

THE CLOCKTOWER FOUNDATION

England & Wales · Charity number 1160041

Details

Status	Registered
Legal form	Charitable company
Company number	09351193
Registered	2015-01-20
Register	View on the Charity Commission register

Contact

Address	7 Bell Yard London WC2A 2JR
Phone	07768508279

Activities

Objects: THE CHARITABLE OBJECTIVES OF THE CHARITY MIRROR THOSE OF THE EXISTING CHARITY HQ GARRISON CLOCKTOWER FUND (CREATED IN THE FORM OF A TRUST FUND IN SEPTEMBER 1973 AND FORMALLY REGISTERED WITH THE COMMISSION IN JUNE 2009).HOWEVER, THEY HAVE BEEN REDRAFTED FOR THE SAKE OF CLARITY AND ARE IN A MODERNISED FORM.THE AMENDED OBJECTS ARE SET OUT BELOW:THE OBJECTS OF THE CHARITY FOR THE PUBLIC BENEFIT ARE:(A) TO PROMOTE THE EFFICIENCY OF THE ARMED FORCES OF THE CROWN, AND IN PARTICULAR THE REGIMENT, THROUGH SUCH MEANS AS THE TRUSTEE DIRECTORS THINK FIT, INCLUDING BUT NOT EXCLUSIVELY THROUGH:(I) THE SUPPORT AND PROVISION OF EDUCATIONAL OPPORTUNITIES FOR SERVING AND RETIRED SERVICE PERSONNEL;(II) THE PROVISION OF PRACTICAL AND EMOTIONAL SUPPORT TO RETIRED AND RETIRING SERVICE PERSONNEL TO AID THEIR TRANSITION INTO CIVILIAN LIFE;(III) THE PROVISION AND SUPPORT OF MESS AND SPORTING FACILITIES AND ACTIVITIES SO AS TO ENHANCE THE PERFORMANCE AND MORALE OF SERVING SERVICE PERSONNEL; AND(IV) THE PROVISION OR SUPPORT OF A MUSEUM AND THE REGIMENT'S HISTORIC ARCHIVE RELATING TO THE WORK OF THE ARMED FORCES, IN PARTICULAR THE REGIMENT, SO AS TO ENHANCE THE REPUTATION AND SUPPORT FOR SERVICE PERSONNEL IN THE WIDER COMMUNITY;(B) TO ADVANCE THE HEALTH AND SAVE THE LIVES OF SERVING AND RETIRED SERVICE PERSONNEL AND THEIR DEPENDENTS, IN PARTICULAR THOSE WHO ARE SERVING OR HAVE SERVED IN THE REGIMENT, THROUGH SUCH MEANS AS THE TRUSTEE DIRECTORS THINK FIT, INCLUDING BUT NOT EXCLUSIVELY THROUGH:(I) THE PROVISION OF SERVICES, SUPPORT AND ADVICE TO AID SERVICE PERSONNEL WHO HAVE BEEN INJURED, WOUNDED OR DISABLED; AND(II) THE PROVISION OF PRACTICAL AND EMOTIONAL SUPPORT TO THE DEPENDENTS OF CURRENT AND RETIRED SERVICE PERSONNEL IN CASES OF THE INJURY, WOUNDING, DISABILITY (IN ALL CASES WHETHER PHYSICAL OR MENTAL) OR DEATH OF CURRENT OR RETIRED SERVICE PERSONNEL; (C) THE RELIEF OF NEED, AMONGST SERVING AND RETIRED SERVICE PERSONNEL, PARTICULARLY THOSE WHO HAVE SERVED WITHIN THE REGIMENT, AND THEIR DEPENDENTS, WHERE THAT NEED HAS ARISEN BY REASON OF THEIR AGE, ILL-HEALTH, DISABILITY OR FINANCIAL HARDSHIP, BY SUCH MEANS AS THE TRUSTEE DIRECTORS THINK FIT;(D) TO ADVANCE SUCH CHARITABLE PURPOSES CONSISTENT WITH THE OBJECTS AT (A), (B) AND (C) ABOVE AS THE TRUSTEE DIRECTORS IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME THINK FIT."CHARITABLE PURPOSES" MEANS THOSE PURPOSES WHICH ARE CHARITABLE UNDER THE LAW OF ENGLAND AND WALES FROM TIME TO TIME.

Activities: To promote the efficiency of the Armed Forces of the Crown, and in particular the HQ Hereford Garrison, through such means as the Trustees think fit

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives, Armed Forces/emergency Service Efficiency, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- Herefordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£2,973,310	£1,605,238	£16,137,033	0
2024-12-31	£4,122,336	£1,595,021	£13,982,851	0
2023-12-31	£5,048,466	£1,321,481	£10,472,358	0
2022-12-31	£2,355,601	£926,844	£6,469,348	0
2021-12-31	£937,479	£1,036,040	£5,634,184	0
2020-12-31	£746,116	£604,030	£5,093,145	0

Trustees

Name	Role	Appointed
Baroness Lorraine Fullbrook		2022-03-09
Hugo James Edward Farmer		2023-11-29
JAMES PATRICK EYRE		2017-12-06
JAMES WILLIAM JEREMY RITBLAT		2025-12-04
Matthew Westerman		2024-04-16
Simon Davis		2026-06-08

THE CLOCKTOWER FOUNDATION

England & Wales - Charity number 1160041

Accounts

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2025

Contents

Trustees' Report	2
Independent Auditors' Report	8
Statement of Financial Activities	13
Balance Sheet	14
Cashflow Statement	15
Notes to the Financial Statements	16
Legal and Administrative Details	23

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT

The Trustees are pleased to present their eleventh annual trustees' report including the financial statements of The Clocktower Foundation (the Foundation or the Charity), which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our principal charitable objects

In summary, our principal charitable objects, for the public benefit, are to:

- promote the efficiency of the armed forces of the Crown and, in particular, the HQ Hereford Garrison (the Regiment), through such means as the Trustees think fit
- advance the health and save the lives of serving personnel and their dependents, in particular those who are serving in the Regiment, through such means as the Trustees think fit
- provide for the relief of need amongst serving personnel, focusing on those who are serving in the Regiment, and their dependents, where that need has arisen, for example, by reasons of ill-health, disability or financial hardship, by such means as the Trustees think fit
- promote the culture and ethos of the Regiment from the viewpoint of serving soldiers.

Our mission and vision

Our mission is to provide support to, alleviate difficulties for, and improve the prospects of all those members of the Regimental family who are in need.

Our strategic goals are to:

- ensure that our structure, governance and administration enable the Foundation to be highly agile, effective, responsive and accountable;
- optimise net income generation, within the ethos of the Regiment;
- build a sufficient capital base, in order to fund annual grant expenditure, whilst maintaining appropriate reserves for unforeseen events;
- ensure that, within the Regimental family, every serving soldier, officer and their families are aware of The Clocktower Foundation, its aims, objectives and activities and also understand that it provides support at times of real need;
- assist our soldiers and officers to remain fighting fit;
- support and reinforce community cohesion and morale of the Regimental family;
- improve and promote opportunities for education;

- play a role in Regimental capital investment projects in accordance with the Charity's purpose

Fundraising

In 2025, our fundraising activities continued to rely on dinners and sporting events held by or on behalf of the Regiment. We also continued to engage with individuals who are referred to us by existing supporters, and were reasonably successful in attracting a number of those as new donors in 2025.

Our strategic objective of increasing our reserves such that at least half of our income each year can be generated from our investment portfolio was launched towards the end of 2022. This was focused on identifying and attracting a small number of high net worth individuals who would donate £1 million each and become members of the Cornerstone Club. We were successful in bringing the first member of the Club on board towards the end of 2022 and three further members joined this Club in 2023. A further three members joined in 2024. No new members joined in 2025, although there are two individuals who have stated their intentions of joining the Club and are doing so through a number of sizeable donations over a period of years.

The Charity does not engage in any public fundraising activities.

No complaints have been received with respect to fundraising activities.

Grants

Our policy is, to the extent allowed by our financial resources, to meet all reasonable requests of support from the Regiment that fall within our objectives. Our annual budget and forward plans give us confidence that we can identify the broad scale of such grant requests in advance and therefore be able to meet them, barring large unforeseen events. Material grants are approved by the Trustee board as a whole. The authority to award smaller grants is delegated to senior members of the Regiment, but these grants are reported to, and reviewed by, the Trustees at the subsequent Board meetings. No grant requests were turned down in 2025.

In addition to the capital projects, we continue to group grants under the headings of:

- *Fighting fit*, relating to medical and rehabilitation costs, psychological wellbeing and adventure training
- *Community cohesion*, relating to support for dependents (e.g. childcare and life experiences for children), Regiment social events and welfare assistance
- *Education*, relating to in-service learning, resettlement training and education and support for the Regimental Museum

Financial Review of the Year

Income of £2,973k (2024: £4,122k) was received from donations, Regimental fundraising, gift aid and investment income.

Direct costs of raising funds were nil. (2024: £nil). Support costs for the period were £142k (2024: £171k).

Total grants approved during the year were £1,463k (2024: £1,424k).

At the year-end, of the total gross assets of £16,324k (2024: £14,123k), £518k (2024: £4,571k) was held in cash. The balance is represented by holdings in a number of investment funds, as discussed further in the Investment Policy section below.

Unrestricted free reserves rose from £14.0m at the beginning of the year to £16.1m at the end of the year. Restricted reserves were nil in both years.

Financial Outlook

We have reasonable visibility of donation income and of funds from income generating activities. Our fundraising strategy is also being further developed to assist us in establishing a larger and more sustainable platform of donors in accordance with the long term objectives of the Charity, and we have already commented on the early success of our Cornerstone Club initiative. We have confidence that the Charity is well placed to meet its ongoing needs in the short term and beyond.

We believe that demands for support from the Regiment will continue to grow, albeit modestly, from the current level of £1.4m per annum.

So, we are sufficiently funded to meet our current and foreseeable obligations, not just for 2026, but also beyond that period.

In coming to the conclusion that the Charity was entitled to account on a going concern basis, the Board took full account of all of the uncertainties it was facing.

Risk Management

The Trustees recognise the importance of establishing and maintaining an appropriate system of risk management. Although the full Trustee Board is responsible for managing these risks, they have requested the Audit & Risk Committee, which has the most appropriate skills and experience, and the Chief Executive, who is also experienced in this area, to advise them.

There are two risks which are considered to be material, based on the combination of likelihood of occurrence and seriousness of impact was it to occur. One is that of a material and long-lasting fall in the stock market values – since most of our reserves are held in the form of equity investments. There have been substantial fluctuations in recent years, principally due to the outbreak of COVID-19, and the Russian invasion of Ukraine. Based on

the information available to that Committee, it informed the Board that in its opinion the long-term outlook remained positive and that therefore there should be no change in the investment strategy for the time being.

The second material risk is a significant fall in fundraising. We have a reasonably broad donor base, so although we could be adversely impacted by the loss of one or two of our larger donors, overall we believe we have a resilient income base – from dinners, sporting events and individual donations, as well as possible further members of the Cornerstone Club.

Structure, Governance and Management

See page 23 for the legal and administrative details which form part of this report.

The Charity has identified a series of policies which are appropriate for an organisation of its size and purpose, and these are now all in place. Amongst these is the policy for recruitment of trustees. This policy aims to recruit people with the necessary blend of skills and background to enable the charity to meet its aims, with the majority of trustees having had no prior roles with the Regiment.

All new trustees are given an induction programme by the CEO and by the Regiment, and are also given appropriate external material on the roles and responsibilities of trustees.

Jamie Ritblat joined the board in December 2025. Rob Whitehouse resigned as a director on 8 June 2026. The board wishes to acknowledge the service he has given to the Clocktower Foundation over the many years of his service. Simon Davis was appointed to the board on the same date.

The Board met five times in 2025 (2024: five). Most meetings were held face to face and the remainder by videoconference. Agendas and papers are circulated in advance of meetings, with formal minutes being circulated after each meeting. The Chief Executive and representatives from the Regiment are invited to attend all meetings.

The Board is supported by committees, which have written terms of reference. These are:

- Audit & Risk
- Investment
- Nominations

Previously, there were also a grant making and a development committee. However, since all members of the board sat on both committees, their work has now been subsumed within the routine board activities.

Reserves Policy

Reserves are held to ensure that the Charity can meet its commitment to support the Regiment. The trustees have developed a formal policy they review annually. In November 2025, the trustees determined that a minimum level of reserves appropriate to the Charity at

that time was £6.0m. Unrestricted and free reserves at the year-end were £16.1m, so this minimum level was comfortably achieved. The Trustees will continue to review this minimum reserve policy annually, in the light of changing circumstances. As part of our medium term strategy, we are seeking to reach a position whereby a meaningful proportion of our annual increase our reserve level significantly over the next three to five years, to somewhere in the region of £20-25m, such that our reserves can generate half to two thirds of our annual grant expenditure.

Investment Policy

The policy on investment was comprehensively reviewed in 2016, as a result of which BlackRock were reconfirmed as investment managers. We repeated this exercise in late 2024 as a result of which the decision was made to end the relationship with Blackrock. New agreements were entered into with Waverton Investment Management (now w1m) and Cazenove Capital. At the beginning of 2024 we also commenced a relationship with Citadel, via their Kensington Fund. We added substantial funds to this fund at the very end of 2024. We also have a £1 million holding in an unquoted oil and gas fund, which is a result of a donation by a member of the Cornerstone Club. The Investment Committee reviews the performance of each manager on a regular basis, including face to face meetings with them, where appropriate.

No investment management charges are shown in the accounts as these costs are embedded in the performance of the respective funds, so we have no means of knowing the exact amount charged.

The trustees do not have a specific ethical policy with respect to investments held. However, the respective fund managers have certain Environmental, Social and Governance (ESG) criteria that they employ as part of their risk management process

Statement of Trustees' Responsibility

The Trustees (who are also directors of The Clocktower Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

SMH Group have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

Approval

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

This report was approved by the board of Trustees on 9 June 2026 and signed on its behalf by:

Matthew Westerman, Chairman of Trustees

Jamie Ritblat, Trustee

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of The Clocktower Foundation (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2025

concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2025

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2025

Our assessment of the susceptibility to material misstatement, whether by fraud or error, is made in a risk based approach.

In this approach, laws and regulations applicable to the entity, such as the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, Charities SORP, along with employment law, safeguarding legislation, data protection law and Health and Safety law. The policies and controls the entity has in place to comply with these laws are **reviewed**, by discussion, reviews of correspondence and registrations monitored by external bodies. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Policies and controls relating to the risk of material misstatement as a result of fraud, management override of controls, and revenue recognitions are also considered. These are assessed by obtaining an understanding of the company's operations and control environment. The policies and controls have been reviewed by discussion, review and sample testing of accounting entries, including valuation of investments, challenging assumptions and judgements, reviewing and evaluating related parties transactions, and wider background searches. Testing of income recognition and fund accounting is also completed.

We have ensured that the engagement team have appropriate levels of competence and experience to effectively monitor these risks and carry out work relevant to our assessment of each risk, including consideration of the sector the company operates in and its size and complexity.

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

Use of our report

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

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2025

James Salim FCCA (Senior Statutory Auditor)
for and on behalf of SMH Group Audit
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

Date:

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2025

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£
		2025	2025	2025	2024	2024	2024
Income from:							
Donations	4	2,967,236	0	2,967,236	4,122,336	0	4,122,336
Investments		6,073	0	6,073	0	0	0
		-----	-----	-----	-----	-----	-----
Total income		2,973,310	0	2,973,310	4,122,336	0	4,122,336
Expenditure On:							
Raising Funds	5a	14,245	0	14,245	17,117	0	17,117
Charitable Activities	5b to 5d	1,590,993	0	1,590,993	1,577,905	0	1,577,905
		-----	-----	-----	-----	-----	-----
Total expenditure		1,605,238	0	1,605,238	1,595,021	0	1,595,021
Net income/(expenditure) before gains/(losses) in investments		1,368,072	0	1,368,072	2,527,315	0	2,527,315
Net (losses)/gains on investments		786,110	0	786,110	983,178	0	983,178
		-----	-----	-----	-----	-----	-----
Net income/(expenditure) and movement in funds		2,154,182	0	2,154,182	3,510,493	0	3,510,493
Total funds brought forward		13,982,851	0	13,982,851	10,472,358	0	10,472,358
		-----	-----	-----	-----	-----	-----
Total funds carried forward		16,137,033	0	16,137,033	13,982,851	0	13,982,851
		=====	=====	=====	=====	=====	=====

The statement of financial activities includes all gains and losses recognised in the accounting period.

All income and expenditure derives from continuing operations.

THE CLOCKTOWER FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2025

	Notes	2025	2024
		£	£
FIXED ASSETS			
Investments	6	15,781,902	9,551,616
CURRENT ASSETS			
Debtors - Donations		24,250	0
Accrued income - Legacies		0	0
Cash at bank and on deposit		518,252	4,571,235
		-----	-----
		542,502	4,571,235
CURRENT LIABILITIES			
Amounts falling due within one year	7	187,371	140,000
		-----	-----
NET CURRENT ASSETS		355,131	4,431,235
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		16,137,033	13,982,851
LIABILITIES			
Amounts falling due after more than one year		0	0
		-----	-----
NET ASSETS	8 & 11	16,137,033	13,982,851
		=====	=====
FUNDS			
Restricted Funds		0	0
Unrestricted Funds		16,137,033	13,982,851
		-----	-----
	8 & 11	16,137,033	13,982,851
		=====	=====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 9 June 2026
and signed on their behalf by:

Matthew Westerman
Trustee

Jamie Ritblat
Trustee

Company number: 09351193

The notes on pages 16 to 22 form part of the financial statements.

THE CLOCKTOWER FOUNDATION
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2025

	2025	2024
	£	£
Cashflows from operating activities:		
Net income/ (expenditure)	2,154,182	3,510,493
(Gains)/Losses on investments	(786,110)	(983,178)
Interest and investment income earned	(6,073)	0
(Increase)/ decrease in debtors	(24,250)	10,284
Increase/ (decrease) in creditors	47,371	38,970
	-----	-----
Net cash (outflow)/inflow from operating activities	1,385,120	2,576,569
Cashflows from investing activities:		
Investment Income	6,073	0
Purchase of investments	(12,982,002)	(3,996,651)
Disposal of Investments	7,537,827	3,078,977
	-----	-----
Net cash (outflow)/inflow from investing activities	(5,438,102)	(917,674)
	-----	-----
Change in cash and cash equivalents in reporting period	(4,052,982)	1,658,895
Cash and cash equivalents brought forward	4,571,235	2,912,342
	-----	-----
Cash and cash equivalents carried forward	518,253	4,571,235

THE CLOCKTOWER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2025

1. Accounting policies

Accounting convention

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of the income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern and the latest management accounts show results are in excess of the budget and with a positive cashflow. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The presentational and functional currency is the British £.

Fund Accounting

Restricted funds represent donations where the donor has specified they are to be used for a particular purpose. All other funds are classified as unrestricted.

Income

Incoming resources are recognised when the Charity is entitled to the income, its receipt is probable and it can be measured with reasonable certainty. Donations, and any related gift aid, are recognised when the Charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period. All of this applies equally to donations received through legacies.

Interest on funds held on deposit and investment income is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest or income being received or receivable.

Where services are provided to the Charity on a pro bono basis, the deemed value is treated as income, with an equal and opposite figure taken as a support cost. The value ascribed is that which the Charity would have paid had it purchased the service from a third party.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2025

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Support costs are allocated to activities based on time spent.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant. The notification gives the recipient a reasonable expectation that they will receive a one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Taxation

The Foundation is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from eligible income received under gift aid is recognised when the related income is receivable and is included within donations.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and Estimates

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2025

The trustees consider the only notable area of judgement to be the value of gifts in kind received. The value of these is provided by the donor where possible or, where not possible, included at a reasonable estimate by the trustees.

2. Trustees' Expenses

No Trustees have been paid any remuneration or received any other benefits from any employment with the Charity (2024: £nil). No trustee received any reimbursement of expenses (2024: £nil). £1,870 was paid for trustee liability insurance (2024: £1,464).

3. Employees and remuneration of key management personnel

There were no employees during the period. The Chief Executive's services, on a part-time basis, were supplied under contract. The total amount paid in respect of the Chief Executive's services in the period was £95,288 (2024: £104,363). The 2024 figure included a one-off bonus of £25,000 in recognition of exceptional performance in 2023 and 2024. All administrative support was provided by consultants or professional advisers.

4	Donations	2025	2024
		£	£
	Donations	2,842,549	3,905,203
	Gift Aid	124,688	217,133
	Donations in Kind	0	0
		-----	-----
		2,967,236	4,122,336
		=====	=====

5a	Analysis of expenditure on raising funds	2025	2024
		£	£
	Direct cost of raising funds	0	0
	Allocated support costs (see 5b below)	14,245	17,117
		-----	-----
		14,245	17,117
		=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2025

5b	Analysis of expenditure on charitable activities	2025	2024
		£	£
	Support costs	142,451	171,165
	Less allocated to costs of raising funds	(14,245)	(17,117)
	Grants	1,462,787	1,423,856
		1,590,993	1,577,905

5c	Analysis of support costs	2025	2024
		£	£
	Audit fee	4,800	4,500
	Chief Executive's services	95,288	104,363
	Other support costs	42,363	62,302
		142,451	171,165

5d	Grants	2025	2024
		£	£
	Grant-making activities		
	Fighting Fit	537,818	524,557
	Community Cohesion	742,003	803,196
	Education	182,966	96,103
		1,462,787	1,423,856

Of the £1,462k of grants approved in the year, £867k were made directly to or on behalf of the Regiment and the remaining £595k related to grants made directly to serving members. In 2024, of the £1,424k grants approved in the year, £825k were made directly to or on behalf of the Regiment and the remaining £599k related to grants made directly to serving members.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2025

6	Investments	2025	2024
		£	£
	Balance brought forward	9,551,617	7,650,764
	Realised and unrealised gain/(loss) in year	786,110	983,178
	Disposals	7,537,827	3,078,977
	Additions	12,982,002	3,996,651
		15,781,902	9,551,617

7	Liabilities: Amounts falling due within one year	2025	2024
		£	£
	Grants payable	178,653	110,500
	Accruals	8,719	29,500
		187,371	140,000

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2025

8	Analysis of Net Assets Between Funds			
	Current year	Unrestricted	Restricted	2025 total
		£	£	£
	Investments	15,781,902	0	15,781,902
	Current Assets	542,502	0	542,502
	Current Liabilities	(187,371)	0	(187,371)
		-----	-----	-----
	Total	16,137,033	0	16,137,033
		-----	-----	-----
	Comparative year	Unrestricted	Restricted	2024 total
		£	£	£
	Investments	9,551,616	0	9,551,616
	Current Assets	4,571,235	0	4,571,235
	Current Liabilities	(140,000)	0	(140,000)
		-----	-----	-----
	Total	13,982,851	0	13,982,851
		-----	-----	-----

9 Members and Liability

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is £1 per member of the Charity. All Trustees, and only Trustees, are members of the Charity.

10 Related Parties

During 2025, there were donations in cash from trustees of £105k (2024: £72k).

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2025

11 Analysis of Funds

	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2025	2025	2025	2025
<u>Unrestricted Funds</u>				
Unrestricted - general	13,982,852	3,616,968	1,462,787	16,137,033
	-----	-----	-----	-----
Total unrestricted	13,982,852	3,616,968	1,462,787	16,137,033
<u>Restricted Funds</u>				
	-----	-----	-----	-----
Total restricted Funds	0	0	0	0
	-----	-----	-----	-----
Total funds	13,982,852	3,616,968	1,462,787	16,137,033
	=====	=====	=====	=====
	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2024	2024	2024	2024
<u>Unrestricted Funds</u>				
Unrestricted - general	10,472,358	4,934,350	1,423,856	13,982,852
	-----	-----	-----	-----
Total unrestricted	10,472,358	4,934,350	1,423,856	13,982,852
<u>Restricted Funds</u>				
	-----	-----	-----	-----
Total restricted Funds	0	0	0	0
	-----	-----	-----	-----
Total funds	10,472,358	4,934,350	1,423,856	13,982,852
	=====	=====	=====	=====

Trustees

The Trustees, who are also directors under company law, who served during the year ended 31 December 2025 and up to the date of this report were as follows:

James Eyre	
Baroness Lorraine Fullbrook	
Hugo Farmer	
Matthew Westerman	Chairman
Robin Whitehouse	(Resigned 8 June 2026)
Jamie Ritblat	(appointed 4 December 2025)
Simon Davis	(appointed 8 June 2026)

The trustees have been selected on the basis of relevant professional expertise and, in some instances, knowledge of the Regiment. All have been appointed on open-ended letters of appointment, with no provision for remuneration.

Chief Executive

Michael Kayser

Administrative Details

Registered and Principal Office

The Clocktower Foundation
7 Bell Yard
London WC2A 2JR

The charity is a private company limited by guarantee in the United Kingdom (number 09351193), governed by its Memorandum and Articles of Association, dated 11 December 2014, and updated on 31 October 2017. It is registered as a charity with the Charity Commission (number 1160041).

Auditors: SMH Group Audit 5 Westbrook Court, Sharrowvale Road, Sheffield, S11 8YZ

Bankers: Barclays Bank, Leicester, LE87 2BB

Solicitors: Trowers & Hamlins, 3 Bunhill Row, London EC1Y 8YZ

THE CLOCKTOWER FOUNDATION

England & Wales - Charity number 1160041

Accounts

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2024

Contents

Trustees' Report	2
Independent Auditors' Report	8
Statement of Financial Activities	13
Balance Sheet	14
Cashflow Statement	15
Notes to the Financial Statements	16
Legal and Administrative Details	23

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT

The Trustees are pleased to present their tenth annual trustees' report including the financial statements of The Clocktower Foundation (the Foundation or the Charity), which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our principal charitable objects

In summary, our principal charitable objects, for the public benefit, are to:

- promote the efficiency of the armed forces of the Crown and, in particular, the HQ Hereford Garrison (the Regiment), through such means as the Trustees think fit
- advance the health and save the lives of serving personnel and their dependents, in particular those who are serving in the Regiment, through such means as the Trustees think fit
- provide for the relief of need amongst serving personnel, focusing on those who are serving in the Regiment, and their dependents, where that need has arisen, for example, by reasons of ill-health, disability or financial hardship, by such means as the Trustees think fit
- promote the culture and ethos of the Regiment from the viewpoint of serving soldiers.

Our mission and vision

Our mission is to provide support to, alleviate difficulties for, and improve the prospects of all those members of the Regimental family who are in need.

Our strategic goals are to:

- ensure that our structure, governance and administration enable the Foundation to be highly agile, effective, responsive and accountable;
- optimise net income generation, within the ethos of the Regiment;
- build a sufficient capital base, in order to fund annual grant expenditure, whilst maintaining appropriate reserves for unforeseen events;
- ensure that, within the Regimental family, every serving soldier, officer and their families are aware of The Clocktower Foundation, its aims, objectives and activities and also understand that it provides support at times of real need;
- assist our soldiers and officers to remain fighting fit;
- support and reinforce community cohesion and morale of the Regimental family;
- improve and promote opportunities for education;
- play a role in Regimental capital investment projects in accordance with the Charity's purpose

Fundraising

In 2024, our fundraising activities continued to rely on dinners and sporting events held by or on behalf of the Regiment. We also continued to engage with individuals who are referred to us by existing supporters, and were reasonably successful in attracting a number of those as new donors in 2024.

Our strategic objective of increasing our reserves such that at least half of our income each year can be generated from our investment portfolio was launched a new towards the end of 2022. This was focused on identifying and attracting a small number of high net worth individuals who would donate £1 million each and become members of the Cornerstone Club. We were successful in bringing the first member of the Club on board towards the end of 2022 and three further members joined this Club in 2023. We are pleased to report that a further three members joined in 2024.

The Charity does not engage in any public fundraising activities.

No complaints have been received with respect to fundraising activities.

Grants

Our policy is, to the extent allowed by our financial resources, to meet all reasonable requests of support from the Regiment that fall within our objectives. Our annual budget and forward plans give us confidence that we can identify the broad scale of such grant requests in advance and therefore be able to meet them, barring large unforeseen events. Material grants are approved by the Trustee board as a whole. The authority to award smaller grants is delegated to senior members of the Regiment, but these grants are reported to, and reviewed by, the Trustees at the subsequent Board meetings. No grant requests were turned down in 2024.

In addition to the capital projects, we continue to group grants under the headings of:

- *Fighting fit*, relating to medical and rehabilitation costs, psychological wellbeing and adventure training
- *Community cohesion*, relating to support for dependents (e.g. childcare and life experiences for children), Regiment social events and welfare assistance
- *Education*, relating to in-service learning, resettlement training and education and support for the Regimental Museum

Financial Review of the Year

Income of £4,122k (2023: £5,048k) was received from donations, Regimental fundraising, gift aid and investment income.

Direct costs of raising funds were nil. (2023: £nil). Support costs for the period were £171k (2023: £152k).

Total grants approved during the year were £1,424k (2023: £1,169k).

At the year-end, of the total gross assets of £14,123k (2023: £10,573k), £4,571k (2023: £2,912k) was held in cash. The balance is represented by holdings in a number of investment funds, as discussed further in the Investment Policy section below.

Unrestricted free reserves rose from £10.5m at the beginning of the year to £14.0m at the end of the year. Restricted reserves were nil in both years.

Financial Outlook

We have reasonable visibility of donation income and of funds from income generating activities. Our fundraising strategy is also being further developed to assist us in establishing a larger and more sustainable platform of donors in accordance with the long term objectives of the Charity, and we have already commented on the early success of our Cornerstone Club initiative. We have confidence that the Charity is well placed to meet its ongoing needs in the short term and beyond.

We believe that demands for support from the Regiment will continue to grow, albeit modestly, from the current level of £1.4m per annum.

So, we are sufficiently funded to meet our current and foreseeable obligations, not just for 2025, but also beyond that period.

In coming to the conclusion that the Charity was entitled to account on a going concern basis, the Board took full account of all of the uncertainties it was facing.

Risk Management

The Trustees recognise the importance of establishing and maintaining an appropriate system of risk management. Although the full Trustee Board is responsible for managing these risks, they have requested the Audit & Risk Committee, which has the most appropriate skills and experience, and the Chief Executive, who is also experienced in this area, to advise them.

There are two risks which are considered to be material, based on the combination of likelihood of occurrence and seriousness of impact was it to occur. One is that of a material and long-lasting fall in the stock market values – since most of our reserves are held in the form of equity investments. There have been substantial fluctuations in recent years, principally due to the outbreak of COVID-19, and the Russian invasion of Ukraine. Based on the information available to that Committee, it informed the Board that in its opinion the long-term outlook remained positive and that therefore there should be no change in the investment strategy for the time being.

The second material risk is a significant fall in fundraising. We have a reasonably broad donor base, so although we could be adversely impacted by the loss of one or two of our larger donors, overall we believe we have a resilient income base – from dinners, sporting events and individual donations, as well as possible further members of the Cornerstone Club.

Structure, Governance and Management

See page 23 for the legal and administrative details which form part of this report.

The Charity has identified a series of policies which are appropriate for an organisation of its size and purpose and these are now all in place. Amongst these is the policy for recruitment of trustees. This policy aims to recruit people with the necessary blend of skills and background to enable the charity to meet its aims, with the majority of trustees having had no prior roles with the Regiment.

All new trustees are given an induction programme by the CEO and by the Regiment, and are also given appropriate external material on the roles and responsibilities of trustees.

As mentioned in last year's Annual Report, Anthony Rockley stepped down as chair of the board, and as a director, in April 2024 and was replaced by Matthew Westerman. At the same time Richard Madeley resigned as a director, and trustee. Also, Mark Denslow resigned and was replaced by Robin Whitehouse. In December, Tim Boughton resigned as a trustee having completed six years of service.

The Board met five times in 2024 (2023: five). Most meetings were held face to face and the remainder by videoconference. Agendas and papers are circulated in advance of meetings, with formal minutes being circulated after each meeting. The Chief Executive and representatives from the Regiment are invited to attend all meetings.

The Board is supported by committees, which have written terms of reference. These are:

- Audit & Risk
- Grant making
- Development
- Investment
- Nominations

Reserves Policy

Reserves are held to ensure that the Charity can meet its commitment to support the Regiment. The trustees have developed a formal policy they review annually. In November 2024, the trustees determined that a minimum level of reserves appropriate to the Charity at that time was £5.2m. Unrestricted and free reserves at the year-end were £14.0m, so this minimum level was comfortably achieved. The Trustees will continue to review this minimum reserve policy annually, in the light of changing circumstances. As part of our medium term strategy, we are seeking to reach a position whereby a meaningful proportion of our annual increase our reserve level significantly over the next three to five years, to somewhere in the

region of £20m, such that our reserves can generate half to two thirds of our annual grant expenditure.

Investment Policy

The policy on investment was comprehensively reviewed in 2016, as a result of which BlackRock were reconfirmed as investment managers. We repeated this exercise in late 2024 as a result of which the decision was made to end the relationship with Blackrock. New agreements were entered into with Waverton Investment Management and Cazenove Capital. At the beginning of 2024 we also commenced a relationship with Citadel, via their Kensington Fund. We added substantial funds to this fund at the very end of 2024. The monies were in transit at year-end, hence the very large cash balance showing in the balance sheet. We also have a £1 million holding in an unquoted oil and gas fund, which is a result of a donation by a member of the Cornerstone Club.

No investment management charges are shown in the accounts as these costs are embedded in the performance of the respective funds, so we have no means of knowing the exact amount charged.

The trustees do not have a specific ethical policy with respect to investments held. However, the respective fund managers have certain Environmental, Social and Governance (ESG) criteria that they employ as part of their risk management process

Statement of Trustees' Responsibility

The Trustees (who are also directors of The Clocktower Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT continued

responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

SMH Group have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

Approval

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

This report was approved by the board of Trustees on 12 June 2025 and signed on its behalf by:

Matthew Westerman, Chairman of Trustees

Hugo Farmer, Trustee

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of The Clocktower Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2024

concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2024

Our assessment of the susceptibility to material misstatement, whether by fraud or error, is made in a risk based approach.

In this approach, laws and regulations applicable to the entity, such as the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, Charities SORP, along with employment law, safeguarding legislation, data protection law and Health and Safety law. The policies and controls the entity has in place to comply with these laws are **reviewed**, by discussion, reviews of correspondence and registrations monitored by external bodies. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Policies and controls relating to the risk of material misstatement as a result of fraud, management override of controls, and revenue recognitions are also considered. These are assessed by obtaining an understanding of the company's operations and control environment. The policies and controls have been reviewed by discussion, review and sample testing of accounting entries, including valuation of investments, challenging assumptions and judgements, reviewing and evaluating related parties transactions, and wider background searches. Testing of income recognition and fund accounting is also completed.

We have ensured that the engagement team have appropriate levels of competence and experience to effectively monitor these risks and carry out work relevant to our assessment of each risk, including consideration of the sector the company operates in and its size and complexity.

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

Use of our report

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

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2024

James Salim FCCA (Senior Statutory Auditor)
for and on behalf of Sutton McGrath Hartley
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

Date:

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2024

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£
		2024	2024	2024	2023	2023	2023
Income from:							
Donations	4	4,122,336	0	4,122,336	5,048,466	0	5,048,466
Investments		0	0	0	0	0	0
		-----	-----	-----	-----	-----	-----
Total income		4,122,336	0	4,122,336	5,048,466	0	5,048,466
Expenditure On:							
Raising Funds	5a	17,117	0	17,117	15,198	0	15,198
Charitable Activities	5b to 5d	1,577,905	0	1,577,905	1,306,282	0	1,306,282
		-----	-----	-----	-----	-----	-----
Total expenditure		1,595,021	0	1,595,021	1,321,481	0	1,321,481
Net income/(expenditure) before gains/(losses) in investments		2,527,135	0	2,527,135	3,726,985	0	3,726,985
Net (losses)/gains on investments		983,178	0	983,178	276,025	0	276,025
		-----	-----	-----	-----	-----	-----
Net income/(expenditure) and movement in funds		3,510,943	0	3,510,943	4,003,010	0	4,003,010
Total funds brought forward		10,472,358	0	10,472,358	6,469,348	0	6,469,348
		-----	-----	-----	-----	-----	-----
Total funds carried forward		13,982,851	0	13,982,851	10,472,358	0	10,472,358
		=====	=====	=====	=====	=====	=====

The statement of financial activities includes all gains and losses recognised in the accounting period.

All income and expenditure derives from continuing operations.

THE CLOCKTOWER FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Investments	6	9,551,616	7,650,764
CURRENT ASSETS			
Debtors - Donations		0	0
Accrued income - Legacies		0	10,283
Cash at bank and on deposit		4,571,235	2,912,340
		-----	-----
		4,571,235	2,922,624
CURRENT LIABILITIES			
Amounts falling due within one year	7	140,000	101,030
		-----	-----
NET CURRENT ASSETS		4,431,235	2,821,594
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		13,982,851	10,472,358
LIABILITIES			
Amounts falling due after more than one year		0	0
		-----	-----
NET ASSETS	8 & 11	13,982,851	10,472,358
		=====	=====
FUNDS			
Restricted Funds		0	0
Unrestricted Funds		13,982,851	10,472,358
		-----	-----
	8 & 11	13,982,851	10,472,358
		=====	=====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 12 June 2025
and signed on their behalf by:

Matthew Westerman
Trustee

Hugo Farmer
Trustee

Company number: 09351193

The notes on pages 16 to 22 form part of the financial statements.

THE CLOCKTOWER FOUNDATION
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2024

	2024	2023
	£	£
Cashflows from operating activities:		
Net income/ (expenditure)	3,510,493	4,003,010
(Gains)/Losses on investments	(983,178)	(276,025)
Interest and investment income earned	0	0
(Increase)/ decrease in debtors	10,284	(10,284)
Increase/ (decrease) in creditors	38,970	31,872
	-----	-----
Net cash (outflow)/inflow from operating activities	2,576,569	3,748,573
Cashflows from investing activities:		
Investment Income	0	0
Purchase of investments	(3,996,651)	(2,500,000)
Disposal of Investments	3,078,977	0
	-----	-----
Net cash (outflow)/inflow from investing activities	(917,674)	(2,500,000)
	-----	-----
Change in cash and cash equivalents in reporting period	1,658,895	1,248,573
Cash and cash equivalents brought forward	2,912,342	1,663,769
	-----	-----
Cash and cash equivalents carried forward	4,571,235	2,912,342

THE CLOCKTOWER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

1. Accounting policies

Accounting convention

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of the income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern and the latest management accounts show results are in excess of the budget and with a positive cashflow. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The presentational and functional currency is the British £.

Fund Accounting

Restricted funds represent donations where the donor has specified they are to be used for a particular purpose. All other funds are classified as unrestricted.

Income

Incoming resources are recognised when the Charity is entitled to the income, its receipt is probable and it can be measured with reasonable certainty. Donations, and any related gift aid, are recognised when the Charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period. All of this applies equally to donations received through legacies.

Interest on funds held on deposit and investment income is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest or income being received or receivable.

Where services are provided to the Charity on a pro bono basis, the deemed value is treated as income, with an equal and opposite figure taken as a support cost. The value ascribed is that which the Charity would have paid had it purchased the service from a third party.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2024

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Support costs are allocated to activities based on time spent.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant. The notification gives the recipient a reasonable expectation that they will receive a one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Taxation

The Foundation is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from eligible income received under gift aid is recognised when the related income is receivable and is included within donations.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

In 2020, holdings in the BlackRock Charities Growth & Income Fund were reclassified from Current Asset Investments to Fixed Asset Investments, as they are expected to be held as a long-term capital generating asset.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and Estimates

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2024

results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The trustees consider the only notable area of judgement to be the value of gifts in kind received. The value of these is provided by the donor where possible or, where not possible, included at a reasonable estimate by the trustees.

2. Trustees' Expenses

No Trustees have been paid any remuneration or received any other benefits from any employment with the Charity (2023: £nil). No trustee received any reimbursement of expenses (2023: £nil). £1,464 was paid for trustee liability insurance (2023: £1,359).

3. Employees and remuneration of key management personnel

There were no employees during the period. The Chief Executive's services, on a part-time basis, were supplied under contract. The total amount paid in respect of the Chief Executive's services in the period was £104,363 (2023: £77,151). The 2024 figure included a one-off bonus of £25,000 in recognition of exceptional performance in 2023 and 2024. All administrative support was provided by consultants or professional advisers.

4	Donations	2024	2023
		£	£
	Donations	3,905,203	4,535,032
	Gift Aid	217,132	513,433
	Donations in Kind	0	0
		-----	-----
		4,122,336	5,048,466
		=====	=====

5a	Analysis of expenditure on raising funds	2024	2023
		£	£
	Direct cost of raising funds	0	0
	Allocated support costs (see 5b below)	17,117	15,198
		-----	-----
		17,117	15,198
		=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2024

5b	Analysis of expenditure on charitable activities	2024	2023
		£	£
	Support costs	171,165	151,983
	Less allocated to costs of raising funds	(17,117)	(15,198)
	Grants	1,423,856	1,169,497
		1,577,904	1,306,282

5c	Analysis of support costs	2024	2023
		£	£
	Audit fee	4,500	4,800
	Chief Executive's services	104,363	77,151
	Other support costs	62,302	70,032
		171,165	151,983

5d	Grants	2024	2023
		£	£
	Grant-making activities		
	Fighting Fit	524,557	389,631
	Community Cohesion	803,196	694,387
	Education	96,103	85,479
		1,423,856	1,169,497

Of the £1,424k of grants approved in the year, £825k were made directly to or on behalf of the Regiment and the remaining £599k related to grants made directly to serving members. In 2023, of the £1,169k grants approved in the year, £678k were made directly to or on behalf of the Regiment and the remaining £491k related to grants made directly to serving members.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2024

6	Investments	2024	2023
		£	£
	Balance brought forward	7,650,764	4,874,739
	Realised and unrealised gain/(loss) in year	983,178	276,025
	Disposals	(3,078,977)	0
	Additions	3,996,651	2,500,000
		-----	-----
		9,551,616	7,650,764
		=====	=====

7	Liabilities: Amounts falling due within one year	2024	2023
		£	£
	Grants payable	110,500	95,208
	Accruals	29,500	5,823
		-----	-----
		140,000	101,030
		=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2024

8	Analysis of Net Assets Between Funds			
	Current year	Unrestricted	Restricted	2024 total
		£	£	£
	Investments	9,551,616	0	9,551,616
	Current Assets	4,571,235	0	4,571,235
	Current Liabilities	(140,000)	0	(140,000)
		=====	=====	=====
	Total	13,982,851	0	13,982,851
		=====	=====	=====
	Comparative year	Unrestricted	Restricted	2023 total
		£	£	£
	Investments	7,650,764	0	7,650,764
	Current Assets	2,922,624	0	2,922,624
	Current Liabilities	(101,030)	0	(101,030)
		=====	=====	=====
	Total	10,472,358	0	10,472,358
		=====	=====	=====

9 Members and Liability

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is £1 per member of the Charity. All Trustees, and only Trustees, are members of the Charity.

10 Related Parties

During 2024, there were donations in cash from trustees of £72k (2023: none).

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2024

11 Analysis of Funds

	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2024	2024	2024	2024
<u>Unrestricted Funds</u>				
Unrestricted - general	10,472,358	4,934,350	1,423,856	13,982,852
	-----	-----	-----	-----
Total unrestricted	10,472,358	4,934,350	1,423,856	13,982,852
<u>Restricted Funds</u>				
	-----	-----	-----	-----
Total restricted Funds	0	0	0	0
	-----	-----	-----	-----
Total funds	10,472,358	4,934,350	1,423,856	13,982,852
	=====	=====	=====	=====
	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2023	2023	2023	2023
<u>Unrestricted Funds</u>				
Unrestricted - general	6,469,348	5,172,507	1,169,497	10,472,358
	-----	-----	-----	-----
Total unrestricted	6,469,348	5,172,507	1,169,497	10,472,358
<u>Restricted Funds</u>				
	-----	-----	-----	-----
Total restricted Funds	0	0	0	0
	-----	-----	-----	-----
Total funds	6,469,348	5,172,507	1,169,497	10,472,358
	=====	=====	=====	=====

Trustees

The Trustees, who are also directors under company law, who served during the year ended 31 December 2024 and up to the date of this report were as follows:

Lord Rockley	Chairman (resigned 16 April 2024)
James Eyre	
Tim Boughton	(resigned 11 December 2024)
Richard Madeley	(resigned 16 April 2024)
Baroness Lorraine Fullbrook	
Mark Denslow	(resigned 16 April 2024)
Hugo Farmer	(appointed 29 November 2023)
Matthew Westerman	Chairman (appointed 16 April 2024)
Robin Whitehouse	(appointed 16 April 2024)

The trustees have been selected on the basis of relevant professional expertise and, in some instances, knowledge of the Regiment. All have been appointed on open-ended letters of appointment, with no provision for remuneration.

Chief Executive

Michael Kayser

Administrative Details

Registered and Principal Office

The Clocktower Foundation
7 Bell Yard
London WC2A 2JR

The charity is a private company limited by guarantee in the United Kingdom (number 09351193), governed by its Memorandum and Articles of Association, dated 11 December 2014, and updated on 31 October 2017. It is registered as a charity with the Charity Commission (number 1160041).

Auditors: Sutton McGrath Hartley 5 Westbrook Court, Sharrowvale Road, Sheffield, S11 8YZ

Bankers: Barclays Bank, Leicester, LE87 2BB

Solicitors: DWF Law LLP, 20 Fenchurch Street London EC3M 3AG

Accounts

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2023

Contents

Trustees' Report	2
Independent Auditors' Report	8
Statement of Financial Activities	13
Balance Sheet	14
Cashflow Statement	15
Notes to the Financial Statements	16
Legal and Administrative Details	23

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT

The Trustees are pleased to present their ninth annual trustees' report together with the financial statements of The Clocktower Foundation (the Foundation or the Charity), which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our principal charitable objects

In summary, our principal charitable objects, for the public benefit, are to:

- promote the efficiency of the armed forces of the Crown and, in particular, the HQ Hereford Garrison (the Regiment), through such means as the Trustees think fit
- advance the health and save the lives of serving personnel and their dependents, in particular those who are serving in the Regiment, through such means as the Trustees think fit
- provide for the relief of need amongst serving personnel, focusing on those who are serving in the Regiment, and their dependents, where that need has arisen, for example, by reasons of ill-health, disability or financial hardship, by such means as the Trustees think fit
- promote the culture and ethos of the Regiment from the viewpoint of serving soldiers.

Our mission and vision

Our mission is to provide support to, alleviate difficulties for, and improve the prospects of all those members of the Regimental family who are in need.

Our strategic goals are to:

- ensure that our structure, governance and administration enable the Foundation to be highly agile, effective, responsive and accountable;
- optimise net income generation, within the ethos of the Regiment;
- build a sufficient capital base, in order to fund annual grant expenditure, whilst maintaining appropriate reserves for unforeseen events;
- ensure that, within the Regimental family, every serving soldier, officer and their families are aware of The Clocktower Foundation, its aims, objectives and activities and also understand that it provides support at times of real need;
- assist our soldiers and officers to remain fighting fit;
- support and reinforce community cohesion and morale of the Regimental family;
- improve and promote opportunities for education;
- play a role in Regimental capital investment projects in accordance with the Charity's purposes.

Fundraising

In 2023, our fundraising activities continued to rely on dinners and sporting events held by or on behalf of the Regiment. We also continued to engage with individuals who are referred to us by existing supporters, and were reasonably successful in attracting a number of those as new donors in 2023.

In furtherance of our strategic objective of increasing our reserves such that at least half of our income each year can be generated from our investment portfolio, we launched a new initiative towards the end of 2022. This was focused on identifying and attracting a small number of high net worth individuals who would donate £1 million each and become members of the Cornerstone Club. We were successful in bringing the first member of the Club on board towards the end of 2022 and three further members joined this Club in 2023.

The Charity does not engage in any public fundraising activities.

No complaints have been received with respect to fundraising activities.

Grants

Our policy is, to the extent allowed by our financial resources, to meet all reasonable requests of support from the Regiment that fall within our objectives. Our annual budget and forward plans give us confidence that we can identify the broad scale of such grant requests in advance and therefore be able to meet them, barring large unforeseen events. Material grants are approved by the Trustee board as a whole. The authority to award smaller grants is delegated to senior members of the Regiment, but these grants are reported to, and reviewed by, the Trustees at the subsequent Board meetings. No grant requests were turned down in 2023.

In addition to the capital projects, we continue to group grants under the headings of:

- *Fighting fit*, relating to medical and rehabilitation costs, psychological wellbeing and adventure training
- *Community cohesion*, relating to support for dependents (e.g. childcare and life experiences for children), Regiment social events and welfare assistance
- *Education*, relating to in-service learning, resettlement training and education and support for the Regimental Museum

Financial Review of the Year

Income of £5,048k (2022: £2,355k) was received from donations, Regimental fundraising, gift aid and investment income.

Direct costs of raising funds were nil. (2022: £8k). Support costs for the period were £152k (2022: £106k).

Total grants approved during the year were £1,169k (2022: £812k).

At the year-end, of the total gross assets of £10,573k (2022: £6,539k), £2,912k (2022: £1,664k) was held in cash. The balance is represented by holdings in the BlackRock Charities Growth & Income Fund.

Unrestricted free reserves rose from £6.5m at the beginning of the year to £10.5m at the end of the year. Restricted reserves were nil in both years.

Financial Outlook

We have reasonable visibility of donation income and of funds from income generating activities. Our fundraising strategy is also being further developed to assist us in establishing a larger and more sustainable platform of donors in accordance with the long term objectives of the Charity, and we have already commented on the early success of our Cornerstone Club initiative. We have confidence that the Charity is well placed to meet its ongoing needs in the short term and beyond.

We believe that demands for support from the Regiment will continue to grow, albeit modestly, from the current level of £1.2m per annum.

So, we are sufficiently funded to meet our current and foreseeable obligations, not just for 2024, but also beyond that period.

In coming to the conclusion that the Charity was entitled to account on a going concern basis, the Board took full account of all of the uncertainties it was facing.

Risk Management

The Trustees recognise the importance of establishing and maintaining an appropriate system of risk management. Although the full Trustee Board is responsible for managing these risks, they have requested the Audit & Risk Committee, which has the most appropriate skills and experience, and the Chief Executive, who is also experienced in this area, to advise them.

There are two risks which are considered to be material, based on the combination of likelihood of occurrence and seriousness of impact was it to occur. One is that of a material and long-lasting fall in the stock market values – since most of our reserves are held in the form of equity investments. There have been substantial fluctuations in recent years, principally due to the outbreak of COVID-19, and the Russian invasion of Ukraine. Based on the information available to that Committee, it informed the Board that in its opinion the long-term outlook remained positive and that therefore there should be no change in the investment strategy for the time being.

The second material risk is a significant fall in fundraising. We have a reasonably broad donor base, so although we could be adversely impacted by the loss of one or two of our larger donors, overall we believe we have a resilient income base – from dinners, sporting events and individual donations, as well as possible further members of the Cornerstone Club.

Structure, Governance and Management

See page 23 for the legal and administrative details which form part of this report.

The Charity has identified a series of policies which are appropriate for an organisation of its size and purpose and these are now all in place. Amongst these is the policy for recruitment of trustees. This policy aims to recruit people with the necessary blend of skills and background to enable the charity to meet its aims, with the majority of trustees having had no prior roles with the Regiment.

All new trustees are given an induction programme by the CEO and by the Regiment, and are also given appropriate external material on the roles and responsibilities of trustees.

David Juster resigned from the board in November 2023 and was replaced by Hugo Farmer. Following the year-end, Anthony Rockley stepped down as chair of the board, and as a director, in April 2024 and was replaced by Matthew Westerman. At the same time Richard Madeley resigned as a director, and trustee. Also, Mark Denslow resigned and was replaced by Robin Whitehouse.

The Board met five times in 2023 (2022: five). Most meetings were held face to face and the remainder by videoconference. Agendas and papers are circulated in advance of meetings, with formal minutes being circulated after each meeting. The Chief Executive and representatives from the Regiment are invited to attend all meetings.

The Board is supported by committees, which have written terms of reference. These are:

- Audit & Risk
- Grant making
- Development
- Investment
- Nominations

Reserves Policy

Reserves are held to ensure that the Charity can meet its commitment to support the Regiment. The trustees have developed a formal policy they review annually. In November 2023, the trustees determined that a minimum level of reserves appropriate to the Charity at that time was £4.6m. Unrestricted and free reserves at the year-end were £10.5m, so this minimum level was comfortably achieved. The Trustees will continue to review this minimum reserve policy annually, in the light of changing circumstances. As part of our medium term strategy, we are seeking to reach a position whereby a meaningful proportion of our annual grants are funded from the investment income arising on our reserves. This will require us to increase our reserve level significantly over the next three to five years, to somewhere in the region of £20m, such that our reserves can generate half to two thirds of our annual grant expenditure.

Investment Policy

The policy on investment was comprehensively reviewed in 2016, as a result of which BlackRock were reconfirmed as investment managers. At the same time, the decision was made to switch from Income Units to Accumulation Units within the same fund with BlackRock, as the Charity had no need of regular dividend income.

No investment management charges are shown in the accounts. We have been informed by BlackRock that they charge 0.4% per annum, but these costs are embedded in the performance of the fund, so we have no means of knowing the exact amount charged. However, the figure was in the region of £20k in 2023 (2022: £18k)

The Investment Committee has reviewed the performance of the investment managers and the portfolio in 2023, and no changes have been made. However, it is the intention of the trustees to undertake another comprehensive review towards the end of 2024.

The overall BlackRock fund level, adjusted for additional investments, rose in the year, broadly in line with the performance of UK and international stock markets.

Since the year-end, the trustees have diversified the investment policy, bringing a number of other providers on board. Details of these will be provided in the 2024 Report & Accounts.

The trustees do not have a specific ethical policy with respect to investments held. However, the BlackRock Charities Growth & Income Fund within which the investment portfolio is held, does have certain Environmental, Social and Governance (ESG) criteria that they employ as part of their risk management process.

Statement of Trustees' Responsibility

The Trustees (who are also directors of The Clocktower Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT continued

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

At the request of the trustees, Saffery Champness LLP stood down as auditors during 2023 and were replaced by SMH Group. SMH Group have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

Approval

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

This report was approved by the board of Trustees on 25 June 2024 and signed on its behalf by:

Matthew Westerman, Chairman of Trustees

James Eyre, Trustee

Opinion

We have audited the financial statements of The Clocktower Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2023

concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment of the susceptibility to material misstatement, whether by fraud or error, is made in a risk based approach.

In this approach, laws and regulations applicable to the entity, such as the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, Charities SORP, along with employment law, safeguarding legislation, data protection law and Health and Safety law. The policies and controls the entity has in place to comply with these laws are **reviewed**, by discussion, reviews of correspondence and registrations monitored by external bodies. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Policies and controls relating to the risk of material misstatement as a result of fraud, management override of controls, and revenue recognitions are also considered. These are assessed by obtaining an understanding of the company's operations and control environment. The policies and controls have been reviewed by discussion, review and sample testing of accounting entries, including valuation of investments, challenging assumptions and judgements, reviewing and evaluating related parties transactions, and wider background searches. Testing of income recognition and fund accounting is also completed.

We have ensured that the engagement team have appropriate levels of competence and experience to effectively monitor these risks and carry out work relevant to our assessment of each risk, including consideration of the sector the company operates in and its size and complexity.

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

Other matters which we are required to address

The financial statements for the prior period were audited by the predecessor auditor, Saffery Champness LLP. The prior period audit report was unqualified and dated 16 June 2023.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2023

purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathon Dickens FCA (Senior Statutory Auditor)
for and on behalf of Sutton McGrath Hartley
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

Date:

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2023

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Notes	Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£
		2023	2023	2023	2022	2022	2022
Income from:							
Donations	4	5,048,466	0	5,048,466	2,345,601	10,000	2,355,601
Investments		0	0	0	0	0	0
		-----	-----	-----	-----	-----	-----
Total income		5,048,466	0	5,048,466	2,345,601	10,000	2,355,601
Expenditure On:							
Raising Funds	5a	15,198	0	15,198	18,767	0	18,767
Charitable Activities	5b to 5d	1,306,282	0	1,306,282	898,077	10,000	908,077
		-----	-----	-----	-----	-----	-----
Total expenditure		1,321,481	0	1,321,481	916,844	10,000	926,844
Net income/(expenditure) before gains/(losses) in investments		3,726,985	0	3,726,985	1,428,757	0	1,428,757
Net (losses)/gains on investments		276,025	0	276,025	(593,593)	0	(593,593)
		-----	-----	-----	-----	-----	-----
Net income/(expenditure) and movement in funds		4,003,010	0	4,003,010	835,164	0	835,164
Total funds brought forward		6,469,348	0	6,469,348	5,634,184	0	5,634,184
		-----	-----	-----	-----	-----	-----
Total funds carried forward		10,472,358	0	10,472,358	6,469,348	0	6,469,348
		=====	=====	=====	=====	=====	=====

The statement of financial activities includes all gains and losses recognised in the accounting period.

All income and expenditure derives from continuing operations.

THE CLOCKTOWER FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	2023	2022
		£	£
FIXED ASSETS			
Investments	6	7,650,764	4,874,739
CURRENT ASSETS			
Debtors - Donations		0	0
Accrued income - Legacies		10,283	0
Cash at bank and on deposit		2,912,340	1,663,769
		-----	-----
		2,922,624	1,663,769
CURRENT LIABILITIES			
Amounts falling due within one year	7	101,030	69,159
		-----	-----
NET CURRENT ASSETS		2,821,594	1,594,610
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		10,472,358	6,469,349
LIABILITIES			
Amounts falling due after more than one year		0	0
		-----	-----
NET ASSETS	8 & 11	10,472,358	6,469,349
		=====	=====
FUNDS			
Restricted Funds		0	0
Unrestricted Funds		10,472,358	6,469,348
		-----	-----
	8 & 11	10,472,358	6,469,348
		=====	=====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 25 June 2024
and signed on their behalf by:

Matthew Westerman
Trustee

James Eyre
Trustee

Company number: 09351193

The notes on pages 16 to 22 form part of the financial statements.

THE CLOCKTOWER FOUNDATION
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Cashflows from operating activities:		
Net income/ (expenditure)	4,003,010	835,164
(Gains)/Losses on investments	(276,025)	593,593
Interest and investment income earned	0	0
(Increase)/ decrease in debtors	(10,284)	5,000
Increase/ (decrease) in creditors	31,872	(127,979)
	-----	-----
Net cash (outflow)/inflow from operating activities	3,748,573	1,305,779
Cashflows from investing activities:		
Investment Income	0	0
Purchase of investments	(2,500,000)	0
	-----	-----
Net cash (outflow)/inflow from investing activities	(2,500,000)	0
	-----	-----
Change in cash and cash equivalents in reporting period	1,248,573	1,305,779
Cash and cash equivalents brought forward	1,663,769	357,990
	-----	-----
Cash and cash equivalents carried forward	2,912,340	1,663,769
	-----	-----

THE CLOCKTOWER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1. Accounting policies

Accounting convention

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of the income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern and the latest management accounts show results are in excess of the budget and with a positive cashflow. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The presentational and functional currency is the British £.

Fund Accounting

Restricted funds represent donations where the donor has specified they are to be used for a particular purpose. All other funds are classified as unrestricted.

Income

Incoming resources are recognised when the Charity is entitled to the income, its receipt is probable and it can be measured with reasonable certainty. Donations, and any related gift aid, are recognised when the Charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period. All of this applies equally to donations received through legacies.

Interest on funds held on deposit and investment income is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest or income being received or receivable.

Where services are provided to the Charity on a pro bono basis, the deemed value is treated as income, with an equal and opposite figure taken as a support cost. The value ascribed is that which the Charity would have paid had it purchased the service from a third party.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2023

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Support costs are allocated to activities based on time spent.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant. The notification gives the recipient a reasonable expectation that they will receive a one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Taxation

The Foundation is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from eligible income received under gift aid is recognised when the related income is receivable and is included within donations.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

In 2020, holdings in the BlackRock Charities Growth & Income Fund were reclassified from Current Asset Investments to Fixed Asset Investments, as they are expected to be held as a long-term capital generating asset.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and Estimates

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2023

results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The trustees consider the only notable area of judgement to be the value of gifts in kind received. The value of these is provided by the donor where possible or, where not possible, included at a reasonable estimate by the trustees.

2. Trustees' Expenses

No Trustees have been paid any remuneration or received any other benefits from any employment with the Charity (2022: £nil). No trustee received any reimbursement of expenses (2022: £nil). £1,359 was paid for trustee liability insurance (2022: £1,192).

3. Employees and remuneration of key management personnel

There were no employees during the period. The Chief Executive's services, on a part-time basis, were supplied under contract. The total amount paid in respect of the Chief Executive's services in the period was £77,151 (2022: £73,941). All administrative support was provided by consultants or professional advisers.

4	Donations	2023	2022
		£	£
	Donations	4,535,032	2,282,340
	Gift Aid	513,433	73,262
	Donations in Kind	0	0
		-----	-----
		5,048,466	2,355,601
		=====	=====

5a	Analysis of expenditure on raising funds	2023	2022
		£	£
	Direct cost of raising funds	0	8,121
	Allocated support costs (see 5b below)	15,198	10,646
		-----	-----
		15,198	18,767
		=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2023

5b	Analysis of expenditure on charitable activities	2023	2022
		£	£
	Support costs	151,983	106,456
	Less allocated to costs of raising funds	(15,198)	(10,646)
	Grants	1,169,497	812,267
		-----	-----
		1,306,282	908,077
		=====	=====

5c	Analysis of support costs	2023	2022
		£	£
	Audit fee	4,800	10,800
	Chief Executive's services	77,151	73,941
	Legal advice received pro bono	0	0
	Other support costs	70,032	21,715
		-----	-----
		151,983	106,456
		=====	=====

5d	Grants	2023	2022
		£	£
	Grant-making activities		
	Fighting Fit	389,631	316,781
	Community Cohesion	694,387	438,434
	Education	85,479	57,052
		-----	-----
		1,169,497	812,267
		=====	=====

Of the £1,169k of grants approved in the year, £678k were made directly to or on behalf of the Regiment and the remaining £491k related to grants made directly to serving members. In 2022, of the £812k grants approved in the year, £503k were made directly to or on behalf of the Regiment and the remaining £309k related to grants made directly to serving members.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2023

6	Investments	2023	2022
		£	£
	Balance brought forward	4,874,739	5,468,332
	Realised and unrealised gain/(loss) in year	276,025	(593,593)
	Disposals	0	0
	Additions	2,500,000	0
		-----	-----
		7,650,764	4,874,739
		=====	=====

7	Liabilities: Amounts falling due within one year	2023	2022
		£	£
	Grants payable	95,208	51,358
	Accruals	5,823	17,801
		-----	-----
		101,030	69,159
		=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2023

8	Analysis of Net Assets Between Funds			
	Current year	Unrestricted	Restricted	2023 total
		£	£	£
	Investments	7,650,764	0	7,650,764
	Current Assets	2,922,625	0	2,922,625
	Current Liabilities	(101,030)	0	(101,030)
		=====	=====	=====
	Total	10,472,359	0	10,472,359
		=====	=====	=====
	Comparative year	Unrestricted	Restricted	2022 total
		£	£	£
	Investments	4,874,739	0	4,874,739
	Current Assets	1,663,769	0	1,663,769
	Current Liabilities	(69,159)	0	(69,159)
		=====	=====	=====
	Total	6,469,349	0	6,469,349
		=====	=====	=====

9 Members and Liability

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is £1 per member of the Charity. All Trustees, and only Trustees, are members of the Charity.

10 Related Parties

There were no transactions with related parties in the year (2022: none).

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2023

11 Analysis of Funds

	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2023	2023	2022	2022
<u>Unrestricted Funds</u>				
Unrestricted - general	6,469,348	5,172,507	1,169,497	10,472,358
	-----	-----	-----	-----
Total unrestricted	6,469,348	5,172,507	1,169,497	10,472,358
<u>Restricted Funds</u>				
Talisker Whisky Atlantic Challenge	0	0	0	0
	-----	-----	-----	-----
Total restricted Funds	0	0	0	0
	-----	-----	-----	-----
Total funds	6,469,348	5,172,507	1,169,497	10,472,358
	=====	=====	=====	=====
	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2023	2023	2022	2022
<u>Unrestricted Funds</u>				
Unrestricted - general	5,634,184	1,637,432	802,267	6,469,348
	-----	-----	-----	-----
Total unrestricted	5,634,184	1,637,432	802,267	6,469,348
<u>Restricted Funds</u>				
Talisker Whisky Atlantic Challenge	0	110,000	110,000	0
	-----	-----	-----	-----
Total restricted Funds	0	110,000	110,000	0
	-----	-----	-----	-----
Total funds	5,634,184	1,747,432	912,267	6,469,348
	=====	=====	=====	=====

The Talisker Whisky Atlantic Challenge Fund is in respect of the purchase of a boat for participation in the Challenge, for the next 10 years, and annual costs of participation

THE CLOCKTOWER FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

Trustees

The Trustees, who are also directors under company law, who served during the year ended 31 December 2023 and up to the date of this report were as follows:

Lord Rockley	Chairman (resigned 16 April 2024)
David Juster	(resigned 29 November 2023)
James Eyre	
Tim Boughton	
Richard Madeley	(resigned 16 April 2024)
Baroness Lorraine Fullbrook	
Mark Denslow	(resigned 16 April 2024)
Hugo Farmer	(appointed 29 November 2023)
Matthew Westerman	Chairman (appointed 16 April 2024)
Robin Whitehouse	(appointed 16 April 2024)

The trustees have been selected on the basis of relevant professional expertise and, in some instances, knowledge of the Regiment. All have been appointed on open-ended letters of appointment, with no provision for remuneration.

Chief Executive

Michael Kayser

Administrative Details

Registered and Principal Office

The Clocktower Foundation
7 Bell Yard
London WC2A 2JR

The charity is a private company limited by guarantee in the United Kingdom (number 09351193), governed by its Memorandum and Articles of Association, dated 11 December 2014, and updated on 31 October 2017. It is registered as a charity with the Charity Commission (number 1160041).

Auditors: Sutton McGrath Hartley 5 Westbrook Court, Sharrowvale Road, Sheffield, S11 8YZ

Bankers: Barclays Bank, Leicester, LE87 2BB

*Investment Managers: BlackRock Investment Management UK Limited,
12 Throgmorton Avenue, London EC2N 2DL*

Solicitors: DWF Law LLP, 20 Fenchurch Street London EC3M 3AG

THE CLOCKTOWER FOUNDATION

England & Wales - Charity number 1160041

Accounts

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2022

Charity number 1160041

Company Number 09351193

Contents

Trustees' Report	2
Independent Auditors' Report	8
Statement of Financial Activities	13
Balance Sheet	14
Cashflow Statement	15
Notes to the Financial Statements	16
Legal and Administrative Details	23

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT

The Trustees are pleased to present their eighth annual trustees' report together with the financial statements of The Clocktower Foundation (the Foundation or the Charity), which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our principal charitable objects

In summary, our principal charitable objects, for the public benefit, are to:

- promote the efficiency of the armed forces of the Crown and, in particular, the HQ Hereford Garrison (the Regiment), through such means as the Trustees think fit
- advance the health and save the lives of serving personnel and their dependents, in particular those who are serving in the Regiment, through such means as the Trustees think fit
- provide for the relief of need amongst serving personnel, focusing on those who are serving in the Regiment, and their dependents, where that need has arisen, for example, by reasons of ill-health, disability or financial hardship, by such means as the Trustees think fit
- promote the culture and ethos of the Regiment from the viewpoint of serving soldiers.

Our mission and vision

Our mission is to provide support to, alleviate difficulties for, and improve the prospects of all those members of the Regimental family who are in need.

Our strategic goals are to:

- ensure that our structure, governance and administration enable the Foundation to be highly agile, effective, responsive and accountable;
- optimise net income generation, within the ethos of the Regiment;
- build a sufficient capital base, in order to fund annual grant expenditure, whilst maintaining appropriate reserves for unforeseen events;
- ensure that, within the Regimental family, every serving soldier, officer and their families are aware of The Clocktower Foundation, its aims, objectives and activities and also understand that it provides support at times of real need;
- assist our soldiers and officers to remain fighting fit;
- support and reinforce community cohesion and morale of the Regimental family;
- improve and promote opportunities for education;
- play a leading role in Regimental capital investment projects in accordance with the Charity's purposes.

Fundraising

In 2022, our fundraising activities returned to the pattern seen in the years before we were impacted by the COVID-19 pandemic, principally being fundraising dinners and sporting events held by or on behalf of the Regiment. We also continue to engage with individuals who are referred to us by existing supporters, and have been reasonably successful in attracting a number of those as new donors in 2022.

In furtherance of our strategic objective of increasing our reserves to around £12m, such that half of our income each year can be generated from our investment portfolio, we launched a new initiative towards the end of 2022. This was focused on identifying and attracting a small number of high net worth individuals who would donate £1 million each and become members of the Cornerstone Club. We were successful in bringing the first member of the Club on board towards the end of 2022.

The Charity does not engage in any public fundraising activities.

No complaints have been received with respect to fundraising activities.

Grants

Our policy is, to the extent allowed by our financial resources, to meet all reasonable requests of support from the Regiment that fall within our objectives. Our annual budget and forward plans give us confidence that we can identify the broad scale of such grant requests in advance and therefore be able to meet them, barring large unforeseen events. Material grants are approved by the Trustee board as a whole. The authority to award smaller grants is delegated to senior members of the Regiment, but these grants are reported to, and reviewed by, the Trustees at the subsequent Board meetings. No grant requests were turned down in 2022.

In addition to the capital projects, we continue to group grants under the headings of:

- *Fighting fit*, relating to medical and rehabilitation costs, psychological wellbeing and adventure training
- *Community cohesion*, relating to support for dependents (e.g. childcare and life experiences for children), Regiment social events and welfare assistance
- *Education*, relating to in-service learning, resettlement training and education and support for the Regimental Museum

Financial Review of the Year

Income of £2,355k (2021: £937k) was received from donations, Regimental fundraising, gift aid and investment income.

Direct costs of raising funds were £8k (2021: nil). Support costs for the period were £106k (2021: £112k).

Total grants approved during the year were £812k (2021: £924k).

At the year-end, of the total gross assets of £6,539k (2021: £5,831k), £1,664k (2021: £358k) was held in cash. The balance is represented by holdings in the BlackRock Charities Growth & Income Fund.

Unrestricted free reserves rose from £5.6m at the beginning of the year to £6.5m at the end of the year. Restricted reserves were nil in both years.

Financial Outlook

We have reasonable visibility of donation income and of funds from income generating activities. Our fundraising strategy is also being further developed to assist us in establishing a larger and more sustainable platform of donors in accordance with the long term objectives of the Charity, and we have already commented on the early success of our Cornerstone Club initiative. We have confidence that the Charity is well placed to meet its ongoing needs in the short term and beyond.

We believe that demands for support from the Regiment will stabilise in the range of £800k to £1m per annum.

So, we are sufficiently funded to meet our current and foreseeable obligations, not just for 2023, but also beyond that period.

In coming to the conclusion that the Charity was entitled to account on a going concern basis, the Board took full account of all of the uncertainties it was facing.

Risk Management

The Trustees recognise the importance of establishing and maintaining an appropriate system of risk management. Although the full Trustee Board is responsible for managing these risks, they have requested the Audit & Risk Committee, which has the most appropriate skills and experience, and the Chief Executive, who is also experienced in this area, to advise them.

There are two risks which are considered to be material, based on the combination of likelihood of occurrence and seriousness of impact was it to occur. One is that of a material and long-lasting fall in the stock market values – since most of our reserves are held in the form of equity investments. There have been substantial fluctuations in each of the past three years, principally due to the outbreak of COVID-19, and the Russian invasion of Ukraine. Based on the information available to that Committee, it informed the Board that in its opinion the long-term outlook remained positive and that therefore there should be no change in the investment strategy for the time being.

The second material risk is a significant fall in fundraising. We have a reasonably broad donor base, so although we could be adversely impacted by the loss of one or two of our larger donors, overall we believe we have a resilient income base – from dinners, sporting events and individual donations.

Structure, Governance and Management

See page [21] for the legal and administrative details which form part of this report.

The Charity has identified a series of policies which are appropriate for an organisation of its size and purpose and these are now all in place.

All new trustees are given an induction programme by the CEO and by the Regiment, and are also given appropriate external material on the roles and responsibilities of trustees.

Caroline Lane resigned from the Board in March 2022 and Baroness Lorraine Fullbrook was appointed on the same date.

The Board met five times in 2022 (2021: six). Most meetings were held face to face and the remainder by videoconference. Agendas and papers are circulated in advance of meetings, with formal minutes being circulated after each meeting. The Chief Executive and representatives from the Regiment are invited to attend all meetings.

The Board is supported by committees, which have written terms of reference. These are:

- Audit & Risk
- Grant making
- Development
- Investment
- Nominations

Reserves Policy

Reserves are held to ensure that the Charity can meet its commitment to support the Regiment. The trustees have developed a formal policy they review annually. In November 2022, the trustees determined that a minimum level of reserves appropriate to the Charity at that time was £3.8m. Unrestricted reserves at the year-end were £6.5m, so this minimum level was comfortably achieved. The Trustees will continue to review this minimum reserve policy annually, in the light of changing circumstances. As part of our medium term strategy, we are seeking to reach a position whereby a meaningful proportion of our annual grants are funded from the investment income arising on our reserves. This will require us to increase our reserve level significantly over the next three to five years, to somewhere in the region of £10-12m, such that our reserves can generate around half of our annual grant expenditure.

Investment Policy

The policy on investment was comprehensively reviewed in 2016, as a result of which BlackRock were reconfirmed as investment managers. At the same time, the decision was made to switch from Income Units to Accumulation Units within the same fund with BlackRock, as the Charity had no need of regular dividend income.

THE CLOCKTOWER FOUNDATION TRUSTEES' REPORT continued

No investment management charges are shown in the accounts. We have been informed by BlackRock that they charge 0.4% per annum, but these costs are embedded in the performance of the fund, so we have no means of knowing the exact amount charged. However, the figure was in the region of £18k in 2021 (2021: £18k)

The Investment Committee has reviewed the performance of the investment managers and the portfolio in 2022, and no changes have been made. The overall fund level fell in the year, in line with the performance of UK and international stock markets.

The trustees do not have a specific ethical policy with respect to investments held. However, the BlackRock Charities Growth & Income Fund within which the investment portfolio is held, does have certain Environmental, Social and Governance (ESG) criteria that they employ as part of their risk management process.

Statement of Trustees' Responsibility

The Trustees (who are also directors of The Clocktower Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

Saffery Champness LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

Approval

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

This report was approved by the board of Trustees on 7 June 2023 and signed on its behalf by:



Lord Rockley, Chairman of Trustees



Baroness Fullbrook, Trustee

J. P. 6426

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Clocktower Foundation for the year ended 31 December 2022 which comprise of the statement of financial activities, balance sheet, cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2022

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2022

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2022

financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities Act 2011 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

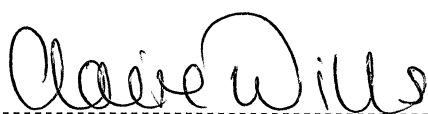
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2022

Use of our report

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



.....

Claire Wills (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
London EC4V 4BE

Statutory Auditors

Date: 16 June 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2022

		£ 2022 Unrestricted	£ 2022 Restricted	£ 2022 Total	£ 2021 Unrestricted	£ 2021 Restricted	£ 2021 Total
Income from:							
Donations	4	2,345,601	10,000	2,355,601	847,479	90,000	937,479
Investments		0	0	0	0	0	0
Total income		2,345,601	10,000	2,355,601	847,479	90,000	937,479
Expenditure On:							
Raising Funds	5a	18,767	0	18,767	11,207	0	11,207
Charitable Activities	5b to 5d	898,077	10,000	908,077	934,833	90,000	1,024,833
Total expenditure		916,844	10,000	926,844	946,040	90,000	1,036,040
Net income/(expenditure) before gains/(losses) in investments		1,428,757	0	1,428,757	(98,561)	0	(98,561)
Net (losses)/gains on investments		(593,593)	0	(593,593)	639,600	0	639,600
Net income/(expenditure) and movement in funds		835,164	0	835,164	541,039	0	541,039
Total funds brought forward		5,634,184	0	5,634,184	5,093,145	0	5,093,145
Total funds carried forward		6,469,348	0	6,469,348	5,634,184	0	5,634,184

The statement of financial activities includes all gains and losses recognised in the accounting period.

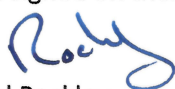
All income and expenditure derives from continuing operations.

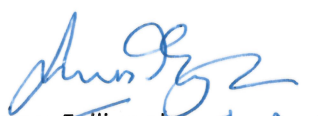
THE CLOCKTOWER FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	6	4,874,739	5,468,332
CURRENT ASSETS			
Debtors - Donations		0	5,000
Accrued income - Legacies		0	0
Cash at bank and on deposit		1,663,769	357,990
		<u>1,663,769</u>	<u>362,990</u>
CURRENT LIABILITIES			
Amounts falling due within one year	7	69,160	197,138
		<u>1,594,609</u>	<u>165,852</u>
NET CURRENT ASSETS			
		<u>6,469,348</u>	<u>5,634,184</u>
LIABILITIES			
Amounts falling due after more than one year		0	0
		<u>6,469,348</u>	<u>5,634,184</u>
NET ASSETS	8 & 11	<u>6,469,348</u>	<u>5,634,184</u>
FUNDS			
Restricted Funds		0	0
Unrestricted Funds		6,469,348	5,634,184
	8 & 11	<u>6,469,348</u>	<u>5,634,184</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 7 June 2023 and signed on their behalf by:


Lord Rockley
Trustee


Baroness Fullbrook
Trustee

Company number: 09351193

The notes on pages 16 to 22 form part of the financial statements.

THE CLOCKTOWER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

Accounting convention

These accounts have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The presentational and functional currency is the British £.

Fund Accounting

Restricted funds represent donations where the donor has specified they are to be used for a particular purpose. All other funds are classified as unrestricted.

Income

Incoming resources are recognised when the Charity is entitled to the income, its receipt is probable and it can be measured with reasonable certainty. Donations, and any related gift aid, are recognised when the Charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period. All of this applies equally to donations received through legacies.

Interest on funds held on deposit and investment income is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest or income being received or receivable.

Where services are provided to the Charity on a pro bono basis, the deemed value is treated as income, with an equal and opposite figure taken as a support cost. The value ascribed is that which the Charity would have paid had it purchased the service from a third party.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Support costs are allocated to activities based on time spent.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2022

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant. The notification gives the recipient a reasonable expectation that they will receive a one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Taxation

The Foundation is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from eligible income received under gift aid is recognised when the related income is receivable and is included within donations.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

In 2020, holdings in the BlackRock Charities Growth & Income Fund were reclassified from Current Asset Investments to Fixed Asset Investments, as they are expected to be held as a long-term capital generating asset.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and Estimates

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The trustees consider the only notable area of judgement to be the value of gifts in kind received. The value of these is provided by the donor where possible or, where not possible, included at a reasonable estimate by the trustees.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2022

2. Trustees' Expenses

No Trustees have been paid any remuneration or received any other benefits from any employment with the Charity (2021: £nil). No trustee received any reimbursement of expenses (2021: £nil). £1,192 was paid for trustee liability insurance (2021: £2,784).

3. Employees and remuneration of key management personnel

There were no employees during the period. The Chief Executive's services, on a part-time basis, were supplied under contract. The total amount paid in respect of the Chief Executive's services in the period was £73,941 (2021: £73,032). All administrative support was provided by consultants or professional advisers.

4	Donations	2022	2021
		£	£
	Donations	2,282,340	870,954
	Gift Aid	73,262	54,525
	Donations in Kind	0	12,000
		<u>2,355,601</u>	<u>937,479</u>

5a	Analysis of expenditure on raising funds	2022	2021
		£	£
	Direct cost of raising funds	8,121	0
	Allocated support costs (see 5b below)	10,646	11,207
		<u>18,767</u>	<u>11,207</u>

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2022

5b	Analysis of expenditure on charitable activities	2022	2021
		£	£
	Support costs	106,456	112,065
	Less allocated to costs of raising funds	(10,646)	(11,207)
	Grants	812,267	923,975
		908,077	1,024,833

5c	Analysis of support costs	2022	2021
		£	£
	Audit fee	10,800	9,840
	Chief Executive's services	73,941	73,032
	Legal advice received pro bono	0	12,000
	Other support costs	21,715	17,193
		106,456	112,065

5d	Grants	2022	2021
		£	£
	Grant-making activities		
	Fighting Fit	316,781	389,137
	Community Cohesion	438,434	405,744
	Education	57,052	129,094
		812,267	923,975

Of the £812k of grants approved in the year, £503k were made directly to or on behalf of the Regiment and the remaining £309k related to grants made directly to serving members. In 2021, of the £923k grants approved in the year, £573k were made directly to or on behalf of the Regiment and the remaining £350k related to grants made directly to serving members.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2022

6	Investments	2022	2021
		£	£
	Balance brought forward	5,468,332	4,628,732
	Realised and unrealised gain/(loss) in year	(593,593)	639,600
	Disposals	0	0
	Additions	0	200,000
		<u>4,874,739</u>	<u>5,468,332</u>

As noted in the trustees' report, during the year BlackRock switched the investments from the Armed Forces Common Investment Fund to its Charities Growth & Income Fund (closing the former). This is not considered to be a disposal and addition.

7	Liabilities: Amounts falling due within one year	2022	2021
		£	£
	Grants payable	51,359	181,485
	Accruals	17,801	15,653
		<u>69,160</u>	<u>197,138</u>

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2022

8 Analysis of Net Assets Between Funds

Current year	Unrestricted £	Restricted £	2022 total £
Investments	4,874,739	0	4,874,739
Current Assets	1,663,769	0	1,663,769
Current Liabilities	(69,160)	0	(69,160)
Total	6,469,348	0	6,469,348
Comparative year	Unrestricted £	Restricted £	2021 total £
Investments	5,468,332	0	5,468,332
Current Assets	362,900	0	362,900
Current Liabilities	(197,138)	0	(197,138)
Total	5,634,094	0	5,634,094

9 Members and Liability

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is £1 per member of the Charity. All Trustees, and only Trustees, are members of the Charity.

10 Related Parties

There were no transactions with related parties in the year (2021: none).

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2022

11 Analysis of Funds

	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2022	2022	2022	2022
<u>Unrestricted Funds</u>				
Unrestricted - general	5,634,184	1,637,432	802,267	6,469,348
	-----	-----	-----	-----
Total unrestricted	5,634,184	1,637,432	802,267	6,469,348
	-----	-----	-----	-----
<u>Restricted Funds</u>				
Talisker Whisky Atlantic Challenge	0	110,000	110,000	0
	-----	-----	-----	-----
Total restricted Funds	0	110,000	110,000	0
	-----	-----	-----	-----
Total funds	5,634,184	1,747,432	912,267	6,469,348
	=====	=====	=====	=====
	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2021	2021	2021	2021
<u>Unrestricted Funds</u>				
Unrestricted - general	5,093,145	1,487,079	946,040	5,634,184
	-----	-----	-----	-----
Total unrestricted	5,093,145	1,487,079	946,040	5,634,184
	-----	-----	-----	-----
<u>Restricted Funds</u>				
Talisker Whisky Atlantic Challenge	0	90,000	90,000	0
	-----	-----	-----	-----
Total restricted Funds	0	90,000	90,000	0
	-----	-----	-----	-----
Total funds	5,093,145	1,577,079	1,036,040	5,634,184
	=====	=====	=====	=====

The Talisker Whisky Atlantic Challenge Fund is in respect of the purchase of a boat for participation in the Challenge, for the next 10 years, and annual costs of participation

THE CLOCKTOWER FOUNDATION LEGAL AND ADMINISTRATIVE DETAILS

Trustees

The Trustees, who are also directors under company law, who served during the year ended 31 December 2022 and up to the date of this report were as follows:

Lord Rockley	Chairman
David Juster	
James Eyre	
Caroline Lane	(resigned 9 March 2022)
Tim Boughton	
Tobias Harris	(resigned 1 July 2022)
Richard Madeley	
Baroness Lorraine Fullbrook	(appointed 9 March 2022)
Mark Denslow	(appointed 1 July 2022)

The trustees have been selected on the basis of relevant professional expertise and, in some instances, knowledge of the Regiment. All have been appointed on open-ended letters of appointment, with no provision for remuneration.

Chief Executive

Michael Kayser

Administrative Details

Registered and Principal Office

The Clocktower Foundation
7 Bell Yard
London WC2A 2JR

The charity is a private company limited by guarantee in the United Kingdom (number 09351193), governed by its Memorandum and Articles of Association, dated 11 December 2014, and updated on 31 October 2017. It is registered as a charity with the Charity Commission (number 1160041).

Auditors: Saffery Champness LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers: Barclays Bank, Leicester, LE87 2BB

*Investment Managers: BlackRock Investment Management UK Limited,
12 Throgmorton Avenue, London EC2N 2DL*

Solicitors: DWF Law LLP, 20 Fenchurch Street London EC3M 3AG

THE CLOCKTOWER FOUNDATION

England & Wales - Charity number 1160041

Accounts

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2021

Contents

Trustees' Report	2
Independent Auditors' Report	8
Statement of Financial Activities	13
Balance Sheet	14
Cashflow Statement	15
Notes to the Financial Statements	16
Legal and Administrative Details	24

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT

The Trustees are pleased to present their seventh annual trustees' report together with the financial statements of The Clocktower Foundation (the Foundation or the Charity), which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our principal charitable objects

In summary, our principal charitable objects, for the public benefit, are to:

- promote the efficiency of the armed forces of the Crown and, in particular, the HQ Hereford Garrison (the Regiment), through such means as the Trustees think fit
- advance the health and save the lives of serving personnel and their dependents, in particular those who are serving in the Regiment, through such means as the Trustees think fit
- provide for the relief of need amongst serving personnel, focusing on those who are serving in the Regiment, and their dependents, where that need has arisen, for example, by reasons of ill-health, disability or financial hardship, by such means as the Trustees think fit
- promote the culture and ethos of the Regiment from the viewpoint of serving soldiers.

Our mission and vision

Our mission is to provide support to, alleviate difficulties for, and improve the prospects of all those members of the Regimental family who are in need.

Our strategic goals are to:

- ensure that our structure, governance and administration enable the Foundation to be highly agile, effective, responsive and accountable;
- optimise net income generation, within the ethos of the Regiment;
- build a sufficient capital base, in order to fund annual grant expenditure, whilst maintaining appropriate reserves for unforeseen events;
- ensure that, within the Regimental family, every serving soldier, officer and their families are aware of The Clocktower Foundation, its aims, objectives and activities and also understand that it provides support at times of real need;
- assist our soldiers and officers to remain fighting fit;
- support and reinforce community cohesion and morale of the Regimental family;
- improve and promote opportunities for education;
- play a leading role in Regimental capital investment projects in accordance with the Charity's purposes.

Fundraising

In 2021, our activities continued to be materially impacted by the COVID-19 pandemic. We were able to hold one private dinner, just before the end of the year, which has been one of our usual ways of attracting new donors, and of maintaining contact with existing donors. One of our other main avenues for securing funds, namely sporting events held by or on behalf of the Regiment, were all cancelled, except for a golf day which did raise substantial funds for us. In 2020, we were solely reliant on donations from individual donors, the majority of whom were already known to us, and continued to provide generous support during these difficult times. In 2021, they continued to be the mainstay of our fundraising and we are very grateful to them for this ongoing support.

Thankfully, 2022 appears to be less impacted by COVID-19, so we hope that we will be able to hold at least two dinners and a number of sporting events.

The Charity does not engage in any public fundraising activities.

No complaints have been received with respect to fundraising activities.

Grants

Our policy is, to the extent allowed by our financial resources, to meet all reasonable requests of support from the Regiment that fall within our objectives. Our annual budget and forward plans give us confidence that we can identify the broad scale of such grant requests in advance and therefore be able to meet them, barring large unforeseen events. Material grants are approved by the Trustee board as a whole. The authority to award smaller grants is delegated to senior members of the Regiment, but these grants are reported to, and reviewed by, the Trustees at the subsequent Board meetings. No grant requests were turned down in 2021.

In addition to the capital projects, we continue to group grants under the headings of:

- *Fighting fit*, relating to medical and rehabilitation costs, psychological wellbeing and adventure training
- *Community cohesion*, relating to support for dependents (e.g. childcare and life experiences for children), Regiment social events and welfare assistance
- *Education*, relating to in-service learning, resettlement training and education and support for the Regimental Museum

Financial Review of the Year

Income of £937k (2020: £746k) was received from donations, Regimental fundraising, gift aid and investment income.

Direct costs of raising funds were £nil (2020: nil). Support costs for the period were £112k (2020: £107k).

Total grants approved during the year were £924k (2020: £497k).

At the year-end, of the total gross assets of £5,831k (2020: £5,144k), £465k (2019: £363k) was held in cash, and £nil in accrued income (2020: £50k). The balance is represented by holdings in the BlackRock Charities Growth & Income Fund.

Unrestricted free reserves rose from £5.1m at the beginning of the year to £5.6m at the end of the year. Restricted reserves were nil in both years.

Financial Outlook

We have reasonable visibility of donation income and of funds from income generating activities. Our fundraising strategy is also being further developed to assist us in establishing a larger and more sustainable platform of donors in accordance with the long term objectives of the Charity. In normal circumstances, we have confidence that the Charity is well placed to meet its ongoing needs in the short term and beyond.

As mentioned previously, we believe that we will not be adversely impacted by COVID-19 in 2022. However, there are other major uncertainties in the world at present which could have an impact on the global economy, and as a result on the ability of some of our donors to continue to support us. We have also seen a material increase in the level of grants made in 2021 compared with previous years, and we do not expect this level to drop in 2022, so we will need to step up our fundraising efforts if we are to fund these without depleting our 'free' reserves. Whilst our total reserves appear reasonably substantial, our ambition remains that we build an endowment fund within those reserves which will allow a significant proportion of our regular recurring grants to be covered by income from that endowment. We maintain a level of 'free' reserves which allows us to honour all grant requests in the short term, even if income generated is not sufficient to cover them.

We are sufficiently funded to meet our current and foreseeable obligations, not just for 2022, but also beyond that period. In coming to the conclusion that the Charity was entitled to account on a going concern basis, the Board took full account of all of the uncertainties it was facing.

Risk Management

The Trustees recognise the importance of establishing and maintaining an appropriate system of risk management. Although the full Trustee Board is responsible for managing these risks, they have requested the Audit & Risk Committee, which has the most appropriate skills and experience, and the Chief Executive, who is also experienced in this area, to advise them.

There are two risks which are considered to be material, based on the combination of likelihood of occurrence and seriousness of impact was it to occur. One is that of a material and long-lasting fall in the stock market values – since most of our reserves are held in the form of equity investments. There were substantial fluctuations in 2020 due to the outbreak of COVID-19, but since then movements have been less volatile – even following the Russian invasion of Ukraine. Based on the information available to that Committee, it informed the

Board that in its opinion the long-term outlook remained positive and that therefore there should be no change in the investment strategy for the time being. Even at the higher level of grant expenditure now expected for 2022, we do not expect to have to realise funds from our investments during 2022.

The second material risk is a significant fall in fundraising. We have a reasonably broad donor base, so although we could be adversely impacted by the loss of one or two of our larger donors, overall we believe we have a resilient income base – from dinners, sporting events and individual donations.

Structure, Governance and Management

See page 24 for the legal and administrative details which form part of this report.

The Charity has identified a series of policies which are appropriate for an organisation of its size and purpose and these are now all in place.

All new trustees are given an induction programme by the CEO and by the Regiment, and are also given appropriate external material on the roles and responsibilities of trustees.

Caroline Lane resigned from the Board in March 2022 and Baroness Lorraine Fullbrook was appointed on the same date.

The Board met six times in 2021 (2020: five). All meetings were held by videoconference. Agendas and papers are circulated in advance of meetings, with formal minutes being circulated after each meeting. The Chief Executive and representatives from the Regiment are invited to attend all meetings.

The Board is supported by committees, which have written terms of reference. These are:

- Audit & Risk
- Grant making
- Development
- Investment
- Nominations

Reserves Policy

Reserves are held to ensure that the Charity can meet its commitment to support the Regiment. The trustees have developed a formal policy they review annually. In December 2021, the trustees determined that a minimum level of reserves appropriate to the Charity at that time was £3.6m. Unrestricted reserves at the year-end were £5.63m, so this minimum level was comfortably achieved. The Trustees will continue to review this minimum reserve policy annually, in the light of changing circumstances. As part of our medium term strategy, we are seeking to reach a position whereby a meaningful proportion of our annual grants are funded from the investment income arising on our reserves. This will require us to increase

our reserve level significantly over the next three to five years, to somewhere in the region of £10-12m, such that our reserves can generate around half of our annual grant expenditure.

Investment Policy

The policy on investment was comprehensively reviewed in 2016, as a result of which BlackRock were reconfirmed as investment managers. At the same time, the decision was made to switch from Income Units to Accumulation Units within the same fund with BlackRock, as the Charity had no need of regular dividend income.

No investment management charges are shown in the accounts. We have been informed by BlackRock that they charge 0.4% per annum, but these costs are embedded in the performance of the fund, so we have no means of knowing the exact amount charged. However, the figure was in the region of £18k in 2021 (2020: £15k)

The Investment Committee has reviewed the performance of the investment managers and the portfolio in 2021, and no changes have been made. The overall fund performance was excellent in the year and materially exceeded the performance of the FTSE 100 index (including dividend yields).

The trustees do not have a specific ethical policy with respect to investments held. However, the BlackRock Charities Growth & Income Fund within which the investment portfolio is held, does have certain Environmental, Social and Governance (ESG) criteria that they employ as part of their risk management process.

Statement of Trustees' Responsibility

The Trustees (who are also directors of The Clocktower Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT continued

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

Saffery Champness LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

Approval

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

This report was approved by the board of Trustees on 8th June 2022 and signed on its behalf by:

Lord Rockley, Chairman of Trustees

Tim Boughton, Trustee

Opinion

We have audited the financial statements of the Clocktower Foundation for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

THE CLOCKTOWER FOUNDATION

INDEPENDENT AUDITORS' REPORT YEAR ENDED 31 DECEMBER 2021

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales .

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT YEAR ENDED 31 DECEMBER 2021

Use of our report

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

Claire Wills (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street London
EC4V 4BE

Statutory Auditors

Date:

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £ 2021	Restricted Funds £ 2021	Total Funds £ 2021	Unrestricted Funds £ 2020	Restricted Funds £ 2020	Total Funds £ 2020
Income from:							
Donations	4	847,479	90,000	937,479	745,368	0	745,368
Investments		0	0	0	748	0	748
		-----	-----	-----	-----	-----	-----
Total income		847,479	90,000	937,479	746,116	0	746,116
Expenditure On:							
Raising Funds	5a	11,207	0	11,207	10,661	0	10,661
Charitable Activities	5b to 5d	934,833	90,000	1,024,833	576,732	16,637	593,369
		-----	-----	-----	-----	-----	-----
Total expenditure		946,040	90,000	1,036,040	587,393	16,637	604,030
Net income/(expenditure) before gains/(losses) in investments		(98,561)	0	(98,561)	158,723	(16,637)	142,086
Net (losses)/gains on investments		639,600	0	639,600	377,140	0	377,140
		-----	-----	-----	-----	-----	-----
Net income/(expenditure) and movement in funds		541,039	0	541,039	535,863	(16,637)	519,226
Total funds brought forward		5,093,145	0	5,093,145	4,557,282	16,637	4,573,919
		-----	-----	-----	-----	-----	-----
Total funds carried forward		5,634,184	0	5,634,184	5,093,145	0	5,093,145
		=====	=====	=====	=====	=====	=====

The statement of financial activities includes all gains and losses recognised in the accounting period.
All income and expenditure derives from continuing operations.

THE CLOCKTOWER FOUNDATION
BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	6	5,468,332	4,628,732
CURRENT ASSETS			
Debtors - Donations		5,000	0
Accrued income - Legacies		0	50,000
Cash at bank and on deposit		357,990	465,284
		<u>362,990</u>	<u>515,284</u>
CURRENT LIABILITIES			
Amounts falling due within one year	7	197,138	50,871
		<u>165,852</u>	<u>464,413</u>
NET CURRENT ASSETS			
		<u>5,634,184</u>	<u>5,093,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
LIABILITIES			
Amounts falling due after more than one year		0	0
		<u>0</u>	<u>0</u>
NET ASSETS	8 & 11	<u>5,634,184</u>	<u>5,093,145</u>
FUNDS			
Restricted Funds		0	0
Unrestricted Funds		5,634,184	5,093,145
	8 & 11	<u>5,634,184</u>	<u>5,093,145</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 8th June 2022 and signed on their behalf by:

Lord Rockley

James Eyre

Trustee

Trustee

Company number: 09351193

The notes on pages 16 to 23 form part of the financial statements.

THE CLOCKTOWER FOUNDATION
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cashflows from operating activities:		
Net income/ (expenditure)	541,039	519,226
(Gains)/Losses on investments	(639,600)	(377,140)
Interest and investment income earned	0	(748)
(Increase)/ decrease in debtors	45,000	(50,000)
Increase/ (decrease) in creditors	146,267	10,351
	-----	-----
Net cash (outflow)/inflow from operating activities	92,706	101,688
Cashflows from investing activities:		
Investment Income	0	748
Purchase of investments	(200,000)	0
	-----	-----
Net cash (outflow)/inflow from investing activities	(200,000)	748
	-----	-----
Change in cash and cash equivalents in reporting period	(107,294)	102,437
Cash and cash equivalents brought forward	465,284	362,847
	-----	-----
Cash and cash equivalents carried forward	357,990	465,284
	=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

Accounting convention

These accounts have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The presentational and functional currency is the British £.

Fund Accounting

Restricted funds represent donations where the donor has specified they are to be used for a particular purpose. All other funds are classified as unrestricted.

Income

Incoming resources are recognised when the Charity is entitled to the income, its receipt is probable and it can be measured with reasonable certainty. Donations, and any related gift aid, are recognised when the Charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period. All of this applies equally to donations received through legacies.

Interest on funds held on deposit and investment income is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest or income being received or receivable.

Where services are provided to the Charity on a pro bono basis, the deemed value is treated as income, with an equal and opposite figure taken as a support cost. The value ascribed is that which the Charity would have paid had it purchased the service from a third party.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Support costs are allocated to activities based on time spent.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant. The notification gives the recipient a reasonable expectation that they will receive a one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Taxation

The Foundation is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from eligible income received under gift aid is recognised when the related income is receivable and is included within donations.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

In 2020, holdings in the BlackRock Charities Growth & Income Fund were reclassified from Current Asset Investments to Fixed Asset Investments, as they are expected to be held as a long-term capital generating asset.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and Estimates

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The trustees consider the only notable area of judgement to be the value of gifts in kind received. The value of these is provided by the donor where possible or, where not possible, included at a reasonable estimate by the trustees.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

2. Trustees' Expenses

No Trustees have been paid any remuneration or received any other benefits from any employment with the Charity (2020: nil). No trustee received any reimbursement of expenses (2020: nil). £2,784 was paid for trustee liability insurance (2020: £2,283).

3. Employees and remuneration of key management personnel

There were no employees during the period (2020: None). The Chief Executive's services, on a part-time basis, were supplied under contract. The total amount paid in respect of the Chief Executive's services in the period was £73,032 (including expenses) (2020: £66,000). All administrative support was provided by consultants or professional advisers.

4	Donations	2021	2020
		£	£
	Donations	870,954	698,717
	Gift Aid	54,525	34,650
	Donations in Kind	12,000	12,000
		<u>937,479</u>	<u>745,368</u>

5a	Analysis of expenditure on raising funds	2021	2020
		£	£
	Direct cost of raising funds	0	0
	Allocated support costs (see 5b below)	11,207	10,661
		<u>11,207</u>	<u>10,661</u>

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

5b	Analysis of expenditure on charitable activities	2021	2020
		£	£
	Support costs	112,065	106,611
	Less allocated to costs of raising funds	(11,207)	(10,661)
	Grants	923,975	497,419
		<u>1,024,833</u>	<u>593,369</u>
5c	Analysis of support costs	2021	2020
		£	£
	Audit fee	9,840	9,840
	Chief Executive's services	73,032	66,000
	Legal advice received pro bono	12,000	12,000
	Other support costs	17,193	18,771
		<u>112,065</u>	<u>106,611</u>
5d	Grants	2021	2020
		£	£
	Grant-making activities		
	Fighting Fit	389,137	109,189
	Community Cohesion	405,744	336,002
	Education	129,094	52,228
		<u>923,975</u>	<u>497,419</u>

Of the £924k grants approved in the year, £573k were made directly to or on behalf of the Regiment and the remaining £350k relates to grants made directly to serving members. In 2020, of the £497k grants approved in the year, £220k were made directly to or on behalf of the Regiment, and the remaining £277k relates to grants made directly to serving members.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

6	Investments	2021 £	2020 £
	Balance brought forward	4,628,732	4,251,592
	Realised and unrealised gain/(loss) in year	639,600	377,140
	Disposals	0	0
	Additions	200,000	0
		5,468,332	4,628,732
7	Liabilities: Amounts falling due within one year	2021 £	2020 £
	Grants payable	181,485	32,000
	Accruals	15,653	18,871
		197,138	50,871

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

8 Analysis of Net Assets Between Funds

Current year	Unrestricted £	Restricted £	2021 total £
Investments	5,468,332	0	5,468,332
Current Assets	362,990	0	362,990
Current Liabilities	(197,138)	0	(197,138)
	-----	-----	-----
Total	5,634,184	0	5,634,184
	=====	=====	=====
Comparative year	Unrestricted £	Restricted £	2020 total £
Investments	4,628,732	0	4,628,732
Current Assets	515,284	0	515,284
Current Liabilities	(50,871)	0	(50,871)
	-----	-----	-----
Total	5,093,145	0	5,093,145
	=====	=====	=====

9. Members and Liability

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is £1 per member of the Charity. All Trustees, and only Trustees, are members of the Charity.

10. Related Parties

There were no transactions with related parties in the year (2020: none).

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2021	2021	2021	2021
<u>Unrestricted Funds</u>				
Unrestricted - general	5,093,145	1,487,079	946,040	5,634,184
	-----	-----	-----	-----
Total unrestricted	5,093,145	1,487,079	946,040	5,634,184
	-----	-----	-----	-----
<u>Restricted Funds</u>				
Talisker Whisky Atlantic Challenge	0	90,000	90,000	0
Help for Heroes	0	0	0	0
Henry Oldfield	0	0	0	0
100 Eleven	0	0	0	0
	-----	-----	-----	-----
Total restricted Funds	0	90,000	90,000	0
	-----	-----	-----	-----
Total funds	5,093,145	1,577,079	1,036,040	5,634,184
	=====	=====	=====	=====
	Opening balance	Income (including investment gains/losses)	Expenditure	Closing balance
	£	£	£	£
	2020	2020	2020	2020
<u>Unrestricted Funds</u>				
Unrestricted - general	4,557,282	1,123,256	587,393	5,093,145
	-----	-----	-----	-----
Total unrestricted	4,557,282	1,123,256	587,393	5,093,145
	-----	-----	-----	-----
<u>Restricted Funds</u>				
Talisker Whisky Atlantic Challenge	0	0	0	0
Help for Heroes	2,927	0	2,927	0
Henry Oldfield	2,810	0	2,810	0
100 Eleven	10,900	0	10,900	0
	-----	-----	-----	-----
Total restricted Funds	16,637	0	16,637	0
	-----	-----	-----	-----
Total funds	4,573,919	1,123,256	604,030	5,093,145
	=====	=====	=====	=====

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

Notes 11 (continued)

The Talisker Whisky Atlantic Challenge Fund is in respect of the purchase of a boat for participation in the Challenge, for the next 10 years, and annual costs of participation

The Help for Heroes Fund is for the treatment of wounded, injured or sick serving personnel.

The Henry Oldfield Trust Fund is to provide support for wives and partners of serving members.

The 100 Eleven Fund is to provide support to children of serving members.

THE CLOCKTOWER FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

Trustees

The Trustees, who are also directors under company law, who served during the year ended 31 December 2021 and up to the date of this report were as follows:

Lord Rockley	Chairman
David Juster	
James Eyre	
Caroline Lane	(resigned 9 March 2022)
Tim Boughton	
Tobias Harris	
Richard Madeley	
Baroness Lorraine Fullbrook	(appointed 9 March 2022)

The trustees have been selected on the basis of relevant professional expertise and, in some instances, knowledge of the Regiment. All have been appointed on open-ended letters of appointment, with no provision for remuneration.

Chief Executive

Michael Kayser

Administrative Details

Registered and Principal Office

The Clocktower Foundation
7 Bell Yard
London WC2A 2JR

The charity is a private company limited by guarantee in the United Kingdom (number 09351193), governed by its Memorandum and Articles of Association, dated 11 December 2014, and updated on 31 October 2017. It is registered as a charity with the Charity Commission (number 1160041).

<i>Independent Auditors:</i>	<i>Saffery Champness LLP</i>	<i>71 Queen Victoria Street London EC4V 4BE</i>
<i>Bankers:</i>	<i>Barclays Bank</i>	<i>1 Churchill Place London E14 5HP</i>
<i>Investment Managers:</i>	<i>BlackRock Investment Management UK Limited</i>	<i>12 Throgmorton Avenue London EC2N 2DL</i>
<i>Solicitors:</i>	<i>Howard Kennedy LLP</i>	<i>1 London Bridge London SE1 9BG</i>

THE CLOCKTOWER FOUNDATION

England & Wales - Charity number 1160041

Accounts

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2020

Contents

Trustees' Report	2
Independent Auditors' Report	8
Statement of Financial Activities	13
Balance Sheet	14
Cashflow Statement	15
Notes to the Financial Statements	16
Legal and Administrative Details	23

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT

The Trustees are pleased to present their sixth annual trustees' report together with the financial statements of The Clocktower Foundation (the Foundation or the Charity), which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our principal charitable objects

In summary, our principal charitable objects, for the public benefit, are to:

- promote the efficiency of the armed forces of the Crown and, in particular, the HQ Hereford Garrison (the Regiment), through such means as the Trustees think fit
- advance the health and save the lives of serving personnel and their dependents, in particular those who are serving in the Regiment, through such means as the Trustees think fit
- provide for the relief of need amongst serving personnel, focusing on those who are serving in the Regiment, and their dependents, where that need has arisen, for example, by reasons of ill-health, disability or financial hardship, by such means as the Trustees think fit
- promote the culture and ethos of the Regiment from the viewpoint of serving soldiers.

Our mission and vision

Our mission is to provide support to, alleviate difficulties for, and improve the prospects of all those members of the Regimental family who are in need.

Our strategic goals are to:

- ensure that our structure, governance and administration enable the Foundation to be highly agile, effective, responsive and accountable;
- optimise net income generation, within the ethos of the Regiment;
- build a sufficient capital base, in order to fund annual grant expenditure, whilst maintaining appropriate reserves for unforeseen events;
- ensure that, within the Regimental family, every serving soldier, officer and their families are aware of The Clocktower Foundation, its aims, objectives and activities and also understand that it provides support at times of real need;
- assist our soldiers and officers to remain fighting fit;
- support and reinforce community cohesion and morale of the Regimental family;
- improve and promote opportunities for education;
- play a leading role in Regimental capital investment projects in accordance with the Charity's purposes.

Fundraising

In 2020, in common with many other charities, our activities were materially impacted by the COVID-19 pandemic. We were unable to hold any of the private dinners that have been one of our usual ways of attracting new donors, and of maintaining contact with existing donors. One of our other main avenues for securing funds, namely sporting events held by or on behalf of the Regiment, were also all cancelled. Thus, we were solely reliant on donations from individual donors, the majority of whom were already known to us, and continued to provide generous support during these difficult times. We are very grateful to them for this ongoing support.

With respect to 2021, we expect that no events will take place in the first half of the year – and it remains to be seen if any can be held in the second half of the year, so we may again be reliant on our existing donor base.

The Charity does not engage in any public fundraising activities.

No complaints have been received with respect to fundraising activities.

Grants

Our policy is, to the extent allowed by our financial resources, to meet all reasonable requests of support from the Regiment that fall within our objectives. Our annual budget and forward plans give us confidence that we can identify the broad scale of such grant requests in advance and therefore be able to meet them, barring large unforeseen events. Material grants are approved by the Trustee board as a whole. The authority to award smaller grants is delegated to senior members of the Regiment, but these grants are reported to, and reviewed by, the Trustees at the subsequent Board meetings. No grant requests were turned down in 2020.

In addition to the capital projects, we continue to group grants under the headings of:

- *Fighting fit*, relating to medical and rehabilitation costs, psychological wellbeing and adventure training
- *Community cohesion*, relating to support for dependents (e.g. childcare and life experiences for children), Regiment social events and welfare assistance
- *Education*, relating to in-service learning, resettlement training and education and support for the Regimental Museum

Financial Review of the Year

Income of £746k (2019: £1,233k) was received from donations, Regimental fundraising, gift aid and investment income.

Direct costs of raising funds were £nil (2019: £1k). Support costs for the period were £107k (2019: £115k).

Total grants approved during the year were £497k (2019: £517k).

At the year-end, of the total gross assets of £5,144k (2019: £4,614k), £465k (2019: £363k) was held in cash, and £50k in accrued income (2019: £nil). The balance is represented by holdings in the BlackRock Charities Growth & Income Fund.

Unrestricted free reserves rose from £4,574k at the beginning of the year to £5,093k at the end of the year. The restricted reserves, which stood at £17k at the beginning of the year, were all expended during the year, leaving a nil balance at the end of the year.

Financial Outlook

We have reasonable visibility of donation income and of funds from income generating activities. Our fundraising strategy is also being further developed to assist us in establishing a larger and more sustainable platform of donors in accordance with the long term objectives of the Charity. In normal circumstances, we have confidence that the Charity is well placed to meet its ongoing needs in the short term and beyond.

However, the COVID-19 pandemic means that we are not operating under normal circumstances. A large proportion of our annual income is derived from events – such as golf days, or private dinners. As previously mentioned, all such events in the first half of 2021 have been cancelled, and it is unclear what proportion of the programme in the latter part of the year will take place. Thus, our annual income in 2021 may not match the 2020 level, and may drop to £500k. However, even at this lower level, we are sufficiently funded to meet our current and foreseeable obligations, not just for 2021 but also beyond that period. In coming to the conclusion that the Charity was entitled to prepare its accounts on a going concern basis, the Board took full account of the uncertainties it was facing, notably in respect of the impact of Covid-19.

Risk Management

The Trustees recognise the importance of establishing and maintaining an appropriate system of risk management. Although the full Trustee Board is responsible for managing these risks, they have requested the Audit & Risk Committee, which has the most appropriate skills and experience, and the Chief Executive, who is also experienced in this area, to advise them.

There are two risks which are considered to be material, based on the combination of likelihood of occurrence and seriousness of impact, were they to occur. One is that of a material and long-lasting fall in the stock market values – since most of our reserves are held in the form of equity investments. Given the fluctuations in the market since the outbreak of COVID-19, the Investment Committee met on two occasions in 2020. Based on the information available to that Committee, it informed the Board that in its opinion the long-term outlook remained positive and that therefore there should be no change in the investment strategy for the time being. Even at the lower level of fundraising now expected for 2021, we do not expect to have to realise funds from our investments during 2021.

The second material risk is a significant fall in fundraising. Whilst this is an issue for 2021, at least in the first half of the year, as identified in the paragraphs above, the Board expects that

the second half of the year, and certainly 2022 will see a return, to a large degree, of the events which have helped to raise money in previous years.

Structure, Governance and Management

See page 23 for the legal and administrative details which form part of this report.

The Charity has identified a series of policies which are appropriate for an organisation of its size and purpose and these are now all in place.

All new trustees are given an induction programme by the CEO and by the Regiment, and are also given appropriate external material on the roles and responsibilities of trustees.

Richard Madeley who was already a member of the Fundraising Committee, joined the Board in June 2020.

The Board met five times in 2020 (2019: six). All meetings were held by video conference. Agendas and papers are circulated in advance of meetings, with formal minutes being circulated after each meeting. The Chief Executive and representatives from the Regiment are invited to attend all meetings.

The Board is supported by committees, which have written terms of reference. These are:

- Audit & Risk
- Grant making
- Development
- Investment
- Nominations

Reserves Policy

Reserves are held to ensure that the Charity can meet its commitment to support the Regiment. During 2016, the Trustees developed a formal policy which has been reviewed annually. In December 2020, the trustees determined that a minimum level of reserves appropriate to the Charity at that time was £2.9m. Unrestricted reserves at the year-end were £5.1m, so this minimum level was comfortably achieved. The Trustees will continue to review this minimum reserve policy annually, in the light of changing circumstances.

As part of our medium term strategy, we are seeking to reach a position whereby a meaningful proportion of our annual grants are funded from the investment income arising on our reserves. This will require us to increase our reserve level significantly over the next three to five years.

In line with this strategy, the Board has deemed it appropriate to consider the investment portfolio held with BlackRock to be Fixed Asset Investments, rather than Current Asset Investments. Thus, they have been reclassified as such in the Balance Sheet, with the 2019 figures restated to reflect this change.

Investment Policy

The policy on investment was comprehensively reviewed in 2016, as a result of which BlackRock were reconfirmed as investment managers. At the same time, the decision was made to switch from Income Units to Accumulation Units within the same fund with BlackRock, as the Charity had no need of regular dividend income.

No investment management charges are shown in the accounts. We have been informed by BlackRock that they charge 0.4% per annum, but these costs are embedded in the performance of the fund, so we have no means of knowing the exact amount charged. However, the figure was in the region of £15k in 2020.

The Investment Committee has reviewed the performance of the investment managers and the portfolio in 2020, and no changes have been made. The overall fund performance was excellent in the year and materially exceeded the performance of the FTSE 100 index (including dividend yields).

The trustees do not have a specific ethical policy with respect to investments held and neither does the BlackRock Charities Growth & Income Fund within which the investment portfolio is held.

Statement of Trustees' Responsibility

The Trustees (who are also directors of The Clocktower Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CLOCKTOWER FOUNDATION

TRUSTEES' REPORT continued

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

Saffery Champness LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting.

Approval

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

This report was approved by the board of Trustees on 9 June 2021 and signed on its behalf by:

Lord Rockley, Chairman of Trustees

Richard Madeley, Trustee

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Clocktower Foundation for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions

with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales .

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

THE CLOCKTOWER FOUNDATION
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2020

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

Use of our report

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

.....
Liz Hazell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants	71 Queen Victoria Street
Statutory Auditors	London
	EC4V 4BE

Date:

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CLOCKTOWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and
expenditure account)
YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £ 2020	Restricted Funds £ 2020	Total Funds £ 2020	Unrestricted Funds £ 2019	Restricted Funds £ 2019	Total Funds £ 2019
Income from:							
Donations and legacies	4	745,368	-	745,368	1,178,607	53,292	1,231,899
Investments		748	-	748	829	-	829
Total income		746,116	-	746,116	1,179,436	53,292	1,232,728
Expenditure On:							
Raising Funds	5a	10,661	-	10,661	12,063	-	12,063
Charitable Activities	5b 5d	576,732	16,637	593,369	567,357	53,399	620,756
Total expenditure		587,393	16,637	604,030	579,420	53,399	632,819
Net income/ (expenditure) for the year before gains in investments		158,723	(16,637)	142,086	600,016	(107)	599,909
Net gains on investments		377,140	-	377,140	578,388	-	578,388
Net movement in funds		535,863	(16,637)	519,226	1,178,404	(107)	1,178,297
Total funds brought forward		4,557,282	16,637	4,573,919	3,378,878	16,744	3,395,622
Total funds carried forward		5,093,145	-	5,093,145	4,557,282	16,637	4,573,919

The statement of financial activities includes all gains and losses recognised in the accounting period.

All income and expenditure derives from continuing operations.

THE CLOCKTOWER FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	As at 31/12/2020 £	As at 31/12/2019 £
FIXED ASSETS			
Investments	6	4,628,732	4,251,592
CURRENT ASSETS			
Debtors	7	50,000	-
Cash at bank and on deposit		465,284	362,847
		<u>515,284</u>	<u>362,847</u>
LIABILITIES			
Creditors: Amounts falling due within one year	8	<u>50,871</u>	<u>40,520</u>
NET CURRENT ASSETS		464,413	322,327
NET ASSETS	9, 12	<u>5,093,145</u>	<u>4,573,919</u>
FUNDS			
Restricted Funds		-	16,637
Unrestricted Funds		<u>5,093,145</u>	<u>4,557,282</u>
	9, 12	<u>5,093,145</u>	<u>4,573,919</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on
and signed on their behalf by:

Lord Rockley
Trustee

Richard Madeley
Trustee

Company number: 09351193

The notes on pages 16 to 22 form part of the financial statements.

THE CLOCKTOWER FOUNDATION
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cashflows from operating activities:		
Net income	519,226	1,178,298
(Gains) on investments	(377,140)	(578,388)
Interest and investment income earned	(748)	(829)
(Increase)/ decrease in debtors	(50,000)	34,000
Increase/ (decrease) in creditors	10,351	(70,929)
Net cash inflow from operating activities	101,689	562,152
Cashflows from investing activities:		
Investment Income	748	829
Purchase of investments	-	(500,000)
Net cash inflow/(outflow) from investing activities	748	(499,171)
Change in cash and cash equivalents in reporting period	102,437	62,981
Cash and cash equivalents brought forward	362,847	299,866
Cash and cash equivalents carried forward	465,284	362,847

THE CLOCKTOWER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Accounting convention

These accounts have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have considered the impact of the ongoing Coronavirus pandemic in making their assessment.

The presentational and functional currency is the British £.

Fund Accounting

Restricted funds represent donations where the donor has specified they are to be used for a particular purpose. All other funds are classified as unrestricted.

Income

Incoming resources are recognised when the Charity is entitled to the income, its receipt is probable and it can be measured with reasonable certainty. Donations, and any related gift aid, are recognised when the Charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through notification of a Will. Receipt of legacy income is deemed probable when probate has been granted and it has been established that there are sufficient assets in the estate to pay the legacy and when there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift.

Interest on funds held on deposit and investment income is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest or income being received or receivable.

Where services are provided to the Charity on a pro bono basis, the deemed value is treated as income, with an equal and opposite figure taken as a support cost. The value ascribed is that which the Charity would have paid had it purchased the service from a third party.

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Support costs are allocated to activities based on time spent.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant. The notification gives the recipient a reasonable expectation that they will receive a one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Charity.

Taxation

The Foundation is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from eligible income received under gift aid is recognised when the related income is receivable and is included within donations.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

In 2020, holdings in the BlackRock Charities Growth & Income Fund were reclassified from Current Asset Investments to Fixed Asset Investments, as they are expected to be held as a long-term income generating asset.

Financial Instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and Estimates

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The trustees consider the only notable area of judgement to be the value of gifts in kind received. The value of these is provided by the donor where possible or, where not possible, included at a reasonable estimate by the trustees.

2. Trustees' Expenses

No Trustees have been paid any remuneration or received any other benefits from any employment with the Charity (2019: nil). No trustee received any reimbursement of expenses (2019: £nil). £2,283 was paid for trustee liability insurance (2019: £2,118).

3. Employees and remuneration of key management personnel

There were no employees during the period (2019: none). The Chief Executive's services, on a part-time basis, were supplied under contract. The total fees paid in respect of the Chief Executive's services in the period was £66,000 (2019: £66,000). All administrative support was provided by consultants or professional advisers.

4	Donations and legacies	2020 £	2019 £
	Donations	648,718	1,168,804
	Legacies	50,000	-
	Gift Aid	34,650	51,095
	Donations in Kind	12,000	12,000
		<u>745,368</u>	<u>1,231,899</u>

5a Analysis of expenditure on raising funds

Direct cost of raising funds	-	525
Allocated support costs (see 5b below)	10,661	11,538
	<u>10,661</u>	<u>12,063</u>

5b Analysis of expenditure on charitable activities

Support costs	106,611	115,379
Less allocated to costs of raising funds	(10,661)	(11,538)
Grants	497,419	516,915
	<u>593,369</u>	<u>620,756</u>

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

5c	Analysis of support costs	2020 £	2019 £
	Audit fee	9,840	8,520
	Chief Executive's services	66,000	67,098
	Office space received pro bono	12,000	12,000
	Other support costs	18,771	27,761
		<u>106,611</u>	<u>115,379</u>

5d Grants

Of the £497k grants approved in the year, £220k were made directly to or on behalf of the Regiment, and the remaining £277k relates to grants made directly to serving members. In 2019, of the £517k grants approved in the year, £201k were made directly to or on behalf of the Regiment and £316k related to grants made directly to serving members.

Grant-making activities	2020 £	2019 £
Fighting Fit	109,188	120,131
Community Cohesion	336,002	337,484
Education	52,228	77,402
Major Capital Projects	-	(18,102)
	<u>497,419</u>	<u>516,915</u>

6	Investments	2020 £	2019 £
	Balance brought forward	4,251,592	3,173,204
	Realised and unrealised gain in year	377,140	578,388
	Additions	-	500,000
	Balance carried forward	<u>4,628,732</u>	<u>4,251,592</u>

7	Debtors	2020 £	2019 £
	Accrued legacy income	50,000	-
		<u>50,000</u>	<u>-</u>

8	Liabilities	2020 £	2019 £
	Grants payable	32,000	32,000
	Trade Creditors	4,591	-
	Accruals	14,280	8,520
		<u>50,871</u>	<u>40,520</u>

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

9 Analysis of Net Assets Between Funds

Current year	Unrestricted £	Restricted £	2020 total £
Investments	4,628,732	-	4,628,732
Current Assets	515,284	-	515,284
Current Liabilities	(50,871)	-	(50,871)
Total	5,093,145	-	5,093,145

Comparative year	Unrestricted £	Restricted £	2019 total £
Investments	4,251,592	-	4,251,592
Current Assets	346,210	16,637	362,847
Current Liabilities	(40,520)	-	(40,520)
Total	4,557,282	16,637	4,573,919

10 Members and Liability

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is £1 per member of the Charity. All Trustees, and only Trustees, are members of the Charity.

11 Related Parties

There were no transactions with related parties in the year (2019: none).

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

12 Analysis of Funds

	Opening balance £ 2020	Income (including investment gains/losses) £ 2020	Expenditure £ 2020	Closing balance £ 2020
<u>Unrestricted Funds</u>				
Unrestricted - general	4,557,282	1,123,256	587,393	5,093,145
Total unrestricted	4,557,282	1,123,256	587,393	5,093,145
<u>Restricted Funds</u>				
Help for Heroes	2,928	-	2,928	-
Henry Oldfield Trust	2,810	-	2,810	-
100 Eleven	10,899	-	10,899	-
Total restricted Funds	16,637	-	16,637	-
Total funds	4,573,919	1,123,256	604,030	5,093,145
	Opening balance £ 2019	Income (including investment gains/losses) £ 2019	Expenditure £ 2019	Closing balance £ 2019
<u>Unrestricted Funds</u>				
Unrestricted - general	3,378,878	1,757,824	579,420	4,557,282
Total unrestricted	3,378,878	1,757,824	579,420	4,557,282
<u>Restricted Funds</u>				
Help for Heroes	16,744	-	13,816	2,928
Henry Oldfield Trust	-	10,000	7,190	2,810
Statue	-	22,000	22,000	-
100 Eleven	-	21,292	10,393	10,899
Total restricted Funds	16,744	53,292	53,399	16,637
Total funds	3,395,622	1,811,116	632,819	4,573,919

THE CLOCKTOWER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

The Help for Heroes Fund is for the treatment of wounded, injured or sick serving personnel.

The Henry Oldfield Trust Fund is to provide support for wives and partners of serving members.

The Statue Fund is for the purchase of a statue of a former Regimental dog.

The 100 Eleven Fund is to provide support to children of serving members.

Trustees

The Trustees, who are also directors under company law, who served during the year ended 31 December 2020 and up to the date of this report were as follows:

Lord Rockley	Chairman
David Juster	
James Eyre	
Caroline Lane	
Tim Boughton	
Tobias Harris	
Richard Madeley	(appointed 3 June 2020)

The trustees have been selected on the basis of relevant professional expertise and, in some instances, knowledge of the Regiment. All have been appointed on open-ended letters of appointment, with no provision for remuneration.

Chief Executive

Michael Kayser

Administrative Details

Registered and Principal Office

The Clocktower Foundation
No 1, St Martins-le-Grand
London EC1A 4NP

The charity is a private company limited by guarantee in the United Kingdom (number 09351193), governed by its Memorandum and Articles of Association, dated 11 December 2014, and updated on 31 October 2017. It is registered as a charity with the Charity Commission (number 1160041).

Auditors: Saffery Champness LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers: Barclays Bank, 1 Churchill Place, London E14 5HP

*Investment Managers: BlackRock Investment Management UK Limited,
12 Throgmorton Avenue, London EC2N 2DL*

Solicitors: Howard Kennedy LLP, 1 London Bridge, London SE1 9BG