

The Clocktower Foundation
(a company limited by guarantee)

Report & Financial Statements

Year ended 31 December 2020

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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