

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.

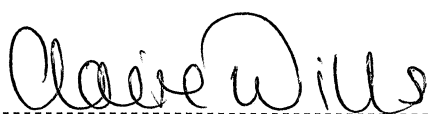
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement 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.



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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.

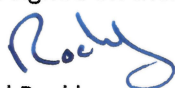
All income and expenditure derives from continuing operations.


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>
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>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