



**SAFER.
BETTER.
STRONGER.**

ANNUAL REVIEW | 2017

17

Above all, it's about people

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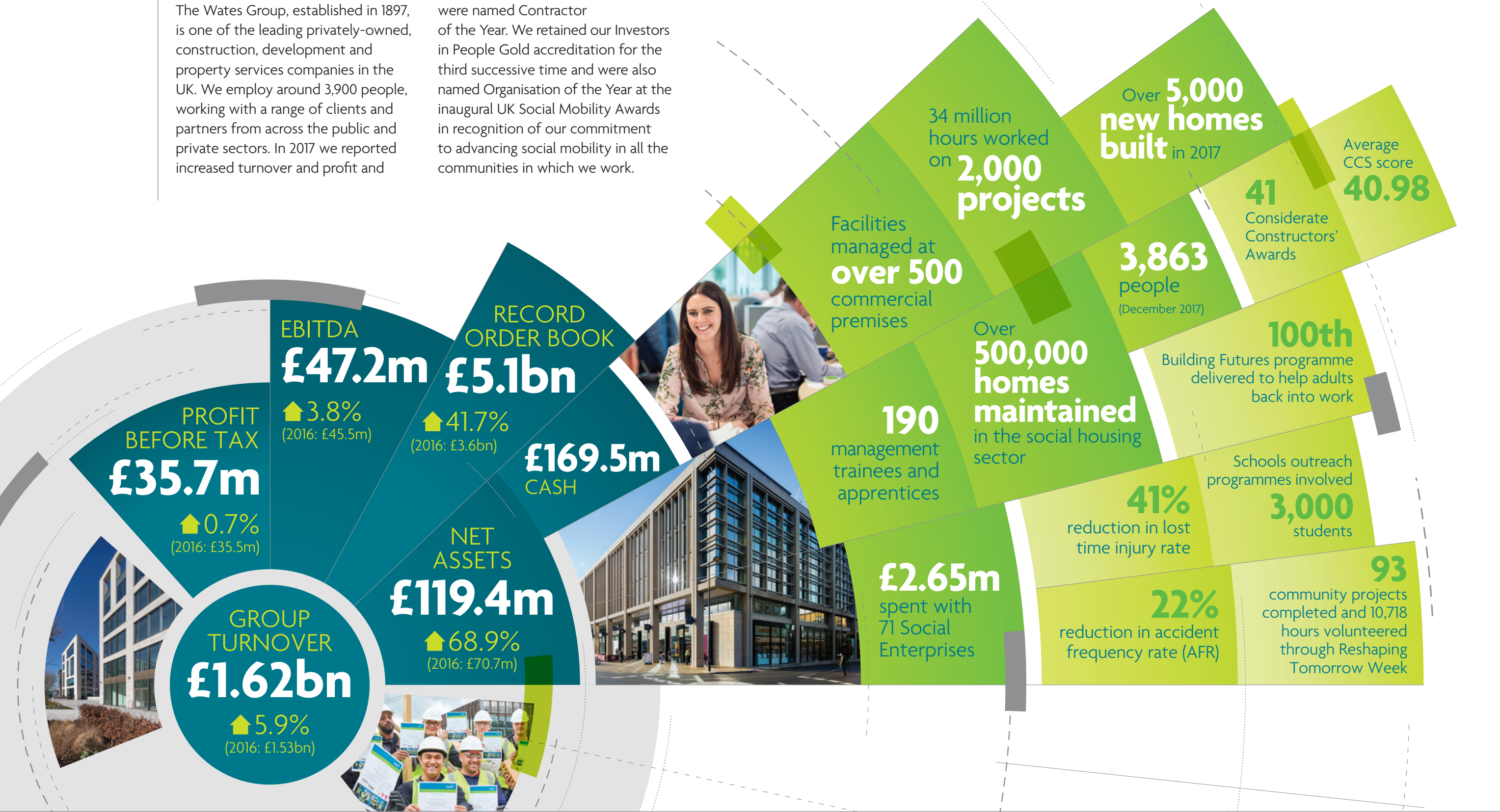
2017 IN FOCUS

The Wates Group, established in 1897, is one of the leading privately-owned, construction, development and property services companies in the UK. We employ around 3,900 people, working with a range of clients and partners from across the public and private sectors. In 2017 we reported increased turnover and profit and

were named Contractor of the Year. We retained our Investors in People Gold accreditation for the third successive time and were also named Organisation of the Year at the inaugural UK Social Mobility Awards in recognition of our commitment to advancing social mobility in all the communities in which we work.

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CHAIRMAN'S STATEMENT

2017 was another positive year for the Wates Group, not just in terms of strong financial performance but also for its continued investment in its people and its relationships with important stakeholders, which reflect its commitment to a long-term view of success.

The Group continued to demonstrate resilience in the face of market uncertainty, with growth reported across all business units, contributing to performance exceeding our expectations. The Group delivered 2,000 projects across its business, working 34 million hours, and all with an industry-leading health and safety record.

The Group continued implementing its strategy of focusing on construction, property services and residential developments, with the goal of becoming the most trusted partner in the built environment.

The strong financial results described in this report are testament to the quality and commitment of its people, the strength of its relationships with clients and partners, and its robust financial management. The excellence of its management team was also reflected in Construction News' recognition of the Wates Group as Contractor of the Year and winner of the Judges' Supreme Award.

The Group's commitment to excellence was illustrated in its winning the Investors in People Gold accreditation for the third consecutive time. This was a great accomplishment of which all employees should be proud.

The award of Organisation of the Year at the inaugural UK Social Mobility Awards, recognised that the Group's commitment to long-term sustainability, implemented through our Reshaping Tomorrow programme, is truly integrated into our business and is a vital ingredient of our success.

All this took place in one of the most turbulent years the industry has ever seen.

As a family-owned business, the Group has always maintained a long-term perspective, ensuring that it acts as a responsible corporate citizen, in the interests of all stakeholders – its employees, the communities it serves, its clients and its supply chain. These principles are integrated in the way the business is managed and reinforced by the Group's commitment to a set of core values, helping to sustain its long-term perspective.

"The Group's commitment to excellence was reflected in its winning the Investors in People Gold accreditation for the third consecutive time. This was a great accomplishment of which all employees should be proud."

Investment in the workforce of the future is paramount if the Group is to continue to prosper, and as well as ensuring more young people enter the industry, it must

improve the diversity of its workforce. If it is to respond to the sector's skills shortages – which are likely to deteriorate with Brexit – it has to make Wates – and the industry – a more attractive career proposition for people and groups who have not traditionally worked in the sector. The Group is determined to do everything it can to foster an inclusive workplace. By being truly inclusive, diversity will follow, leading to a workforce who will challenge the norm, foster innovation, and facilitate better working practices.

Finally, on behalf of the shareholders, I would like to thank the Group's Board of Directors and its Executive Committee particularly, who have maintained consistent performance in the months following the resignation of Chief Executive Andrew Davies and were able to manage that transition with confidence. Thanks are due, as always, to all employees for their hard work and continued commitment to the Group's values of integrity, intelligence, performance, teamwork and respect.

James Wates

James Wates CBE
Chairman



CHIEF EXECUTIVE'S REVIEW

DELIVERING ON OUR STRATEGY

2017 was another strong year for Wates Group. The business grew by almost 6% from 2016 and enters 2018 with 3,863 people and a forward order book of £5.1bn. This success has come during one of the most turbulent and challenging years for our industry. The tragedy of Grenfell Tower will continue to be felt for many years. 2017 also saw a number of key competitors suffer substantial losses and the ultimate collapse of Carillion. Against that background, Wates' determination to focus on long-term sustainability, to invest in the continued development of its people and to build collaborative client relationships, has enabled us to outperform the market. Results across all business units were encouraging. Our priorities for 2018 and beyond stay true to our long term strategic goals, putting the right systems, processes and people in place to allow us to serve all our customers on a sustainable basis.

THE JOURNEY TO ZERO HARM

Keeping people safe from harm and creating a healthy and safe environment wherever the Group operates remains Wates' number one priority. Since the introduction of a Group-wide Zero Harm campaign in 2016, there has been a marked reduction in incidents. In 2017 the RIDDOR Accident Frequency Rate was down 22% from 2016 at 0.047. We achieved a 41% reduction in Lost Time Injuries Reported and our health and safety performance led the industry, with an accident incidence rate less than half the industry average.



STRONG PERFORMANCE

Group turnover, including the Group's share of joint ventures' and associates' turnover, increased by 5.9% to £1.62bn. Profit before tax, and before taxation of joint ventures and associates, was 0.7% up on 2016 at £35.7m. Net assets increased by 68.9% to £119.4m. Despite challenging market conditions, the consistency of the Group's performance is evidence of its excellent capabilities, resilience and success in delivering for our customers and partners.

BUSINESS BUILT ON PARTNERSHIP

Nearly 80% of turnover is derived from frameworks and partnerships and in 2017 the Group was appointed to two major public sector frameworks, for Scape Procure and for the Education and Skills Funding Agency. Both appointments supported our goal of growing a balanced portfolio of public and private sector clients and will contribute to our pipeline of work in 2018 and beyond.

INVESTING IN OUR PEOPLE

People are at the heart of the Group's success. We remain committed to investing in our people's continued professional development. This was recognised by the award of Investors in People Gold accreditation for the third successive, three-year period, heralded as a 'remarkable achievement' by the IIP assessors.

INVESTING IN NEW HOMES

Wates has a proud history as a home builder. In 2017 it continued to strengthen its position as both a leading residential developer, and one of the country's leading providers of housing maintenance. Over 5,000 new homes were built, including city centre flats, new build houses, retirement homes and student accommodation units. The Group maintained in excess of 500,000 properties in the social housing sector, as well as managing facilities on more than 500 non-residential buildings through Property Services.

BUILDING COMMUNITIES

The Group's award-winning sustainability programme, Reshaping Tomorrow, and its Delivering the Promise programme, underpinned by its Operating Framework, ensure that it consistently delivers the highest standards of quality and safety, while ensuring the actions it takes today impact positively on tomorrow. The Group's financial stability, family ownership and long-term commitment to the construction industry enable it to make a tangible and positive difference to the environment and to the communities in which it works. It was recognised as Organisation of the Year at the 2017 UK Social Mobility Awards, for its work supporting communities and particularly its support for Social Enterprises (SEs). With spend of £2.65m the Group exceeded its target for the year for spending with SEs. The Group extended its partnership with The Prince's Trust for another year, helping disadvantaged young people develop skills and identify opportunities for employment. Through donations from our people and support from Wates Giving, over £360,000 was donated over a four-year partnership. Reshaping Tomorrow Week was another success, with Wates people volunteering 10,700 hours across 93 community projects. The Wates Family Enterprise Trust also made grants to fund many of these activities. The 100th Building Futures Programme, supporting adults furthest from the labour market into employment, training or education took place in 2017. Over 150 people were supported, with over 50% moving into education, employment or training. The Group pioneered an industry/school engagement programme #ThinkBuild, in partnership with Career Ready and Arcadis, reaching over 3,000 students through Insight Days, work experience or site visits, and launched its first industry summer camp for those from disadvantaged backgrounds.

2018 AND BEYOND

With a forward order book of £5bn, a strong financial position and a strategy for disciplined sustainable growth, the Group is well positioned for the future.

D. O. Allen

David Allen
Chief Executive



"We are committed to ensuring that 5% of our workforce is on a formal apprenticeship, student, or graduate training programme."



OUR PEOPLE | THE DRIVERS OF OUR SUCCESS

As a family-owned business we know our people are at the core of our continuing success. It's our people who make Wates successful. Only by recruiting the best people – providing an environment where inclusivity, opinions, diversity and opportunity are encouraged – will we achieve our strategic business objectives.

COMMITMENT TO EQUALITY



Our commitment to equality is enshrined in our Reshaping Tomorrow programme, which sets out our approach to eliminating discrimination and building inclusion, fairness and respect across our business. This is further strengthened by the creation of an Inclusion Steering Group chaired by the Group Managing Director of the Construction Group. This forum has identified key priorities for the short and medium term to drive a more

inclusive and diverse workplace where people from all backgrounds can develop their careers.

We are proud that we continue to be recognised as an excellent employer through our national accreditation with C2E (Committed to Equality) at 'Gold' standard. This reflects our commitment to attracting, recruiting and retaining the best people regardless of their background.

DEVELOPING OUR PEOPLE



A highlight of 2017 was our re-accreditation at the Investors in People Gold standard. While this reflects the quality of our people practices across a number of important areas it also recognises our approach to investing in the learning and development of all employees.

This was in part delivered through the c.£1.6m investment made in training and development and the c.5,500 training days delivered across the company.

Learning and development activity is aligned with our business priorities. The We're Safer Together – Lead the Change! programme was

successfully delivered to 420 of our senior leaders with evidence of real impact on our safety performance and 'Zero Harm' strategy.

The development of new Supervisory and Management development programmes for these core roles was a further addition to our offering with the opportunity for participants to gain an accredited qualification.

This and our ongoing investment in Apprentices and Trainees through our Early Careers strategy are examples of our commitment to supporting our people at all career levels as they progress within Wates.

RESOURCING THE BUSINESS



Our in-house Resourcing Team is focussed on attracting the best people for Wates. In 2017, 719 new colleagues joined Wates, bringing the total number of employees to 3,863 (as at 31 December 2017). We aim to source directly a diverse pipeline of new talent at all career levels and across all disciplines in order to secure enough colleagues to enable us to deliver on all our current and future commitments.

Maintaining quality and a strong offer conversion rate are important measures of success.

The Early Careers pipeline remains an important feature of our resourcing strategy with c.190 people on a structured Apprentice or Trainee programme in 2017 and preparation underway for a further 55 to join in 2018.

As members of The 5% Club, an alliance of companies aiming to engage young people into the workforce, we are committed to ensuring that 5% of our workforce is on a formal apprenticeship, student, or graduate training programme. We have already exceeded our commitment for the next five years.

RESHAPING TOMORROW

Reshaping Tomorrow is our blueprint for achieving our vision of being a trusted partner while tackling some of the key challenges that businesses face today.

In 2015 we embarked on a new journey to 2020 – setting a clear five-year plan with measurable goals. At the heart of our plan we committed to a culture of zero harm – ensuring the safety, health and wellbeing of everyone who works with us; creating positive environmental and social impact, being an employer of choice where everyone is valued and respected and seeking new ways to ensure the buildings we build and maintain are sustainable for the future. 2017 marked our halfway point and we're making great progress. Highlights of the year were being recognised as Organisation of the Year at the inaugural UK Social Mobility Awards and hosting our first Reshaping Tomorrow Week. Building on the success of previous Community Weeks we encouraged our people to volunteer and support projects across the Reshaping Tomorrow priorities, with 93 projects undertaken and 10,718 hours volunteered across the one week.

41%
reduction in lost
time injury rate

22%
reduction in accident
frequency
rate (AFR)

Over **57,000**
observations recorded
in 2017 (32% positive)

OUR JOURNEY TO ZERO HARM – ENSURING THE SAFETY, HEALTH AND WELLBEING OF EVERYONE

Safety is a mindset. Through our programme We're Safer Together, we continue to make great strides in championing the right behaviours across the business and with our supply chain to keep people safe and healthy.

2017 continued to be another great year. Through a clear vision and strong leadership commitment we ensured a positive safety culture on our sites and offices. Our overall Accident Frequency Rate was down by 22% against 2016 and our Lost Time Injury Rate by 41% in the same period. This placed Wates' Accident Incident Rate (number of injuries per 100,000 workers) the best of all Build UK companies.

As well as a great performance against our KPIs and our industry peers, these results translated to two fewer legally reportable (RIDDOR) injuries and 17 fewer Lost Time Injuries to our employees and supply chain operatives, as well as nine fewer injuries to members of the public, all despite an increase in the number of hours worked of more than 5 million. Simply put – more people who came to work for us in 2017 went home safe and healthy at the end of the day.

Occupational Health

Over 80,000 workers in the construction industry suffer work-related ill health every year. In 2017, we established a Wellbeing

Committee to focus on nurturing a health and wellbeing ethos and empowering and enabling people to make informed lifestyle choices. With one in four people thought to suffer from mental health issues in any year, mental health continued to be a growing issue in both society and the construction industry. This was behind the introduction of Mental Health First Aider training with over 40 of our people being trained over the year. This coupled with over 1000 health assessments and being the first contractor to have a FitWel certified London office established our commitment to the health and wellbeing of our people.

Leading the Change

Creating the right environment and leadership behaviours is critical if we are to achieve our goal of Zero Harm. We continued to deliver our 'Lead the Change' behavioural programme with over 200 people completing in 2017. We recognise that every leader has a unique position to influence health and safety – they set the conditions, control the resources and create the culture. Lead the Change provides them with the tools and vision to achieve this.

Consistent approach to safety

We encourage everyone working on our sites to ensure their place of work is safe; that they have a safe system of work and to look out for each other. Our Stop/Go observation tool enables everyone to record observations – both areas for improvement or good working practices to help us measure progress towards a safer working environment. Over 57,000 observations were recorded in 2017 – 32% of these were positive observations. This was a 38% increase on 2016. In 2018 we will launch an app version of Stop/Go making it even easier to upload observations.

93
projects undertaken
across Reshaping
Tomorrow Week

10,718 hours
volunteered

DRIVING ENVIRONMENTAL CHANGE

2017 saw increasing pressure on businesses to consider the environmental implications of their operations whether these be disposal of plastic waste, air quality or the new reporting requirements set out by the Task Force on Climate Risk Financial Disclosures requiring businesses to disclose the risks and opportunities presented by climate change.

Transitioning to a low carbon business

At Wates we continued to make significant progress on understanding and reducing our carbon footprint. The Carbon Trust verified our carbon data for the second year running and the results have shown a four per cent absolute reduction in carbon emissions from 2016. Six per cent of our electrical energy demand is now from renewable sources and we have set a target to reach 50% by 2020. In addition we introduced a carbon offsetting scheme.

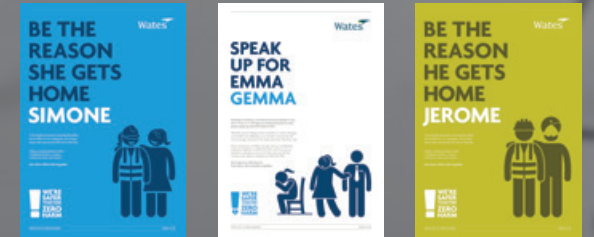
Collective approach to environmental issues

Tackling environmental issues requires a collective approach. That's why Wates continues to be proud supporters of the industry Supply Chain Sustainability School. In 2017 we delivered 10 supplier days with over 650 attendees. From our sustained commitment to the School, 84% of our top spend suppliers (those with which we trade over £500k per annum) are members of the school exceeding our target of 80%.

Improving the image of construction

We continue to drive new environmental standards across our projects. For example our Junior Board have put forward a series of recommendations to improve the sustainability of our site accommodation. As a benchmark, we use the Considerate Constructors Scheme (CCS), of which we are an Associate member. Our average score in 2017 was 40.98 exceeding the industry average of 36.12.

Of our sites, 81% recorded scores above 40 – a 20% improvement since 2016 and 41 of our sites were recognised with a CCS awards raising the bar for considerate construction.



Wates

SUSTAINABLE
TECHNOLOGY
SERVICES

DRIVING NEW IDEAS AND SUSTAINABILITY THINKING

Our award-winning Wates Sustainable Technology Services initiative continued to evolve. The team supports customers and partners to achieve their sustainability goals by helping identify, select and implement cost-effective technologies that comply with regulations, lower carbon emissions, improve building performance, and reduce costs. Five customer 'Dragons Dens' were held during the year to promote the 30 technologies identified. Installing some of these technologies at our Head Office in Leatherhead resulted in a 7% energy reduction and over £7,000 of savings.

TRANSFORMING COMMUNITIES WHERE WE LIVE AND WORK

The recognition that business can be a force for good continued to grow in 2017. Continued skills challenges, social mobility and apprenticeships were all high on the agendas of business including Wates.

Driving social mobility

2017 saw our 100th Building Futures programme being delivered. From its roots back in 2006 in Coventry, this two week award winning and accredited programme enables those facing barriers to employment find sustainable and positive outcomes. This could be in employment, training, education or volunteering. In 2017 alone, 18 programmes were delivered in communities across the UK with our partner Ixion Holdings supporting 197 participants. Wates Giving continues to support the delivery of the programme.



Prince's Trust
PROUD TO SUPPORT
THE PRINCE'S TRUST
INSPIRING YOUNG LIVES

Building the market for social enterprises

Social enterprises (SEs) show us how social impact and profit can go hand in hand. Credible businesses which compete in the open market, SEs are set up in a way that addresses some of society's biggest issues such as homelessness or mental health. Wates has supported the SE sector for over six years through direct trading and wider support. In 2017 we traded £2.65m with the sector exceeding our target of £2.5m and taking our cumulative spend to £11.5m. Our target is to trade £20m with the sector by 2020. A key part of our strategy is to influence customers and supply chain to engage with SEs as part of their procurement decisions and our nine 'Seeing is Believing' tours were attended by 127 customer and supplier representatives.

Measuring our investment

In 2017 the total community investment made through corporate programmes such as Building Futures; support for Social Enterprises; our charity partnership with The Prince's Trust and volunteering through Reshaping Tomorrow Week, was £3.68m. This included direct contributions, those through Wates Giving or leveraged contributions. The additional social value created was valued at £4.87m – based on independent research by New Economics Foundation. We commenced a partnership with Social Value Portal in 2017 to better measure our commitments at site level and this is proving successful.

MAKING INCLUSION A PART OF EVERYTHING WE DO

2017 saw the establishment of our Inclusion Steering Group led by Paul Chandler, Group MD of our Construction Group, shaping our plans to be an inclusive business. To help our thinking we partnered with the Employers Network for Equality and Inclusion (ENEI). During 2017, we analysed our Early Careers programme and identified ways to encourage more talent from under-represented groups. In addition we continued to invest through Wates Giving and the Construction Industry Training Board in our #BuildYourself programme.

Engaging with young students is key to building a pipeline and addressing the growing skills shortage. Insight days enabled us to showcase the sector and opportunities in short, fast paced sessions, with over 3,000 students attending from across the UK.

Our #ThinkBuild programme continued to grow with new schemes launched in Cardiff and South London. This structured 15-month programme in partnership with Career Ready has 90 students from under-represented groups, supported by 30 mentors from across the Wates Group. Of these students, 90% are from ethnic minorities and 30% are female. In addition, 17 students from our Think Build programme attended our first industry summer camp at Loughborough University; this six-day camp combined practical team work and classroom learning and was designed to encourage and inspire young people to consider a career in the built environment by providing a fun and unforgettable experience.



Wates GIVING

Wates Giving is a programme of the Wates Family Enterprise Trust, a charity independent of the Wates Group. It provides grants for the communities where the Group works and backs the causes that Wates people and the Wates Family support.

In 2017, the Trust spent £1.25m on charitable activities to support 231 causes across the UK. Awards were made to a range of innovative projects, such as supporting Twycross Zoo in its ambition to be a leader in sustainability and feasibility work for a planned joint pilot project with St Mungo's to use space on Wates building sites to accommodate the homeless and then help them back into work.

Organisations helping those afflicted by particular tragedy in the year were also granted funds; the Kensington & Chelsea Foundation for its work following the Grenfell Tower fire and Manchester Children's Hospital and We Love Manchester in the aftermath of the Manchester Arena bombing.

RESHAPING TOMORROW

Wates Giving funds initiatives that deliver a clear public benefit linked to the Group's sustainability plan, Reshaping Tomorrow. Programmes include Building Futures, that over 10 years has helped over 1,200 people on the path back to employment; Seeing is Believing, which promotes the growth of Social Enterprises and the school engagement scheme, Build Yourself, which also ran the industry's first ever summer camp aimed at inspiring disadvantaged young people into the construction industry.

During Reshaping Tomorrow Week in June, Wates Giving awarded £23,000 to a number of the 90-plus local community and charitable organisations for which Wates people across the UK volunteered over 7,500 hours of their time.

Wates Giving also continued to support The Prince's Trust, the Group's Charity of the Year, contributing almost £65,000 to the total of £82,000 raised.



EXCEPTIONAL YEAR FOR EMPLOYEE PROJECTS

2017 was another record breaking year for employee schemes, with more Wates people involved and more money raised than ever before. In total, 162 awards involving 292 Wates people were made and over £337,000 donated to the many charities supported by employees with £148,000 of that from Wates Giving. Wates people fundraised by running, cycling, baking, abseiling, swimming, raffling, climbing Kilimanjaro and sky-diving to name but a few.

The numbers involved in team events, especially for The Prince's Trust, grew significantly, perhaps encouraged by the doubling of the maximum contribution per person by Wates Giving from £250 to £500.

Wates Giving also backs volunteering through grants to Wates people who generously provide time and energy to the causes they believe in. Awards were granted to over 30 people in a wide range of voluntary roles including youth sports coaches, club secretaries, charity treasurers, trustees and mentors for young people.

The Sports Scholarship scheme made one award to promising triple-jumper Eloise Harvey and former recipient Kyle Edmund has just become the UK's No.1 male tennis player.

Wates Giving continued to support the Give As You Earn scheme, boosting employees' personal giving through regular donations. In 2017, almost £16,000 was awarded to a wide variety of charities through this scheme.

CELEBRATING 10 YEARS AND ON

During 2018, Wates Giving will celebrate its 10th anniversary and is planning to mark the occasion later in the year. The Wates Family has also, during 2017, reviewed the strategic direction of the Wates Family Enterprise Trust to ensure it continues to support the Family vision to be a 'force for good' for the next 10 years.

"Wates Giving is a crucial part of our approach to being responsible business owners, supporting our Family vision to be a 'force for good.' Through this charitable programme, we can catalyse the passion of Wates people to make a visible difference to those places in which we all live, work and build. 2017 was another record year for supporting the personal causes of Wates people. It is a real testament to the commitment of Wates employees that the amount donated to charities through them since Wates Giving was launched 10 years ago, is now over £1m."

Andy Wates
Chairman, Wates Giving



OUR BUSINESSES

WATES CONSTRUCTION

Wates Construction continued to enjoy strong growth in 2017, with significant wins across the business including the Scape Major Works – UK Framework and the new Education and Skills Funding Agency's (ESFA) latest four-year schools construction framework, in addition to projects for Public Health England and MEPC. With a turnover approaching £800m and new business secured worth over £2.8bn, the business is performing well and is in a robust position entering 2018.

Our success in 2017 is reflective of the strategy to focus on core sectors of education and public sector, commercial, science and research, London private residential and heritage, all areas where we have the expertise to deliver exceptional quality projects. The award of Construction News' Contractor of the Year in 2017 is testament of the quality of our projects, our client satisfaction and our approach to the communities in which we work.

"The award of Construction News' Contractor of the Year in 2017 is testament of the quality of our projects, our client satisfaction and our approach to the communities in which we work."



Local commitments continue to be key to the way in which we do business, and as a result of our successes in 2017 we spent over £900K with social enterprises, donated over 9,000 hours to community projects and continued to invest in the skills of local people through our Building Futures and work experience programmes.

We continued to make strides in health, safety and welfare with our industry-leading statistics reflecting our Safer Together, Zero Harm approach. Coupled with our continual drive to further integrate BIM and digital construction technologies into our operations, we are persistent in our pursuit to deliver further value and excellence for our clients.

Looking forward to 2018, we will continue to remain focused on our key sectors and core customers, while further exploring how digital technologies can drive value for our customers. We are excited by the opportunities presented by the Scape Major Works framework with the first projects coming to fruition in 2018. In a challenging market we are conscious of the obligation to build on our strengths and retain our financial and operational stability. A key component of long-term sustainability will be ensuring we can continue to attract the most talented people to our workforce, and our work on promoting a more diverse and inclusive workforce will be an increasing focus in the year ahead.

£981,248
Social Enterprise spend

47%
reduction
in Lost Time
Injuries Rate.

28%
reduction
in A.F.R.

32%
reduction
in Lost Time
Injuries

29% increase
in StopGo
observations

30%
increase
in positive
observations

1,052
employees
(Dec 2017)

57 management
trainees and
apprentices

51 sites



V&A MUSEUM EXHIBITION ROAD QUARTER, LONDON

As the largest architectural intervention undertaken in the last 100 years of the V&A's history, the extension and creation of a new entrance was a flagship project for Construction London in 2017. A colossal 1,100m² column-free exhibition space was created underneath the former boiler-house yard, from which a new courtyard and entrance was created fronting Exhibition Road. Requiring precision planning and exceptional heritage and conservation skills, the new entrance courtyard is hemmed-in by three existing Grade I listed buildings, with the new striking features creating the perfect balance between the old and new.

The complex project saw excavations 15m deep tight to existing Grade I listed structures to create the vast new gallery space; painstaking dismantling and re-construction of the iconic Aston Webb Screen, installation of bespoke ceramic tiling within the courtyard – the first of their kind in the UK; plus a new café with glazed openings which punctuate the courtyard, giving the space sculptural qualities.



ALTO WEMBLEY, LONDON



A significant residential project for client Quintain is the £90m Alto development at Wembley Park, where 362 residential apartments, retail units, a community hall and low cost employment space, are incorporated across four inter-connecting blocks.

The completion of the first phase of works for the development marks the start of a wider master plan to transform the area into one of London's most exciting new neighbourhoods, with a further 361 apartments awarded to Wates.

Wates Construction's work at this development also included infrastructure works which saw the concurrent installation, testing, and commissioning of a £13 million Energy Centre to provide power, water, and electricity to a large part of the Wembley Estate. Delivering to exceptional levels of quality, Project Alto was awarded an NHBC quality standards award for the installation of its striking stone and metal façade.



KIRKSTALL FORGE LEEDS

The first building to be constructed at CEG's 57 acre Kirkstall Forge development, this prestigious seven storey office block project included considerable infrastructure works at the eco-sensitive river-side location.

With the client's vision to create a brand-new neighbourhood on the banks of the River Aire, a community ethos was at the heart of activity across the estate.

As part of this commitment an innovative new skills centre for Leeds, the 'Forging Futures Campus' was unveiled. Launched in partnership with Leeds City Council,

the Campus was jointly funded by CEG and Wates Giving, with 23 individuals benefitting from the creation of training and employment opportunities on this scheme alone.

Designed to increase employment prospects for the people of Leeds, this pioneering skills centre was established to offer vocational training for local jobseekers, and during the course of the project, provided opportunities for 12 apprentices, 46 site visits and 25 work experience placements. This included the hosting of Wates' industry-leading

Building Futures programme, an intensive training scheme giving jobseekers the opportunity to experience a variety of construction trades as well as CV workshops.

Opportunities for suppliers on this project were opened up to Social Enterprises (SE), with whom over £18,000 was spent.

The project has been shortlisted as Community Engagement Project of the Year at the 2018 Construction News Awards.



JULIA'S HOUSE WILTSHIRE



The largest not-for-profit scheme in our history, this new hospice for children with life limiting illnesses was completed in 2017 as a result of impressive community spirit.

The project, 94% funded by the community, included the conversion of two former council buildings into sensory and therapy rooms, a large activity area and three ensuite bedrooms.

Hi-tech features included a cinema within the main activity room, as well as vision and sound and movement-activated sound boxes in the garden, which trigger birdsong and other relaxing sounds from nature.

In collaboration with our partners and supply chain approximately £500,000 was saved on the build costs.

The hospice supports Rebecca Thursby, a Wates employee whose daughter receives care from the nursing team. Rebecca said:

"The project at Julia's House is one that is very close to my heart. The nursing team has provided exceptional levels of care to my daughter over the years and is highly supportive of other families in the region."

Wates' involvement on this significant project means the world to me. It is also truly humbling to see the participation of our supply chain, suppliers and construction partners, all of whom are fully committed to the success of the scheme."

Rebecca and her colleagues also took part in a 100km bike ride from Julia's House hospice in Dorset to the new hospice in Devizes, raising over £10,000 for the charity. This was combined with further funding from Wates Giving, and used to fund the hospice's central hoist track system.

EASTBURY COMMUNITY SCHOOL BARKING, LONDON

The new £16.5m complex of buildings for Eastbury Community School in the London Borough of Barking for the EFSA, accommodates 'all through' schooling for 3-19 year olds, with a 26 place nursery, a two-form entry, 420-capacity primary school and a 1,800-place secondary school.

The new school utilises Adapt, Wates' schools solutions model, a component based design that delivers time and cost efficiencies without compromising quality.

Heralded as exceptional by the Considerate Constructors Scheme (CCS), they were particularly impressed with the community engagement around this project – a common theme across all of our projects. The site team facilitated employment and training initiatives for 54 local people, created educational opportunities for 997 students, spent over £18k with local social enterprises and invested over 1,600 hours and £85k on projects in the local community.



SES ENGINEERING SERVICES

SES delivered a strong performance in 2017, enjoying continued growth, with a 38% increase in turnover.

A new senior leadership team was established to drive efficiency, innovation and to capitalise on the business' sustained growth across the UK.

Over the course of the year SES had 43 live contracts across the UK. Its quality order book, combined with securing a number of major projects in 2017, establishes a stable platform from which to build on its pipeline of opportunities within the key strategic sectors of energy, infrastructure and high-tech, ensuring a sustainable long-term future for the business.

SES has significantly grown its comprehensive portfolio of high-profile and critical UK projects including a multi-million-pound infrastructure M&E project on the historic Queensferry Crossing in Scotland.

Significant wins in 2017 included a number of high-profile projects in London and the South East with projects at Canary Wharf commencing as well as a number of high-tech sector projects including the food and health research centre – the Quadram Institute – in Norwich.

Dedicated to sustainability in the communities and the education of the entire business to maintain an outstanding safety record – SES achieved an enviable AFR figure of 0.027 based on over 2.4m hours worked. This was a result of prioritising investment and demonstrating extensive value-added benefits of digital engineering and offsite prefabrication technology.

In 2017 SES was recognised for its world-class offsite manufacturing capabilities as well as its outstanding health and safety record on projects across the UK with a number of industry awards including:

- **Offsite Awards 2017**
Best Use of MEP Prefabrication – Gasholders London
- **ECA Awards 2017**
Best Health & Safety Initiative Award
- **RISE Awards 2017**
Winner of the Chair's Award



12
projects
completed
in 2017

628
employees

35
apprentices/trainees

Using Prism off-site took
142,500 man hours
off-site

UNIVERSITY OF LEEDS SCHOOL OF CHEMICAL AND PROCESS ENGINEERING

Value: £38m (£12.5m M&E value)

Client: Galliford Try

KEY FACTS:

14 miles of pipework and 479 miles of cable were used to complete this project.

The project delivered **54 laboratories, 90 offices, 20 post graduate areas and 3 state-of-the-art lecture theatres.**

To support the client and its stakeholders' continuous use of the building, the project was broken down from the original 12 phases of work into 21 smaller phases.



The University of Leeds embarked on a £520m, five-year programme to transform its campus to support its vision for increasing knowledge and opportunity with a focus on world-leading research, collaborative industry partnerships and enhancing the student experience.

Principal contractor Galliford Try and SES, as its mechanical and electrical specialist contractor, completed work on the £38m refurbishment and remodelling of the School of Chemical and Process Engineering, marking completion of the largest single project in the University's programme of improvements to date.

By incorporating state-of-the-art facilities into the iconic 60s building, the university will achieve ambitious growth in academic activity. The building now has three purpose-built laboratories for research using radioactive materials, with space for pilot scale rigs, bench-top chemical experiments and high-spec analytic equipment.

The new photonics laboratory hosts ultrafast laser plasma implantation equipment which can be used for both research and commercial use.

Usually refurbishments start with a strip-out of existing services however, as the building had to remain live at all times this was not possible. SES was able to develop a strategy to install the new plant room facilities 12 months ahead of the original contractual schedule.

Despite having 150 operatives on site at any one time, the project team was able to ensure it could meet deadlines for each phase of work while giving the university the four-week notice period for isolation of existing M&E services.

Without doubt, the refurbishment of the School of Chemical and Process Engineering was complex on many levels. The building fabric and services threw up various surprises to the team coupled with changes in research and recruitment forced a high volume of changes by the university, to ensure the remodelled building would help us to achieve what we'd set out to achieve the client and contractor's design team pulled together to resolve the issues jointly and applied a can-do attitude by both SES and Galliford Try.

I also believe that the timely completion of the project would not have been reached were it not for the open, communicative and collaborative approach adopted by both contractors at the outset and their willingness and ability to respond to the changes without breaking stride and they are to be commended for that. I'm delighted to say we have a building that everyone involved can be proud of."

David Oldroyd,
Senior Project Manager,
University of Leeds



WATES LIVING SPACE

31
apprentices

1,401
people

41 average
CCS score

116
Building Futures
participants

Wates Living Space continued to grow in 2017, establishing its position as one of the UK's leading planned and responsive maintenance providers for social landlords.

The business now maintains in excess of 500,000 homes, achieving excellent customer satisfaction levels across its 63 housing association and local authority customers. This includes the largest housing maintenance contract in the UK with Birmingham City Council, where a 260-strong Wates workforce is delivering housing maintenance and repairs across over 31,000 properties in West Central and East Birmingham. When the contract completed its first year of activity in April 2017, Living Space had spent £7.8m with small businesses in the city, with 44 of those companies situated within a 20-mile radius of Birmingham, generating £12.7m in economic benefit for the local economy.

Following the tragic fire at Grenfell Tower on 14 June 2017, the business reaffirmed its commitment to supporting our customers by mobilising rapidly to identify and install fire safety measures across towers in Manchester, London and Birmingham. This ensured that residents can feel safe and secure in their homes.

The business also made a substantial contribution to local economies up and down the country through its engagement of local supply chains and social enterprise partners. Social enterprises are organisations with a profit-for-

purpose ethos and in Cardiff, where Wates Living Space is delivering a £3m roofing contract across 193 properties on behalf of the City Council, the business launched a campaign in July 2017 calling for local businesses to follow its lead in working with social enterprises as part of their supply chain.

To advance this aim, the business also held a series of 'Seeing is Believing' tours across major UK cities. This provided an excellent opportunity for the business to demonstrate to its customers and partners the difference that social enterprises can make to some of the most vulnerable members of society. The business is committed to continuing to advance this agenda in 2018 and is targeting a minimum of £1.1m spent with social enterprises.

Living Space was appointed to deliver a number of new contracts in 2017 including maintenance programmes for Sheffield City Council, The Guinness Partnership in London, Notting Hill Housing Trust, and Your Housing Group. However, the business also celebrated securing further works with existing customers such as whg and Town and Country Housing Group, reflecting the confidence and trust that its customers have in our people.

The business continues to target further improvements in 2018, supported by a £2m investment in training its people and retaining talent, in addition to recruiting to its expanding team to ensure the continued delivery of excellent service to new and existing customers.

In 2018 the business will continue to be driven by a focus on the consistent delivery of excellent service across all contracts, in addition to being a force for good by improving people's homes. WLS will continue to be a fulfilling and nurturing place of work and by investing in the communities where it operates to improve the lives of individuals across the country.

97%
customer
satisfaction

49
social
enterprises
engaged

0.086
Lost Time
Injury Rate

63
customers

+500,000
properties
maintained

£1.27m
social enterprise
spend

TAMWORTH BOROUGH COUNCIL

Tamworth Borough Council appointed Wates Living Space in March 2017 to deliver a £21m social housing repairs and investment contract which includes the delivery of responsive repairs, planned works, voids and gas servicing across over 4,000 properties. The team operates from co-located offices with the council, Dodds and Local Run. This helps to forge strong working relationships and ensure the quick resolution of issues as they arise.

To date, the team has delivered over 14,000 responsive repairs, brought over 280 void properties back into use, undertaken 3,777 gas services, replaced 158 boilers, installed 204 new kitchens

and 179 bathrooms and completed 108 aids and adaptations.

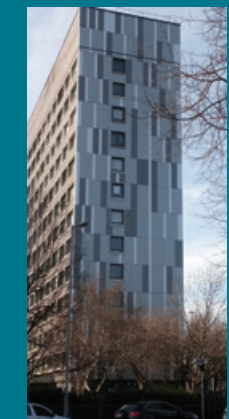
The team has also committed to investing in Tamworth by delivering a successful community project to revitalise the garden of a sheltered accommodation complex, in addition to delivering a workshop for elderly residents to raise awareness of loan sharks and illegal money lending. Eight long-term unemployed adults from the local area also passed through our Building Futures construction skills and employability programme, with two participants gaining full time employment on the contract as a result.



ONE MANCHESTER FIRE RISK ASSESSMENT WORKS

Wates Living Space embarked on an emergency works contract to remove and replace Aluminium Composite Material (ACM) cladding from high rise blocks across 13 high rise residential tower blocks for One Manchester in November 2017.

This 12 month programme has included working closely with the Department for Communities and Local Government, the Homes and Communities Agency, the Greater Manchester Taskforce, building control, planning and independent fire experts to ensure that works were completed quickly, safely and in accordance with current guidance and regulations.



The team's primary concern throughout the works was the safety and security of residents living in the high-rise blocks. This included holding regular resident meetings to provide information and peace of mind to those affected.

LONDON BOROUGH OF BRENT

Wates Living Space is Brent Housing Management's delivery partner on its 10-year asset management contract to provide a fully-integrated repairs, capital works, new build and major adaptations service across over 13,000 homes, including leaseholders. This £180m programme includes responsive repairs, major voids, major capital works encompassing window and door replacements, kitchen and bathroom replacements, external repairs and improvements, structural works, fire protection, aids and adaptations.

The mobilisation of this contract saw the team successfully manage the TUPE transfer of over 50 personnel from five separate service contractors and co-locate the service from the client's offices in the heart of the borough. This has streamlined management across all work streams, improved communication, removed duplication and promoted a 'one team' approach. As a result, the average repairs time has almost halved from 10 to 6.32 days, calls to the contact centre have been reduced from 8,000 to 5,000 and first time fix rates have increased to above 90%.

By using information from repairs jobs, the team has also positively impacted the lifetime of assets by off-setting repairs costs against planned work. Together with the simplification and streamlining of our processes, this will provide savings of £1m a year and investment of an additional £1m a year into the local community, which will deliver an extra £20million benefit for Brent over the 10 year period.

Social value created by Wates Living Space's presence in the borough includes supporting 24 local people into sustainable employment and training opportunities, supporting 200 local students with educational activities, employing four apprentices to support the delivery team, spending £5.3m with local small businesses and investing £58,154 into local charities and community causes such as Sufra London Community Food Bank & Kitchen which has been brought back into use through works delivered by Living Space and now provides emergency food aid to more than 3,000 people across the borough.



"The Wates team is very approachable and their commitment to giving back to the community is outstanding. I am delighted to have had the opportunity to work closely with them over the past year to deliver some really worthwhile projects for Brent residents."

Christina Byrne,
Community Investment Lead,
Brent Housing Management

WATES SMARTSPACE

In 2017, Wates Smartspace performed well across all key service lines including major property upgrades and roll-outs, office fit-out and facilities management.

This was supported by the business' strong position on key national frameworks with major UK businesses including the Co-op, Marks & Spencer (M&S), BBC and Royal Mail and four leading high street banks. As a result, 94% of projects delivered in 2017 were procured either through this route or through existing contracts with long term clients.

Smartspace adds value for its customers by focusing on developing an in-depth understanding of individual operations and requirements. This close collaboration ensures high quality delivery across a diverse range of logistically challenging, live environments, extending from commercial offices and retailers to healthcare providers and a zoological facility.

This approach saw the business secure further projects in the year with existing partners including Co-op, M&S, Ministry of Justice, North West Construction Hub (NWCH) and Royal Mail, in addition to projects with new partners including FI Real Estate. On the facilities management side of the business Smartspace FM entered its third consecutive year of double digit growth, securing new contracts with prestigious brands including the London School of Economics and Political Science, Browne Jacobson and Horder Healthcare, in addition to contract extensions with a number of existing clients.

This is underpinned by our high performing teams who deliver safe, high quality programmes 24 hours a day, seven days a week, across all corners of the UK. In 2017 the business recorded an industry leading Lost Time Injury Rate of 0.097 and our people were recognised for their outstanding commitment to

improving the image of the construction industry, picking up 11 Considerate Constructors Awards including Most Considerate Site for M&S Dulwich and Most Considerate Site Runner Up Award for M&S in Woolwich. At a Wates Group level, over 120 Smartspace people were also nominated for the Chairman's Awards, with trainee Hamza El-Mhamdi crowned Early Careers Achiever of the Year.

Our in-house Assurance Compliance Tool (ACT) provides customers with the peace of mind that their statutory compliance requirements are satisfied at the touch of a button. By providing an on-line, real-time portal that tracks and reports on all key metrics through a simple dashboard that can be accessed by all stakeholders, every building can be audited for compliance with legislation and regulations.

Smartspace also continued to lead by example on the sustainability agenda in 2017, investing in expanding the reach of its Wates Sustainable Technology Services programme. This sees the business act as an innovation broker for its customers, identifying innovative, proven sustainable products and services and then supporting customers in piloting, measuring and rolling-out selected technologies to reduce building costs and carbon emissions.

11 CCS Awards,
including Most Considerate Site
for M&S Dulwich
and Most Considerate Site
Runner Up Award
for M&S in Woolwich

39
average
CCS score

1,961 sites

76
frameworks
and long term
partnerships

427
people

60,000
transactions
per year

94%
repeat customers

83
customers

0.097
Lost Time
Injury Rate

90%
customer satisfaction
score

£184,548
Social Enterprise
spend

>500
buildings
managed by
Smartspace FM

FIRST INVESTMENT REAL ESTATE MANAGEMENT

Wates Smartspace delivered two projects for new customer, First Investment Real Estate Management in 2017 and is due to begin four more in 2018, valued at a combined total of £4.6m.

The customer is a successful asset and property management company, with over 300 employees and over 30 years of industry experience. The business' investments include shopping centres, offices, residential and industrial buildings across the UK and Europe.

Projects delivered in 2017 included a seven-week project to strip out an existing retail unit, creating a new marketing suite at Leon House in Croydon to support this customer in marketing the newly refurbished, 15 storey high-end residential tower.

Earlier in the year, Smartspace also carried out a reconfiguration project at first floor office space in Lynchwood, Peterborough. This included the removal and relocation of partitions, ceilings and flooring, in addition to M&E alternations. These works will enable a major £8m refurbishment to be carried out from August 2017 until mid-2019.

Each project has been negotiated, enabling early engagement and total collaboration between teams, including an open book approach to cost planning. As a result, supply chain partners were engaged earlier and value engineering solutions were incorporated at pre-construction. This partnership approach and increased visibility has enabled risks to be identified and mitigated early, resulting in cost and programme savings.

Projects due to go to site in 2018 include four office fit-outs, with each consisting of strip-out and Cat A refurbishment works, in addition to the installation of new washroom facilities and lift lobbies. This will create modern serviced office space at key locations including Hyde Park House in Ipswich, Tri Centre in Swindon, Northminster in Peterborough and Rowland House in Chesterfield.

ROYAL MAIL

Wates Smartspace has delivered more than £100m of work for Royal Mail at its vast network of mail centres, delivery offices, regional distribution centres, vehicle workshops and Parcelforce depots across the UK over the past five years. 2017 saw the business deliver 60 property upgrade projects, including fit-out, roofing, yard works and M&E upgrades, all on time and accident free.

Smartspace's presence on the Royal Mail Framework is supporting this customer in its drive to upgrade and modernise the service in response to changing customer needs. This includes works such as overhauling and creating new office space, creating new customer service areas, installing specialist conveyor equipment for mail sorting, installing new shelters and access ramps for delivery vehicles to dock, external yard reconfiguration works, re-roofing and asbestos removal.

In 2017, Smartspace successfully completed a complex project at Plymouth Mail Centre which included the incorporation of Royal Mail's complete delivery IT systems for the South West. Additional mail centre upgrade projects delivered in the year included Norwich, Manchester, Glasgow, Swindon and Bristol in addition to delivery office upgrade works in Harrow and an additional 54 projects around the country.



Our approach with this key customer ensures that communication and collaboration gains an equal footing with high quality construction delivery. This includes gaining an understanding of Royal Mail's key drivers on a project-by-project basis and minimising disruption to building operations when operating within live environments across the UK-wide network where millions of letters and parcels are handled each day.

"Many thanks for the quality work that Wates has completed at our Barnstable site. Special thanks to your staff that completed the work, they really have been a credit to your company – always courteous and conscientious about keeping the site as tidy as possible to enable us to continue our operation."

Pete Redmore,
Delivery and Collections Manager,
Royal Mail



BROWNE JACOBSON

Wates Smartspace FM was appointed by leading national law firm, Browne Jacobson to deliver a five year total facilities management service across its UK-wide corporate portfolio including the head office building in Nottingham and locations in London, Birmingham, Exeter and helping to move in to newly refurbished offices in Manchester.



This contract includes the delivery of a 24/7, 365 days a year structured planned, preventative and reactive building services, routine and specialist cleaning, manned and monitored security and pest control, in addition to statutory compliance delivered through Wates Smartspace FM's in-house, bespoke Assurance Compliance Tool (ACT).

To support its delivery of soft services lines across this contract, Wates Smartspace FM has developed a tailored partnering model, using ISO44001 principals.

"It is refreshing to engage with an organisation such as Smartspace FM. At all times they have been flexible, collaborative, solution focused, open and honest which has given us the confidence to award them our service contract. We look forward to growing together as partners and exploring the various avenues for mutual business benefits."

Karen Walker,
Head of Business Operations,
Browne Jacobson LLP

HORDER HEALTHCARE

Wates Smartspace FM is working in partnership with Horder Healthcare to deliver a five year hard services contract across two of its medical centres and three outreach clinics in the South East of England. The business also delivers building and grounds maintenance at The Horder Centre in East Sussex.

Horder Healthcare is a registered charity, with over 50 years' experience providing first class, consultant-led independent healthcare for its patients, from initial consultation and diagnostic tests through to surgical treatment and rehabilitation. To support this customer in delivering an excellent service to the local community, Smartspace FM will also deliver statutory compliance through its in-house, bespoke Assurance Compliance Tool (ACT). This will ensure that all buildings can be monitored for compliance in real-time against government legislation, Care Quality Commission (CQC) standards and industry regulations.



HORDERHEALTHCARE

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Wates Smartspace FM landed a contract with The London School of Economics and Political Science (LSE) in August 2017 to maintain its prestigious London estate, in a four year deal.

The LSE is a globally renowned university and ranked the second in the world for social sciences. The British institution employs over 3,000 members of staff and educates around 9,500 full-time and 1,000 part-time students from over 140 countries, with an annual turnover of approximately £299m.

Smartspace FM's on-site engineers deliver planned preventative maintenance services

across the institution's 30 campus buildings (including 16 listed buildings), nine halls of residence and a 9.5 hectare sports ground spread across the City, from Aldwych to New Malden. All services are delivered while the university continues to open its doors to over 12,000 students, staff and visitors.

Our Assurance Compliance Tool (ACT) ensures statutory compliance across all sites, streamlining management through an electronic, web-based scheduling system and enabling real-time reporting, escalation and uploading of certification via hand-held PDA.



WATES RESIDENTIAL DEVELOPMENTS GROUP

The Wates Residential Development Group (WRDG) is the Group's investment arm. It is focused on all aspects of the residential development market – from land, planning and development expertise to construction and delivery. WRDG works with a wide range of partners across both public and private sectors of residential development, meeting the UK's diverse and substantial market need for new homes within our communities.

WRDG had a strong and productive year contributing significantly to the Group's overall performance against a more challenging market backdrop following the snap General Election, its inconclusive outcome and the continuing volatility within the UK planning environment.

The fundamentals of markets in the South of England and Wales, where WRDG's activities are focused, remain robust, with strong opportunities for considerable growth. Profitable performances were recorded by Wates Developments and Wates Residential South, which also delivered an outstanding safety outcome across its development and contracting portfolio.

Since the start of this year, Wates Residential North, which focuses more narrowly on the construction of residential schemes, has been restructured to join the Group's Construction operations where it is more closely aligned.

Overall, WRDG is now a business of significant scale with a current development pipeline of some 27,000 homes and around £150m of capital currently committed to a wide range of residential development investments.

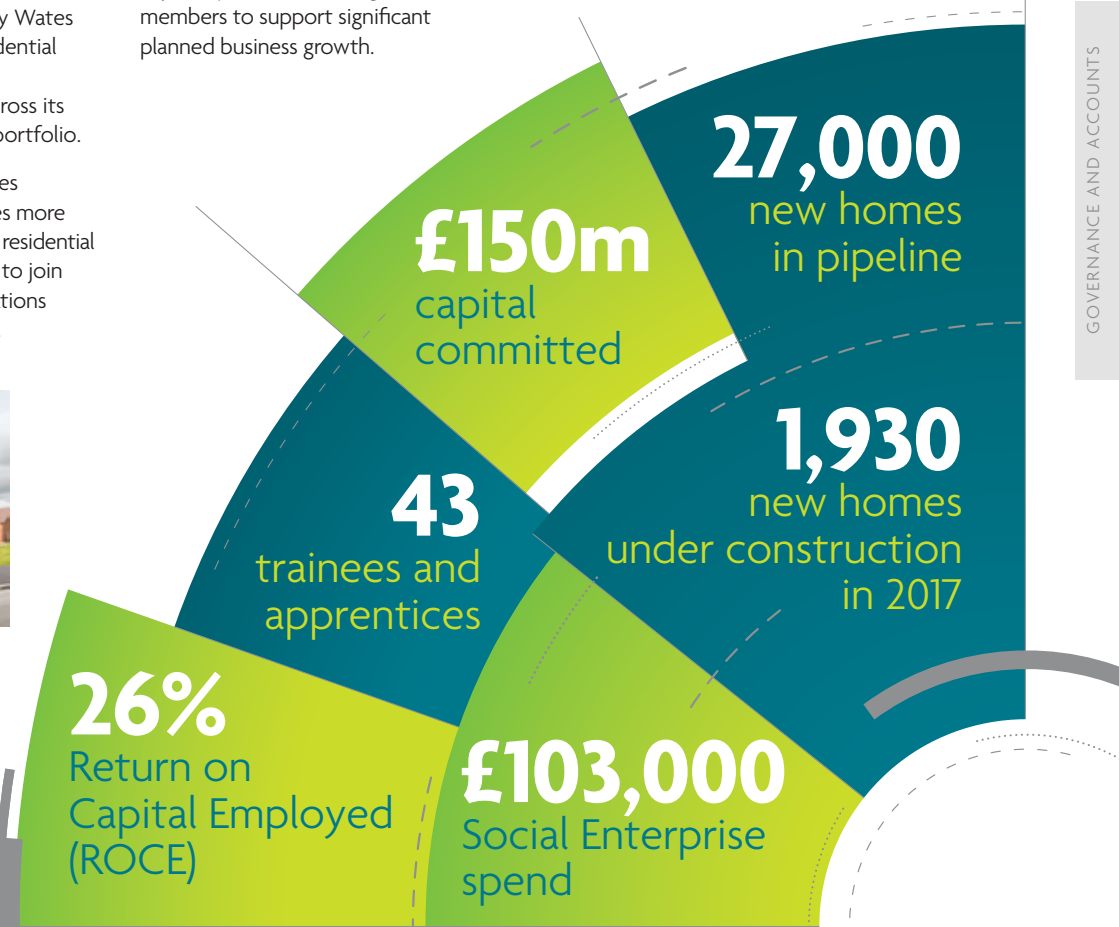
Looking forward into 2018 and beyond, the business has excellent foundations upon which to grow and deliver continued success, with a clear focus on further developing its expertise and capability while attracting new team members to support significant planned business growth.



Waterloo Estate, Havering



Southwater





Longhedge Village



Daedalus project, Lee-on-the-Solent



INTRODUCTION

OUR BUSINESSES

CORPORATE GOVERNANCE

GOVERNANCE AND ACCOUNTS

WATES DEVELOPMENTS

Wates Developments had another very successful year, generating value across all areas of operation – creating land opportunities, devising high quality scale master plans, securing significant planning outcomes, increasing its investment in joint ventures with leading house builders and delivering major land sales.

Investment increased significantly throughout the year across a range of green and brownfield land interests. The business now has a portfolio of over 80 sites at all stages of planning representing in excess of 12,000 homes.

While the planning environment remained challenging throughout the period, the team's deep understanding of the market, strong relationships with landowner partners and expertise in creative and compelling engagement strategies, enabled successful consents for 1,500 new homes to be achieved in 2017. A particular highlight was the consent for 750 new homes at Hounsome Fields in Basingstoke and its subsequent sale on behalf of landowners.

It was a year of significant success in Wates Development house builder joint venture (HBJV) portfolio. Operationally, seven new HBJVs were added to the portfolio with existing partners Linden Homes and Miller Homes, bringing the total number of active schemes to 18. These developments will deliver a total of over 2,800 new homes over the next few years. The geographic spread of the portfolio was also widened to the west as planned, now including developments in Bristol, Salisbury, and Ringwood.

Home sales across the HBJV portfolio were resilient across the year. A combination of careful investment in sustainable locations and a focus on delivering homes within the scope of the government's Help to Buy scheme thresholds, enabled a steady rate of sales at growing margins.

HOUNSOME FIELDS BASINGSTOKE, HAMPSHIRE



The site at Hounscome Fields, Basingstoke

Achieving planning consent and the subsequent land sale of Hounscome Fields in Basingstoke was a standout highlight for Wates Developments in the year.

The business developed a strategic plan to promote a residential urban extension to the south west of Basingstoke which benefits from excellent transport connections. This follows the teams 2015 success with its Kennel Farm development to the north of Hounscome Fields.

After strategic planning promotion and extensive public consultation and engagement, planning was secured on the 44 hectare site for 750 private

and affordable (40%) new homes – a major development for the town.

Along with much needed new homes, which will make a significant contribution to meeting the Council's housing target, the approved scheme will deliver a three-form entry primary school, community centre, indoor sports facilities and local shopping facilities, land for a children's nursery and includes multi-functional green space including neighbourhood park play areas and allotments. This all equates to over £15m of public benefit.

The land was successfully sold to Linden Homes in the year with work commencing on the site in 2018.



WATES RESIDENTIAL

2017 was a year of significant achievement for Wates Residential South. As well as the expansion into South Wales, working in partnership with Cardiff Council, the business achieved a number of key project wins, which in total saw staff growth of 50%. This contributed to a growth in turnover and profit.

Crucially, this impressive performance was delivered with a firm grip on our fundamental business objectives:

- Our health and safety performance has been exemplary
- We invested significantly in the communities in which we work, adding over £1.7m in social value, supporting 22 apprentices and 19 work placements, and donating over £75k to local good causes
- Our commitment to quality and to the environment remained paramount. This was recognised with our Gold Considerate Constructors Award at Erith Park Phase 2.

The targeting of opportunities through selective bidding brought significant success. The forward order book saw both an increase to £606m and diversification in secured opportunity, including construction,

development and joint venture partnering. Key wins during 2017 included the £50m Daedalus project in Lee-on-the-Solent, which will see Wates build and sell 200 homes within two years as the selected partner of Homes England.

The new business team also spent the year bidding and ultimately winning a £1bn estate regeneration project with the London Borough of Havering, which will provide 3,000 new homes across 12 sites. We were also awarded two construction projects for the London Borough of Wandsworth to help build new affordable homes as part of their wider estate renewal strategy. The existing and new project work demonstrates the ability of the Wates Residential team to operate as both developer and contractor, in support of our business partners in delivering mixed tenure housing.

At the Cardiff Living Partnership during the year work also commenced on the first four sites out of a total of 10, with home sales planned to commence in 2018 as part of phase one.

With a number of exciting projects in the pipeline for 2018, our focus will be on safe and quality delivery.

ABBAY AREA ONE

Client: London Borough of Camden



The Abbey area redevelopment project is focused on the area around the junction of Abbey Road and Belsize Road in Kilburn, London.

The project is a three-phased development: Phase 1, which is underway and due to complete in late 2018, involves the demolition of an underused multi-storey car park to deliver new housing and commercial facilities.

141 new homes will be provided, including 66 new council homes. Ten homes are wheelchair adapted units.

In addition there will be a supermarket, two retail/commercial spaces, and underground car parking.

ERITH PARK PHASE TWO

Client: Wates Group and Orbit Group joint venture

A partnership between Wates Residential and Orbit Group was formed in 2012 to transform the former Larnar Road, a local authority-owned high rise estate, into what is known as Erith Park.

The area had a poor reputation locally and was suffering from low demand. Discussions took place with the community about the estate's future and a consensus was reached to redevelop the area as a low to mid-rise new community-led regeneration.

The first phase of the development was completed in November 2015 providing 342 new homes with a mix of affordable rent, shared ownership and market sale. All homes were sold ahead of programme and to local buyers. A further 244 mixed-tenure homes are now being developed in phase two, with the first homes handed over in Spring 2017. The overall scheme is set for completion in Spring 2018.

Phase 3 of Erith Park – a further 310 new homes – is currently in the pre-construction stage with work expected to start on site in 2019.

Erith Park has totally transformed the neighbourhood and the lives of the people who live here. Living in well-designed homes in a safe, attractive neighbourhood builds our residents' pride in their neighbourhood and their confidence in their future.

Caroline Field, Regeneration Project Manager, Orbit Homes

NEEDSPACE?

Needspace? focuses on providing entrepreneurial communities for the growing number of SMEs across London and the South East. It owns and operates seven business centres providing a range of offices, workshops and studios on flexible terms.

Throughout 2017 occupier demand for the business' flexible, well managed, workspace remained very strong despite obvious concerns around Brexit. Over the year it expanded its portfolio with the acquisition of a 17,000 sq. ft. of offices at 77 Bastwick Street in London's vibrant Shoreditch area. This helped the business achieve another year of record performance with turnover increasing by 35% to £3.7m, while profit before valuation also rose by 35%.

This strong performance can be attributed to high demand across the London portfolio where average occupancy exceeded 90%, improving performance at the company's business centres in Crawley and Horsham and the additional income generated from the Bastwick Street acquisition.



Total like for like portfolio occupancy averaged 85% for the year up three percent on the prior year.

The business continues to search for growth opportunities in London and in 2018 will occupy a new property in Hammersmith.



"Needspace? is proud of the fact that once again we have managed to expand our portfolio and now provide over 125,000 sq. ft. serving over 170 customers from across a wide range of sectors which in turn employ over 1,500 people."

Charles Wates, Managing Director



Improving lives every day

SUPPORTING BRITAIN'S BRAVEST – NOW FROM CRAWLEY BUSINESS CENTRE

Needspace? was pleased to welcome the charity Royal British Legion Industries (RBLI) into a new 14 person workspace across three rooms in Crawley Business Centre in November last year.

Royal British Legion Industries (RBLI) has a heritage as a military charity, supporting Armed Forces veterans, especially those who are wounded, injured or sick. It is the intensive support for those injured or disabled through combat, or recently medically discharged from the Armed Forces, which has driven the charity forward and encouraged them to use this expertise to help those beyond the military community. Today, RBLI's employment teams deliver support across Kent and Sussex to help long-term unemployed people gain confidence in the job seeking process and to secure work.

The new RBLI office at Crawley Business Centre is the latest of several across the South East, where they help hundreds of people in finding work and gaining new skills, setting the foundations for a brighter, more independent, future.

Lesley Collins, RBLI Assistant Director of Operations, says:

"The team at Needspace? were professional, friendly and accommodating. As a charity we need to ensure we are delivering from somewhere that is located in the best place for the people we support, as well as being cost-effective. At Crawley Business Centre we have all this, as well as flexibility, which suits the fluctuating nature of the back-to-work sector. The team were lovely, assisting us throughout the process and we are delighted to now be providing support from this new space!"

www.rbli.co.uk

CORPORATE GOVERNANCE

BM3 ARCHITECTS' LONDON OFFICE DOUBLES IN SIZE

Expanding Architects BM3 increased their office space by locating 22 people at Needspace's St Marks's Islington business centre.

Established in Birmingham in 1989, BM3's reach had extended towards the South East as relationships in its core affordable and private housing sectors were developed. In 2010 the decision was taken to open a second office in London.

"Coming at the tail end of a recession, it was considered by some to be a risk

at the time, but for us it's paid off," explains James Boulter, Director and Senior Architect at BM3.

"Our more than doubling in size can partly be attributed to the relocation – Islington is central and a vibrant, up-and-coming creative area, which has really helped us to attract and recruit the right calibre of staff. We've been able to put a team in place who are well positioned to deliver projects across London, so we've been able to take on more projects without big spending on expensive recruitment agencies and advertising.

"Needspace? and our neighbours couldn't have been more accommodating about us increasing our space here. Finding the right space and making it right for how we work as we've grown has been critical and we expect to stay here now for at least the next three or four years."



www.bm3.co.uk

WATES

GROUP BOARD

JAMES WATES CBE

Chairman



James has worked in construction his entire life and feels passionately that it plays a crucial role in the UK's economic and social well-being. Through his numerous roles, he champions change in the sector – encouraging the investment in skills development, greater collaboration, and the application of modern methods of construction, with the ultimate goal of creating a higher quality built environment, stronger communities and a better society. James read estate management at college and joined Wates Construction in 1983, progressing through the management to running sites, before taking on a General Manager role in 1989. He joined the Wates Construction Board in 1994, was appointed to the Wates Group Board in 1997, and became Chairman in 2013. His key positions in the sector include: Chairman of the CBI Construction Council, Chairman of the BRE Trust, Non-executive Director of Argent Services LLP, and Co-chair of the government-sponsored Infrastructure Exports: UK. In line with his belief that good business, well done, is good for society, he has taken on a number of roles outside of the construction sector, including Chairman of the think tank Tomorrow's Company, Chairman of the Princes Trust Corporate Advisory Group, and Ambassador for the Young Women's Trust. In January 2018 he was appointed by the government to lead the development of corporate governance principles for large privately-owned companies. In 2012 he was awarded the CBE for services to construction and the charitable sector.

TIMOTHY WATES

Director



Tim started his career at Cazenove & Co. in the City prior to joining the Wates Group where he has held a number of roles around finance and housing – culminating in Managing Director of Wates Developments and then Chairman of Wates Family Holdings. He is Chairman of the Wates Family Council – the Family Shareholder Forum – is a member of the Wates Group Audit Committee and leads for the Family on Housing. Tim is Chairman of the Coast to Capital Local Enterprise Partnership and a Non-Executive Director of Tampopo and Pedder Property. A Trustee of various Wates Family charities and a Director of the Clink Charity, Tim is also an Advisory Board Member of the Judge Business School, Cambridge University and Deputy Lieutenant for Surrey and has an MBA from the Judge Business School at Cambridge University.

ANDY WATES

Director



Andy joined the Wates Group in 1995 having spent six years gaining experience of the construction industry with Costain Construction and John Shreeves

& Partners. Formerly the Managing Director of Wates Interiors, Andy was appointed to the Wates Group Board in May 2011 and is a member of the Nominations Committee and of the Remuneration Committee. He chairs the Wates Family Enterprise Trust. In 2014 Andy was appointed Chairman of Construction Youth Trust, as well as a member of the IFB Policy Committee. In the following year Andy was appointed Chair of Wates Foundation and Chair of IFB South East Region, along with becoming a Board member of the European Family Businesses. He also holds an MBA from Roffey Park Business School.

CHARLES WATES

Director



Charlie is a chartered surveyor with over fifteen years' experience in the commercial property sector. He is founder and joint Managing Director of Needspace, the Wates Group managed workspace division which now comprises a portfolio of seven properties across London and the South East. Charlie joined the Wates Group Board in May 2011 and is a member of the Property Investment Committee. In addition, he is a member of the British Council of Offices, the British Property Federation and a director of the British Centre Association. Charlie is on the Board of Management, Estates Committee and Finance Committee of the Royal Alexandra & Albert School in Reigate.

JONNY WATES

Director



Having started his career in brand marketing at Grand Metropolitan (now Diageo), Jonny joined Wates Developments in 1995 and then held the position of Group Marketing Director between 2002 and 2006. He was appointed to the Wates Group Board in 2008 and is a Trustee of the Wates Family Enterprise Trust and the William Wates Memorial Trust. He has an MBA from Cranfield University. Jonny was founder and Chairman of Myriad CEG, a renewable energy company, between 2008 and 2015. He has recently completed a Masters in Sustainability Leadership at Cambridge University and now chairs the Wates Group Board Sustainability Committee.

DAVID ALLEN

Chief Executive



David Allen was appointed Acting Chief Executive of the Wates Group in November 2017 and permanent CEO on 16 April 2018 having joined Wates as Chief Financial Officer in January 2016. Before arriving at Wates, David was Crossrail's Finance Director and one of the three Executive members of the £15bn project's board. He had joined Crossrail in March 2009 from Laing O'Rourke, where he was Finance Director for its European Construction business. Prior to entering the construction industry in 2004, David worked in Accenture's Strategy Consulting

practice and HSBC Investment Bank's Corporate Finance & Advisory Division. David began his career with Arthur Andersen's Tax Practice, is a Chartered Accountant and holds a degree in Modern History from St. Peter's College Oxford.

DAVID BARCLAY

Independent Non-Executive Director



David was appointed Non-Executive Director of Wates Group in December 2012 and is the Group's Senior Independent Director. He is Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. He also holds Non-Executive positions with Wessex Water, YTL Land & Property (UK) Limited and The British Library, where he is Deputy Chairman and Chairman of the Remuneration Committee. He is a Trustee of The Maudsley Charity. He is former Non-Executive Deputy Chairman of the John Lewis Partnership and Vice Chairman of Dresdner Kleinwort, the investment bank. Earlier in his career, he spent ten years in the UK civil service, including two years as private secretary to the then Prime Minister, Margaret Thatcher.

DEENA MATTAR

Independent Non-Executive Director



Deena was appointed Non-Executive Director of Wates Group in February

2013 and is Chairman of the Audit Committee and a member of the Remuneration Committee. She is also an independent non-executive of the Grant Thornton UK LLP Partnership Oversight Board. Until its 2014 sale to Schneider Electric Deena was a Non-Executive Director of the global technology company Invensys and Chairman of its Audit Committee. She is a Non-Executive Director and Chairman of the Audit Committee for the information and communication technology company RM, which provides IT products and services to educational institutions. Deena started her career with KPMG in their property and construction division, later joining Kier Group and becoming the Group Finance Director.

JOE OATLEY

Independent Non-Executive Director



Joe was appointed Non-Executive Director of Wates Group in July 2017. He was Chief Executive of Cape plc, a FTSE listed global industrial services business in the energy and natural resources sectors, until its integration into the Altrad Group in February 2018 following its takeover in September 2017. Joe was previously Chief Executive of Hamworthy plc, a global oil and gas engineering business, which he joined in 2007 and ran until its takeover in 2012. Prior to this, Joe spent most of his career in the engineering sector in a broad range of roles including managing director, strategy development and acquisitions.

WATES

EXECUTIVE COMMITTEE

Wates Executive Committee is made up of 10 people who are experts in their professions. Together they are responsible for the day-to-day management of the Group's business affairs under the leadership of the Chief Executive.

This includes formulating the strategy proposals for Board approval and ensuring that the agreed strategy is implemented in a timely and effective manner.

STEPHEN BEECHEY
Group Strategy Director and
Managing Director Government Affairs



PAUL CHANDLER
Group Managing Director,
Wates Construction Group



DAVID MORGAN
Managing Director,
Wates Living Space



DAVID BROCKLEBANK
Group Managing Director,
Wates Residential Developments Group



JOHN DUNNE
Group Director,
Safety, Health, Environment & Quality



PAUL ROWAN
Group Human Resources
Director



DAVID ALLEN
Chief Executive



HELEN BUNCH
Managing Director,
Wates Smartspace



ROD HOLDSWORTH
Chief Financial Officer
(Interim)



STUART TOGWELL
Group Commercial
Director



GOVERNANCE
AND ACCOUNTS



2017

CORPORATE GOVERNANCE

UK CORPORATE GOVERNANCE CODE

As a private family-owned company the Group is not required to comply with the UK Corporate Governance Code. However, it has included certain additional disclosures regarding corporate governance over and above those it is required to provide, where it is believed these disclosures would be helpful to readers of the Annual Accounts and Reports.

The Board believes that good business and sustained performance stems from good corporate governance, and remains firmly committed to achieving the highest standards in the interest of all stakeholders. Governance supports open and honest business, ensures that the Group has the right safeguards in place and makes certain that every decision it takes is underpinned by the right considerations.

This approach enables the Group to protect the integrity of its business, meet its strategic objectives, create value for its shareholders and build a long-term sustainable business. The Board is clear that good governance is essential on a day to day basis to protect the Group's brand, reputation and relationships with shareholders, customers, employees, supply chain and the local communities in which it works.

THE ROLE OF THE BOARD

The Board's primary responsibility is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board seeks to achieve this by setting out its strategy, monitoring performance against the Group's strategic objectives and reviewing the Executive Committee's implementation of the strategy.

A formal schedule of matters reserved for Board approval is maintained and reviewed regularly for operational relevance. This includes the determination of the Group's strategy and long-term direction, approval of budgets, capital expenditure, organisation changes, including new business ventures, the acquisition or disposal of assets, and changes in key policies. The Board also monitors the effectiveness of the Group's systems of internal control, governance and risk management.

The Board delegates authority for all day-to-day management of the Group's affairs to the Executive Committee. In addition, certain governance responsibilities are delegated to Board committees, which support the Board in carrying out its duties. These committees are made up of Independent Non-Executive Directors, together with Non-Executive Directors from the Wates family, and provide the Board with independent oversight.

THE ROLE OF THE CHAIRMAN

The Chairman plays a pivotal role by creating the conditions for overall Board and individual director effectiveness. The Chairman is responsible for appraising the Board of all matters affecting the Group and its performance. The Chairman is responsible for the effective operation and chairing of the Board, ensuring that the Board's time is used efficiently and that the agenda is forward looking and concentrates on strategy. The Chairman ensures that sufficient time is allocated to discuss complex or contentious issues, so that decisions are reached in a consensual and timely manner, arranging pre-board preparation as necessary, to avoid unrealistic deadlines for decision making. The Chairman also has responsibility to ensure effective communication with shareholders and that all Board members are aware of the views of shareholders.

BOARD OF DIRECTORS

The Board comprises Chairman, Chief Executive, Chief Financial Officer, three Independent Non-Executive Directors and four family Directors.

On 10 November 2017 Andrew Davies stepped down as Chief Executive and David Allen was appointed Acting Chief Executive. On 3 July 2017 the Board appointed Jonathan Oatley to the Board as an Independent Non-Executive Director.

Directors update their skills, knowledge and familiarity with the Group by meeting with senior management, visiting regional and divisional operations and by attending appropriate external seminars and training courses. The Group has an induction programme for all new Directors, which is tailored to their specific experience and knowledge, and which provides access to all parts of the business, including access to shareholders.

INDEPENDENT DIRECTORS

The Board is satisfied that the number and calibre of its Independent Non-Executive Directors, together with their diverse backgrounds and experiences, ensures that the principles of the UK Corporate Governance Code are met. The Board believes that the Independent Non-Executive Directors are wholly independent in that they have no material business or relationships with the Group that might influence their independence or judgement.

BOARD MEETINGS

The Board has a programme of nine principal meetings every year, plus two additional days for the annual strategy conference with the Executive Committee. The Board receives regular and timely information on the financial performance of the Business, together with reports on operational matters, health & safety, market conditions, sustainability and corporate responsibility. The Directors have equal voting rights when making decisions, except the Chairman, who has a casting vote. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Group's expense.

From time to time, matters arise which require urgent approval prior to the next scheduled Board meeting. In such instances approval of all Directors may be sought via a telephone conference call.

BOARD DIVERSITY

The Group is an equal opportunities employer and promotes an environment free from discrimination. The Group's policy on diversity extends to the Board. New Board appointments are based on a balance of skills and experience and will always be objective, free from bias and based solely upon relevant experience, knowledge and individual merit. A copy of the Group's Equality, Diversity and Inclusion Policy can be found at the Group's website www.wates.co.uk

BOARD EFFECTIVENESS

The Board last undertook a formal effectiveness review facilitated by an independent external advisor in 2015 and has scheduled the next independent review for 2018, in accordance with the three year cycle suggested by the UK Corporate Governance Code. During 2017 the Board conducted an informal self-assessment to consider its success in executing the action plans agreed as a result of the 2015 review. The Board considers the assessment an important process in the identification of key areas for future improvements and focus, to further strengthen and enhance the overall performance of the Board and its Committees.

COMMITTEES

Audit Committee

The Board delegates a number of specific duties to the Audit Committee, in order to assist in the discharge of its duties and to bring independent oversight to the Group's activities. The Committee's primary concerns are the integrity of the Group's financial statements; the effectiveness of internal controls; the performance of the internal audit function; performance and independence of the external auditors; and the Group's compliance with legal and regulatory requirements.

External Auditors

PricewaterhouseCoopers LLP was re-appointed external auditors at the Group's AGM in May 2017. The Committee assesses the effectiveness of their performance every year after completion of the annual audit plan.

Internal Audit

Reporting to the Audit Committee Internal Audit is an independent objective assurance and advisory function established by the Board to provide assurance on controls and operations. Its primary task is to assist the operating businesses accomplish their objectives by bringing a systematic disciplined approach to the evaluation and improvement of controls, risk management and assets protection. In 2017 the Audit Committee

commissioned an independent assessment of the Internal Audit function. The report concluded that the function operated with a high level of professionalism, integrity and independence, performed to a good standard, generally complied with the IIA standards and compared favourably against sector peers.

Corporate Finance Committee

In 2016 the Board established a Corporate Finance Sub-Committee to provide oversight of discreet matters relative to the Group's balance sheet. In 2017 the Committee's primary objective was to develop a strategy to manage the Group's defined benefit pension liabilities.

Remuneration Committee

The Committee's primary objective is to set remuneration at a level that will enhance the Group's resources by attracting, retaining and motivating quality senior management who can deliver the Group's strategic ambitions within a framework that is aligned with shareholder interests.

Nominations Committee

The Board operates a Nomination Committee to ensure that the Board remains balanced and effective, that succession plans are in place, and that its structure, composition and skills remain aligned to the Group's strategic objectives.

Sustainability Committee

In 2017 the Board established a Sustainability Committee to bring oversight and challenge to the Group's corporate responsibility programmes and to explore the impact and opportunities that global trends might bring to the built environment. The Committee has commissioned a horizon scan project to ensure that the Group's business planning and long terms strategy remains relevant and robust by exploring broader landscape, industry and disruptive trends that are likely to shape the future of the business.

Executive Committee

The Executive Committee is responsible for the day-to-day management of the Group's business affairs under leadership of the Chief Executive. The Committee's duties include formulating strategy proposals for Board approval and ensuring that the agreed strategy is implemented in a timely and effective manner.

Group Risk Committee

The Group operates a Risk Committee to ensure that inherent and emerging risks are identified and managed in a timely manner and at an appropriate level. The Committee reviews the organisation's response to specific areas of risk, and approves standards and processes where control weaknesses are considered to exist.

Reshaping Tomorrow Committee

The Reshaping Tomorrow Committee is a delegated authority of the Executive Committee, with the primary purpose of providing strategic leadership direction and oversight and setting the Group's policy on corporate responsibility. Its scope covers environment issues, community investment, diversity and inclusion.

INTERNAL CONTROLS

The Board takes ultimate responsibility for the Group's systems of risk management and internal control, and for reviewing their effectiveness.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £000s	2016 £000s
TURNOVER:		
Group and share of joint ventures and associates	1,621,973	1,531,910
Less share of turnover of joint ventures and associates	(91,771)	(90,301)
Group turnover	1,530,202	1,441,609
Cost of sales	(1,369,342)	(1,296,844)
GROSS PROFIT	160,860	144,765
Administrative expenses	(142,937)	(125,447)
Net surplus on revaluation of investment properties	750	5
GROUP OPERATING PROFIT	18,673	19,323
Share of post-tax profit from joint ventures and associates	13,436	11,589
TOTAL OPERATING PROFIT: Group and share of joint ventures and associates	32,109	30,912
Analysed between:		
Total operating profit before interest and tax	38,497	37,301
Net interest payable – joint ventures and associates	(3,574)	(3,782)
Taxation – joint ventures and associates	(2,814)	(2,607)
Net interest receivable	783	1,952
PROFIT BEFORE TAXATION	32,892	32,864
Analysed between:		
Profit before taxation and before taxation of joint ventures and associates	35,706	35,471
Taxation – joint ventures and associates	(2,814)	(2,607)
Taxation on profit	(5,313)	(5,664)
PROFIT FOR THE FINANCIAL YEAR	27,579	27,200

The above results have been derived from continuing operations.

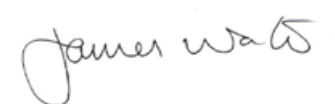
The financial information set out in pages 36 to 37 of this Annual Review does not constitute the Company's statutory accounts for the years ended 31 December 2017 or 2016, but is derived from those accounts. Statutory accounts for 2016 and 2017 have been delivered to the Registrar of Companies. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

CONSOLIDATED BALANCE SHEET

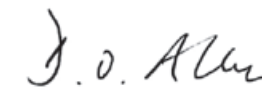
AT 31 DECEMBER 2017

	2017 £000s	2016 £000s
FIXED ASSETS		
Intangible assets – goodwill	55,491	59,237
Tangible assets	67,415	39,509
Investments in joint ventures	67,989	75,688
Other investments	2,706	2,953
	193,601	177,387
CURRENT ASSETS		
Stocks	29,842	19,222
Debtors		
– due within one year	274,817	281,724
– due after one year	34,968	40,585
	309,785	322,309
Cash at bank and in hand	169,536	191,630
	509,163	533,161
CREDITORS: amounts falling due within one year	(498,816)	(520,637)
NET CURRENT ASSETS	10,347	12,524
TOTAL ASSETS LESS CURRENT LIABILITIES	203,948	189,911
CREDITORS: amounts falling due after more than one year	(39,227)	(37,769)
PROVISIONS FOR LIABILITIES	(45,306)	(81,455)
NET ASSETS	119,415	70,687
CAPITAL AND RESERVES		
Called up share capital	14,777	14,777
Share premium account	956	956
Capital redemption reserve	17,447	17,447
Cash flow hedge reserve	(559)	(603)
Profit and loss account	86,794	38,110
SHAREHOLDERS' FUNDS	119,415	70,687

Approved by the Board of Directors on 12 March 2018 and signed on its behalf by:



James G. M. Wates
Chairman



D. O. Allen
Acting Chief Executive

LOCATIONS

HEAD OFFICE

Wates House
Station Approach
Leatherhead
Surrey
KT22 7SW

REGIONAL OFFICES

Basingstoke 4th Floor Network House Basing View Basingstoke Hampshire RG21 4HG	Cambridge Suite 7225 Cambridge Research Park Beach Drive Waterbeach Cambridge CB25 9TL	Derby Pavilion 5 Garden Court Tillage Green Lockington Hall Derby DE74 2RH	Leeds Darwin House Savannah Way Valley Park Leeds LS10 1AB	Nottingham 6th Floor City Gate East Toll House Hill NG1 5FS
Birmingham Wates House (Building 5) 11 Ridgeway Quinton Business Park Quinton Birmingham B32 1AF	Cardiff Vision House Building 7200 Mulberry Drive Cardiff Gate Business Park CF23 8RS	Durham Shannon House Mandale Park Belmont Business Park Durham DH1 1TH	London 1st & 3rd Floors 184-192 Drummond St London NW1 3HP	Warrington Building 1 Clearwater Lingley Mere Business Park Warrington Cheshire WA5 3UZ
Bloxwich Unit 8 Reaymer Close Bloxwich West Midlands WS2 7QZ	Castle Vale 11 High Street Oak Tree Court Birmingham B35 7PR	Enfield 7th Floor Civic Centre Silver Street Enfield EN1 3XA	Luton 1st Floor Mulberry House Parkland Square 750 Capability Green Luton Bedfordshire LU1 3LU	Wellingborough Unit 1 Saxon Court Bradfield Close Finedon Road Industrial Estate Wellingborough NN8 4RQ
Bristol 190 Aztec West Park Avenue Bristol BS32 4TP	Cossington Castle Vale Charnwood Edge Business Park Cossington Leicestershire LE7 4UZ	Kendal Suite 9 Helm Bank Kendal Cumbria LA9 7PS	Manchester 4th Floor The Royals 353 Altrincham Road Sharston Manchester M22 4BJ	

SES ENGINEERING SERVICES

Birmingham The Podium Bank House 8 Cherry Street Birmingham B2 5AL	Manchester Ground Floor The Royals 353 Altrincham Road Sharston Manchester M22 4BJ	North Shields Centre for Advanced Industry Coble Dene Royal Quays North Shields NE29 6DE	Prism Off-Site Manufacturing Unit 2 New Lane Huntington York YO32 9PT	York Moorside Monks Cross Drive Huntington York YO32 9LB
Glasgow Cadell House 27 Waterloo Street Glasgow G2 6BZ				

SOME OF OUR KEY CLIENTS AND PARTNERS





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