trustees.

The Trustees have reaffirmed the Foundation's thematic approach to addressing social disadvantage. Themes for 2015-2018 are:

- **Building Social Values** - broad category covering 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.

Guidelines

At their meetings in 2015 Family Committees reached a general consensus that the move to pro-active grant making had had some unintended consequences. In sum, there was an apparent contradiction between Family members being able to sponsor bids in support of particular organisations or purposes and exclusions recommended in the Foundation's guidelines; these had been revised following the Strategy Review in 2014.

In November 2015 the Foundation's Trustees endorsed amended guidelines in the version below as policy.

The guidelines are used by Family Committees as a structured framework against which decisions to make awards may be tested. The emphasis, however, remains on these being guidelines and not hard and fast rules. Consequently, they may be interpreted and applied by Committees in the light of the circumstances of each application, on a case-by-case basis. Committees are also in general agreement that a significant hallmark of bids that are in conflict with the guidelines should be evidence of personal engagement by the sponsor.

These are the Foundation's exclusions:

- *Work that is not legally charitable – Charities Acts 2006 and 2011.*
- *Political parties, political lobbying or campaigning.*
- *Churches, other religious organisations, community or charitable organisations, where an award will be used for promoting religion generally, or for a specific faith. This does not exclude awards to any such organisations where the purpose is for the benefit of the public (health; poverty; education; social behaviour; young people; the elderly; etc).*

Themes and Objectives 2015-2018 (continued)

Guidelines (continued)

- *Individuals for any purpose.*
- *Statutory bodies including local authorities and their agencies, including replacing cuts in funding by statutory bodies.*
- *Other grant-making bodies except through partnerships.*
- *Organisations whose total income exceeds **£3m**, except in special circumstances.*
- *Capital projects. Generally recognised as new construction work involving buildings, projects can often include minor or “light” works such as renovations costing from a few thousand to a few tens of thousands of pounds. It can also include equipment purchases, which again can be inexpensive in nature. This guideline is now split into “major” capital works, which will not be supported, and “light” capital works. Support to the latter (including equipment purchases) is acceptable up to a total budget threshold of £30,000.*
- *General appeals and special pleading fundraising.*
- *Continuation funding or new bids on behalf of organisations currently in receipt of a Foundation Committee award. New bids from existing Foundation beneficiaries are subject to a 24-months break between awards, from the end of the previous funded period.*

Monitoring & Evaluation

The relevance, potential impact of outcomes and public benefit that a grant applicant proposes to achieve with the help of a Foundation grant are assessed against the Foundation’s stated objectives. The monitoring and evaluation of outcomes remains the responsibility of the applicant.

The Trustees seek to encourage successful applicants to embrace best practice in monitoring and evaluation by encouraging the use of proven models such as PQASSO and accreditation to standards set by national and expert organisations.

Achievements in the year

2015-2016 was the first year of the Trustees’ new three-year strategy employing a wholly pro-active model of grant-making, whilst seeking to strengthen the Foundation’s core capital.

The Foundation’s three Family Grants Committees met on various occasions in the year. Including awards made by the Trustees, the Foundation made 44 awards valued at £426,843; (2014-2015 42 awards £296,604; 2013-2014 37 new awards £479,722; and 2012-2013 40 awards £497,384).

A full list of new awards is covered in the Review of Awards later in this Report.

Future Plans

It is the Trustees’ intention to continue grant-making at the current level of about £0.5m a year until there are clear signs of a growth in the capital value of the Foundation’s endowment and returns from investments. Annual allocations will be made to Family Grants Committees based on an assessment of affordability made by the Foundation’s Investment Committee with recommendations to the Trustees for their last meeting before the next financial year.

**THE WATES FOUNDATION
TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Future Plans (continued)

In 2016-2017 the Foundation will be working closely with the Wates Family Enterprise Trust to implement a restructuring of the Secretariat that delivers services on behalf of the Wates Family's philanthropic activities. In sum, with the retirement in July 2016 of the Foundation's Director, a new unified post of Director Wates Family Charities will combine this post and that of the Trust's Secretary. Recruiting is underway and it is expected that the new incumbent will be in post in July 2016. A grant administrator's post is also being recruited to the Secretariat to support both the Foundation and Trust. A new cost sharing arrangement between the two charities will come into force in August 2016.

The Foundation's IIP accreditation expires in May 2016. Work is in hand to renew accreditation for the next three years as a joint exercise with the Wates Family Enterprise Trust.

Financial Review

Audit

The Foundation's accounts for 2014-2015 were filed following the Annual General Meeting of the Trustee Board on 01 July 2015. A statement has been included setting out the Trustee's responsibility in respect of the accounts and the Annual Report.

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

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

A resolution was passed to appoint Messrs haysmacintyre as auditors for 2015.

Accounts

Financial statements for the year form part of this Annual Report. Full accounts have been lodged with the Charity Commissioners and Companies House. Additional copies of these are available on application to the Foundation's offices.

In addition to bank account interest and funds reclaimed from unexpended awards, income in the year consisted of funds drawn down from the investment portfolio to fund grant-making activities amounting to £720,000 (£300,363 in 2014-2015; £850,000 in 2013-2014; and £1.350m in 2012-2013).

The value of award payments made in the year was £396,843 (£482,064 in 2014-2015; £775,601 in 2013-2014; and £1.159m in 2012-2013). An additional £30,000 representing payments to four organisations was not paid due to late reporting by beneficiaries or delays in project delivery.

Governance and support costs for the year were £159,406 (£184,648 in 2014-2015; £163,670 in 2013-2014, and £162,963 in 2012-2013). The costs of the Foundation's Secretariat, including staff salaries, space rental and administrative charges, are shared under an agreement with The Wates Family Enterprise Trust.

Other than the changes in the recognised gains and losses for the year that reflect movement in stock market valuations, there are no material movements in the Statement of Financial Activities that require special explanation. There have been no revaluations other than investment valuation movements during this period.

No important events affecting the Foundation have occurred after the balance sheet date.

**THE WATES FOUNDATION
TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Financial Review (continued)

Investment Policy & Management

The Foundation is not financially dependent on any individuals, corporation or classes of donors. All assets are held to further the direct charitable expenditure of the Foundation for the public benefit. There are no specific restrictions imposed concerning the way in which the Trustee may operate.

The Trustees conducted a review of the Foundation's investment strategy and Strategic Asset Allocation during the year. As a result of the review, it was decided to end the Foundation's relationship with Aberdeen Asset Management and to appoint an administrator custodian for the Foundation's assets, which will be managed in-house.

Meetings were held with Aberdeen Asset Management and Morgan Stanley UK, in relation to a private equity and some hedge fund assets. These reviews were conducted with independent financial advice from Stanhope Consulting.

Performance

As at 31 March 2014 the fund's investments with Aberdeen Asset Management were valued at £15,041,590 (£15,722,825 in 2014-2015). The fund's investments with Morgan Stanley were £848,399 (£1,249,618 in 2014-2015). Programme related investments were £506,155 (£506,155 in 2014-2015).

The performance of the Fund managed by Aberdeen Asset Management has been reviewed against a strategic benchmark represented by MSCI All Countries World Index (equities), FT All Stocks Index (gilts), Merrill Lynch Sterling Corporate Bond, IPD UK Monthly Index (property) and 1 month LIBOR + 4% (absolute return and hedge funds). The benchmark for the Morgan Stanley-managed private equity asset is MSCI World Equity + 3%.

The Trustees confirm the Fund's Custodians during the year were Aberdeen Private Wealth Management Limited for investments with Aberdeen Asset Management and Morstan Nominees Limited for investments with Morgan Stanley.

Social Investment Policy

In consideration of the ethos that underpins the Foundation's grant making, and having taken relevant advice on the impact of omitting particular assets from the Foundation's portfolio, the Trustees have resolved not to make direct investments in tobacco stocks on social, environmental and ethical grounds.

Programme Related Investment

The Trustees have made investments to further the aims of the Foundation for the public benefit; the Trustees do not expect a financial return from these investments. With the aim of facilitating access by small and medium charity and community organisations to loans and other forms of working capital, the Foundation has a shareholding of £300,000 with **Charity Bank** and a named loan account with a base value of £200,000 with CAF's **Venturesome Fund**. The Foundation has also maintained an equity stake in **Sellaventure LLP**, a social enterprise delivering the *Buzzbnk* fundraising platform for small venture projects, which is now part of the Trillion Fund.

Reserves

The Foundation's expendable endowment is invested to generate sufficient financial return to meet its charitable purposes through the making of grants without encroaching on the core capital asset. Each year the Foundation's Trustees, informed by the Investment Committee and Financial Advisors, identify the level of funds needed to meet existing grant commitments and make allocations to the Family Committees for new awards in the next financial year.

In practice, the greater part of the expendable endowment constitutes the Foundation's reserves. The Trustees confirm that assets within it are readily available to meet liabilities and other requirements as necessary.

Financial Review (continued)

Conditional Liabilities

Since the inception of the Foundation it has been the Trustees' policy and practice to make all grants payable over a period longer than 12 months' conditional on the Foundation having funds available to meet future scheduled payment commitments; and beneficiaries complying with the Terms & Conditions for which a grant is made, 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. It has been and remains the policy and practice of the Trustees to conduct an annual review of periodic grants at the end of each year to assess performance in order to authorise further payments as liabilities for the next financial year.

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, to assess their performance as a condition of releasing subsequent payments during the year. In 2015-2016 there were no awards falling into this category.

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. As at 31 March 2016 provision of £93,332 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 Chairmen 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. The stated amounts are 50% of the amount, shared equally between the Trust and the Wates Foundation.

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.

Risk Management

The Trustees undertake a full risk audit every two years with an assurance audit in the intervening years. An assurance audit was conducted in 2015 and a full risk analysis in March 2016.

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: Reputation:

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

Risk Management (continued)

Key mitigating controls already in place:

- Formal Conflict of Interests 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

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

Risk: Severely reduced income

Key mitigating controls already in place:

- Scheduled payments covered by Trustees' policy on reserves
- Terms & Conditions limit liability on payments over more than one year
- Engagement with Wates Group Board allows mitigation policy in adequate time frame

Further actions (controls not yet effective or to be implemented): Increase level of reserves.

Trustees' responsibilities in relation to the financial statements

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

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

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

**THE WATES FOUNDATION
TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Trustees' responsibilities in relation to the financial statements (continued)

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

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

Approved by the Board on and signed on its behalf:

By order of the Directors

B D WHEELWRIGHT
SECRETARY TO THE TRUSTEE
29 June 2016

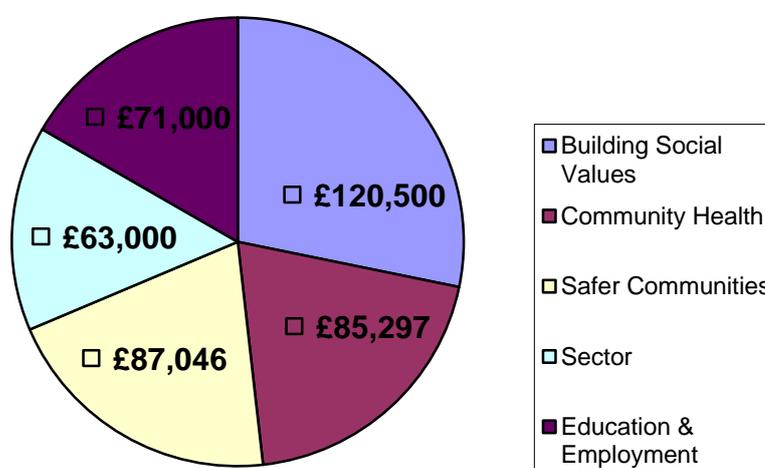
**AWARDS
2015-2016**

**THE WATES FOUNDATION
REVIEW OF AWARDS
FOR THE YEAR ENDED 31 MARCH 2016**

In 2015-2016, the first year of the new three-year strategy, the Trustees and the Foundation's Family Grants Committees made 44 awards to a value of £426,843. This is in line with the level of giving established during the piloting of the pro-active model of grant making adopted in 2012.

The pro-active model has now bedded in well with the sponsorship by Family members of issues and causes to which they have a personal commitment. The trend in awards has been to support small local organisations with proportional levels of funding, as well as a more regional spread of beneficiaries than has historically been the case. This small and local approach by Family sponsors leads the Trustees to recognise that realistically it is not possible to measure the impact of the Foundation's grant making for some time. However, all awards have identifiable outcomes, either at the whole organisation level or for the specific award purpose.

Programme awards by value:



The pattern of awards conformed to past trends in Foundation grant making, with the *Building Social Values* theme accounting for 28% of awards. Of note in this theme was the Foundation's support of SAPERE's P4C programme, which has won enormous public and government recognition for its impact on young people in pupil referral units.

This was the first year in which education and employment interventions were split out from the Family Values theme. The new category proved popular with Family sponsors, attracting almost 17% of awards by value. Two awards were made by Family Committees to the Mayday Trust's *Inspire* project in Oxford, which has been instrumental in addressing both homelessness and unemployment.

Safer Communities, a long time perennial in Foundation awards in the criminal justice sector, was the next biggest area of awards at just over 20%. This was due much to the renewal of the Foundation's long-standing support to The Butler Trust Awards scheme, which celebrates exceptional work by individuals in the prison and community rehabilitation sectors.

Community Health held its own with just under 20% of new awards. In 2015 there were a number of awards to support research in areas of health with awards to the University of Bournemouth and Moorfield's Eye Hospital's charity supporting work on blindness in children. Further support was also given to St Mark's Hospital's charity. This was for on-going research and trials on bowel cancer.

The balance of the year's awards by value, at about 15%, went to work strengthening sector infrastructure, mainly through core funding awards to provide sustainability in revenue and running costs. We were pleased to support Noah's Ark Children's Venture in Gloucestershire, a long-time Foundation beneficiary, as it moves into the next phase of its development. Once again, the *Transitions* theme attracted no bids, despite the opportunity it offers to address the potential risks associated with key life-changing events.

**THE WATES FOUNDATION
REVIEW OF AWARDS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

NEW AWARDS

Building Social Values

Abram Wilson Foundation, UK Towards core costs including salaries. <i>Sir Ronald Wates Family Committee</i>	£10,000
Art for Youth UK Towards the Wates Foundation Diana Brooks Prize, which is awarded annually to a promising young artist, aged 35 or under. <i>Sir Ronald Wates Family Committee</i>	£2,000
Bath City Farm Towards core costs including a salary. <i>Allan Wates Family Committee</i>	£15,000
Berkshire Youth Towards the costs of a Training & Development Officer. <i>Allan Wates Family Committee</i>	£15,000
Code 7, Lambeth Towards the costs of six months' additional activity hours. <i>Sir Ronald Wates Family Committee</i>	£10,000
HomeStart, North Dorset Towards core costs. <i>Sir Ronald Wates Family Committee</i>	£5,000
The ClementJames Centre, Kensington & Chelsea St Clement and St James Community Development Project Towards for the <i>IntoWork</i> Young Person's programme in 2015. <i>Norman Wates Family Committee</i>	£10,000
The Genesis Trust, Bath Towards a project supporting the homeless. <i>Norman Wates Family Committee</i>	£500
St Michael's Community Nursery Towards the costs of a Forest School project. <i>Sir Ronald Wates Family Committee</i>	£3,000
St Nicholas' Church, Chiswick Towards the salary costs for one year of the manager of the Crosslight Chiswick debt management service. <i>Norman Wates Family Committee</i>	£10,000

**THE WATES FOUNDATION
NEW AWARDS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Building Social Values (continued)

SAPERRE – P4C programme	£15,000
Towards an intervention to improve academic attainment and combat anti-social behaviour in five London PRUs. <i>Sir Ronald Wates Family Committee</i>	
The Parenting Project, Warwickshire	£10,000
Towards the costs of the Parent Mentoring Programme to include salaries. <i>Allan Wates Family Committee</i>	
Utulivu, Reading	£15,000
Towards the salary of a part time project co-ordinator's salary. <i>Allan Wates Family Committee</i>	
(13)	£120,500

Community Health

Bournemouth University	£5,000
Towards the costs of an eye tracker device for research into <i>prosopagnosia</i> (face blindness) in newly born children. <i>Sir Ronald Wates Family Committee</i>	
Children's Trust	£9,988
Towards the cost of multi-disciplinary exercise equipment items for children with brain injuries. <i>Sir Ronald Wates Family Committee</i>	
Chiswick House & Gardens Trust	£10,000
Towards the costs of the Kitchen Garden Project. <i>Allan Wates Family Committee</i>	
Cotswold Riding for the Disabled, Gloucestershire	£10,000
Towards the Yard & Training Manager's post. <i>Allan Wates Family Committee</i>	
Dulwich Picture Gallery, London	£10,000
Towards the Good Times: Art for Older People programme. <i>Allan Wates Family Committee</i>	
Freewheelers Theatre & Media Limited, Surrey	£5,000
Towards the costs of the office manager. <i>Allan Wates Family Committee</i>	
Friends of Attend ABI	£590
Towards the cost of an activity programme for people with Acquired Brain Injury. <i>Sir Ronald Wates Family Committee</i>	
Moorfield's Eye Charity, London	£12,719
Towards the costs of a clinical project investigating <i>aphakic glaucoma</i> in children. <i>Norman Wates Family Committee</i>	

**THE WATES FOUNDATION
NEW AWARDS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Community Health (continued)

PSDS, Surrey	£9,000
Towards the costs of specialist training for 18 children. <i>Sir Ronald Wates Family Committee</i>	
The Big Splash Trust, London	£3,000
Towards the Summer Scheme 2016. <i>Norman Wates Family Committee</i>	
St Mark's Foundation, Harrow	£10,000
Towards the delivery of a clinical trial using Hyperthermic Intraperitoneal Chemotherapy (HIPEC) for patients with bowel cancer. <i>Norman Wates Family Committee</i> <i>This award was made to mark the 30th anniversary of the death of Neil Wates.</i>	
(11)	£85,297

Education & Employment

Brasenose College	£10,000
Towards a bursary fund for undergraduates. <i>Trustees' award</i>	
First Story Limited, London	£10,000
Towards a schools outreach programme <i>Allan Wates Family Committee</i>	
Mayday Trust, Oxfordshire	£20,000
Towards the Mayday Inspire project in Oxford. <i>Allan Wates Family Committee</i>	
Mayday Trust, Oxfordshire	£10,000
Towards the <i>Mayday Inspire</i> project in Oxford. <i>Norman Wates Family Committee</i>	
Museum of London Archaeology (MOLA)	£10,000
Towards a salary for the <i>Time Truck</i> project. <i>Sir Ronald Wates Family Committee</i>	
Reading Quest, Oxford	£6,000
Towards the costs of the Numskills programme. <i>Norman Wates Family Committee</i>	
Restore Hope Latimer, Buckinghamshire	£5,000
Towards the DIY & House Restoration Programme. <i>Allan Wates Family Committee</i>	
(7)	£71,000

**THE WATES FOUNDATION
NEW AWARDS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Strengthening Sectors

Cotteslowe Community Association, Oxford Towards the costs of a part time fundraiser. <i>Norman Wates Family Committee</i>	£8,000
Katherine Low Settlement, Battersea Towards the costs of the Director's salary. <i>Norman Wates Family Committee</i>	£10,000
Kimbolton Cricket Club, Cambridge Towards refurbishment of training facilities. <i>Sir Ronald Wates Family Committee</i>	£10,000
London Wildlife Trust (Gunnersbury Triangle) Towards the development of a youth engagement programme. <i>Allan Wates Family Committee</i>	£10,000
Lorica Trust, Sussex Towards the costs of a building refurbishment as the first part of a major development programme for the Trust. <i>Sir Ronald Wates Family Committee</i>	£10,000
Noah's Ark, Gloucestershire Towards the salary of the Deputy Centre Manager. <i>Allan Wates Family Committee</i>	£15,000

(6) **£63,000**

Safer Communities

Butler Trust Towards the annual awards programme. <i>Trustees' award</i>	£31,750
Chance to Shine Trust Towards the core costs of the West Midlands Street programme. <i>Sir Ronald Wates Family Committee</i>	£10,000
Chance to Shine Trust Towards the core costs of the West Midlands Street programme. <i>Norman Wates Family Committee</i>	£10,000
Dorset Domestic Abuse Welfare Committee Towards the costs of four domestic abuse training courses. <i>Norman Wates Family Committee</i> <i>This award was made in memory of Stewart Bingham.</i>	£10,000
Inside Out - HMP Wormwood Scrubs Towards core costs. <i>Norman Wates Family Committee</i>	£5,000

THE WATES FOUNDATION
 NEW AWARDS (continued)
 FOR THE YEAR ENDED 31 MARCH 2016

Safer Communities (continued)

Koestler Trust, UK **£10,296**
 Towards the costs of the feasibility study for 'Koestler House'.
Norman Wates Family Committee

Synergy Theatre, London **£10,000**
 Towards core costs including salaries.
Norman Wates Family Committee

(7) **£87,046**

Totals	2015/16	2014/15	2013/14	2012/13
Social Values	£120,500	£179,115	£227,722	£209,290
Community Health	£85,297	£39,489	£80,000	£115,200
Education & Employment	£71,000			
Strengthening Sector	£63,000	£25,000	£132,000	£110,000
Safer Communities	£87,046	£53,000	£30,000	£47,894
Transitions	£0	£0	£10,000	£15,000
	£426,843	£296,604	£479,722	£497,384

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE AND MEMBERS OF THE WATES FOUNDATION

We have audited the financial statements of The Wates Foundation for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its net movement in funds 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 Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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; or

haysmacintyre
Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE WATES FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Unrestricted Funds Total 2016 £	Total 2015 £
Income and endowments from:			
Investments	2	342,060	300,685
Other		1,080	-
Total		<u>343,140</u>	<u>300,685</u>
Expenditure on:			
Raising funds			
Investment management costs		69,160	79,073
Charitable activities			
Building family values		165,501	402,361
Community health		117,152	201,778
Safer communities		119,554	103,826
Education and employment		97,515	27,854
Strengthening the charitable and voluntary sectors		86,527	116,258
Repaid grants		(30,000)	-
Strategic programmes		-	24,221
Total	3	<u>625,409</u>	<u>726,160</u>
Net (losses)/gains on investments	7	(697,071)	1,511,968
Net (expenditure)/income		<u>(979,340)</u>	<u>1,086,493</u>
Net movement in funds	5	(979,340)	1,086,493
Reconciliation of funds:			
Total funds brought forward		17,567,675	16,481,182
Total funds carried forward		<u>16,588,335</u>	<u>17,567,675</u>

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 23 to 28 form part of these financial statements.

**THE WATES FOUNDATION
BALANCE SHEET
AS AT 31 MARCH 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments	7	15,041,590	15,722,825
Other investments	8	848,399	1,249,618
Programme related investments	9	506,155	506,155
		<hr/>	<hr/>
Total fixed assets		16,396,144	17,478,598
CURRENT ASSETS			
Debtors	10	56,887	121,592
Cash at bank and in hand		264,101	85,711
		<hr/>	<hr/>
Total current assets		320,988	207,303
Liabilities			
Creditors: Amounts falling due within one year	11	(128,797)	(118,226)
		<hr/>	<hr/>
Net current assets		192,191	89,077
		<hr/>	<hr/>
Total net assets		16,588,335	17,567,675
		<hr/>	<hr/>
The funds of the charity:			
Unrestricted funds		16,588,335	17,567,675
		<hr/>	<hr/>

The notes on pages 23 to 28 form part of these financial statements.

The accounts were approved by the Trustee on

and signed on their behalf by:

.....
William Wates
Chairman

**THE WATES FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2016**

	2016	2015
	£	£
<i>Net cash provided by operating activities</i>	(549,053)	(858,537)
Cash flows from investing activities:		
Interest from investments	342,060	300,685
Proceeds from disposal of investments	6,885,034	2,524,881
Purchase of investments	(6,248,013)	(2,307,826)
Net cash provided by investing activities	<u>979,081</u>	<u>517,740</u>
Cash flows from financing activities		
Cash inflows from new borrowing	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
<i>Change in cash and cash equivalents in the year</i>	430,028	(340,797)
Cash and cash equivalents at the beginning of the year	257,489	598,286
<i>Change in cash and cash equivalents at the end of the year</i>	<u>687,517</u>	<u>257,489</u>
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2016	2015
	£	£
Net movement in funds	(979,340)	1,086,493
Adjustments for:		
Decrease/(increase) in debtors	64,705	(64,715)
Increase/(decrease) in creditors	10,571	(67,662)
Dividends and interest	(342,060)	(300,685)
Loss/(gain) on investments	697,071	(1,511,968)
Net cash provided by operating activities	<u>(549,053)</u>	<u>(858,537)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS	2016	2015
	£	£
Cash in hand	264,101	85,711
Cash in investment portfolio	423,416	171,778
Total cash and cash equivalents	<u>687,517</u>	<u>257,489</u>

1. ACCOUNTING POLICIES

Basis of preparation

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 *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) issued on 16 July 2015 and the Charities Act 2011. The trust had chosen to adopt FRS 102 prior to 1 January 2016, which is the date of mandatory adoption.

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required in 2015 or 2016.

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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

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

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended 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.

Programme related investments are included at the cost value of the amount invested.

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.

THE WATES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2016

2. INCOME AND ENDOWMENTS FROM INVESTMENTS	2016	2015
	£	£
Investment income from assets in the UK	341,949	300,363
Bank interest	111	322
	<u>342,060</u>	<u>300,685</u>

3. ANALYSIS OF EXPENDITURE

	Grants	Support	Governance	Total	Total
	£	Costs	Costs	2016	2015
		£	£	£	£
Grants to institutions:					
Building family values	120,500	42,728	2,273	165,501	366,630
Community health	85,297	30,246	1,609	117,152	96,084
Safer communities	87,046	30,866	1,642	119,554	102,738
Education and employment	71,000	25,176	1,339	97,515	-
Strengthening the charitable and voluntary sectors	63,000	22,340	1,187	86,527	100,270
Repaid grants	(30,000)	-	-	(30,000)	-
Total expenditure	<u>396,843</u>	<u>151,356</u>	<u>8,050</u>	<u>556,249</u>	<u>666,712</u>
Expenditure on raising funds					
Investment management costs				69,160	59,448
				<u>625,409</u>	<u>726,160</u>

3b. SUPPORT COSTS

	2016	2015
	£	£
Staff costs	69,763	89,545
Other staff costs	1,571	1,678
Professional fees	47,200	46,732
Rent	20,000	20,000
Office expenses	11,267	16,332
Subscriptions	1,283	1,786
Sundry expenses	272	2,825
	<u>151,356</u>	<u>178,898</u>

**THE WATES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

3c. GOVERNANCE COSTS	2016	2015
	£	£
Audit and accountancy fees	8,050	5,750
	<u> </u>	<u> </u>
4. STAFF COSTS AND NUMBERS	2016	2015
	£	£
Salaries and wages	57,365	73,413
Social security costs	6,673	8,913
Pension costs	4,068	5,322
Staff benefits	1,657	1,897
	<u> </u>	<u> </u>
	<u>69,763</u>	<u>89,545</u>

The Wates Foundation shares jointly a Secretariat with the Wates Family Enterprise Trust Limited. The above staff costs represent the Trust's 50% (2015: 50%) allocation of the total Secretariat cost.

The charity's share of remuneration costs including employment benefits, paid to key management personnel of the charity during the year was £52,024 (2015: £52,024).

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

	2016	2015
	Number	Number
Staff numbers:		
Administration staff	2.5	2.5
	<u> </u>	<u> </u>
Employees whose emoluments amounted to over £60,000 in the year:	-	-
	<u> </u>	<u> </u>
5. NET OUTGOING RESOURCES	2016	2015
	£	£
Net outgoing resources are stated after charging:		
Auditors' remuneration		
Audit services	6,900	5,750
Other services	-	-
Under accrual in prior year	1,150	-
	<u> </u>	<u> </u>

6. TAXATION

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

THE WATES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2016

7. INVESTMENTS	2016	2015
	£	£
Listed investments at valuation		
At 1 April	15,551,047	14,114,981
Additions	6,248,013	2,307,826
Disposals	(6,885,034)	(2,524,881)
Net (losses)/gains on investments	(295,852)	1,653,121
	<hr/>	<hr/>
Cash held as part of investment portfolio	14,618,174	15,551,047
	423,416	171,778
	<hr/>	<hr/>
At 31 March	15,041,590	15,722,825
	<hr/>	<hr/>
Historic cost at 31 March	12,323,244	13,011,410
 Investments comprise:		
UK fixed interest investments	2,257,462	2,859,121
Shares listed on the London Stock Exchange	9,059,306	9,586,054
Alternative investments	3,243,807	3,037,875
Overseas alternative investments	57,599	67,997
Cash	423,416	171,778
	<hr/>	<hr/>
	15,041,590	15,722,825
	<hr/> <hr/>	<hr/> <hr/>
	 £	 2016
		%
Investments representing over 5% by value of the portfolio:		
Aberdeen Asset Mgt Charity Select UK Bond	2,257,262	15.1%
Aberdeen Ut Mgrs World Equity Inc A Nav	1,516,369	10.1%
Aberdeen GBL Funds Japanese Equity H Cap	1,376,273	9.2%
Aberdeen Fund Managers World Equity A Inc	6,166,664	41.2%
Property Income Trust for Charities	788,051	5.3%
	<hr/> <hr/>	<hr/> <hr/>

8. OTHER INVESTMENTS

The trustees of the Foundation approved a total investment of £1.5 million (US\$ 2.4 million) in the Morgan Stanley Private Equity Access II LP Fund. The commitment is spread over 10 years with the amount recognised in the accounts being the mark to market value at 31 March 2016 translated at the year end rate. Unrealised loss in the year of £401,219 (2015: unrealised loss of £141,223).

9. PROGRAMME RELATED INVESTMENTS	2016	2015
	£	£
Ordinary shares in Charity Bank	300,000	300,000
Charities Aid Foundation's Venturesome Fund	203,055	203,055
Sellaventure LLP	3,100	3,100
	<hr/>	<hr/>
	506,155	506,155
	<hr/> <hr/>	<hr/> <hr/>

**THE WATES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

10. DEBTORS	2016	2015
	£	£
Prepayments and accrued income	56,887	1,793
Other debtors	-	119,799
	<u>56,887</u>	<u>121,592</u>

11. CREDITORS: amounts falling due within one year	2016	2015
	£	£
Grants payable due at the year end	93,332	79,500
Accruals	35,465	38,726
	<u>128,797</u>	<u>118,226</u>

12 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No remuneration or expenses were paid to the Trustees (2014-2015: nil).

During the year a grant of £10,000 was made to the Katherine Low Settlement, Battersea, sponsored by Mr John Wates, who is the Life President of the charity.

During the year a grant of £9,000 was made to PSDS, Surrey, sponsored by Mr Rick Wates, who is a trustee of the charity.

During the year a grant of £10,000 was made to the Kimbolton Cricket Club, Cambridgeshire, sponsored by Mr Edward Wates, whose son is a member of the Club.

13. GRANTS PAYABLE	2016	2015
	£	£
Accrued grants brought forward	(79,500)	(173,408)
Grants accrued carried forward	93,332	79,500
Payments in the year	413,011	575,972
Repaid grants	(30,000)	-
Total grants	<u>396,843</u>	<u>482,064</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 March 2016 the potential amounts payable are as follows:

	2016	2015
	£	£
Payable within one year	93,332	79,500
Payable between one and four years	-	-
	<u>93,332</u>	<u>79,500</u>