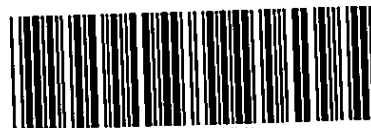


TOWERGATE CHARITABLE FOUNDATION
Annual Report and
Financial Statements
for the year 1 January 2012 to 31 December 2012

Registered Charity No: 1117359
Company No.: 06021788

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The trustees present their report along with the financial statements of the Towergate Charitable Foundation ("the Foundation") for the year ended 31 December 2012

The financial statements have been prepared in accordance with the accounting policies set out on page 12 and comply with the applicable law

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees Peter Cullum, Andrew Homer, Melvyn Sims, Mark Hodges,
Tim Johnson and Paul Dyer - resigned 30 June 2012

Company Secretary Thomas Foley

Clerk to the Trustees Amy Littleton

Treasurer to the Foundation Michelle Brennan

Principal Address Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Auditors KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Bankers Royal Bank of Scotland
62/63 Threadneedle Street
London
EC2R 8LA

Solicitors Bates, Wells and Braithwaite
2 – 6 Cannon Street
London
EC4M 6YH

Registered in England No 4043759
Registered Charity No 1117359

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of the governing document

The Foundation is a charitable company which supports specific projects at nominated charities with whom they have entered into a long term agreement

Objectives

The objectives of the Foundation are

- To maximise fundraising from stakeholders of the Towergate Partnership Limited ("TPL") and related parties for the benefit of carefully chosen charities
- To provide funds for specific projects agreed with carefully chosen charities with whom the Foundation has entered into 3 year agreements which have been extended until 31st December 2013 The Charities and the current projects are shown in the Activities and Achievements section of these accounts
- To develop an environment in which stakeholders can enjoy and gain satisfaction from their participation in fundraising both nationally and locally

Organisation and appointment of trustees

The trustees who have served during the year and since the year end are set out on page 1

Trustees must satisfy 3 criteria Firstly, have a successful business management track record at a senior executive level Secondly, they must operate independently of Towergate Partnership Limited Thirdly, they must have an active interest in the charitable causes supported by the Towergate Charitable Foundation Trustees set the direction, aims and standards of the Foundation

Induction and training of trustees

The Trustees who have served during the year have received appropriate guidance and training from internal and external legal counsel as to their duties and legal responsibilities All are accredited by the FSA and have wide experience of both business and charitable involvement

Regular reporting allows the Trustees to maintain close control of the Foundation's activities

Organisational structure and decision making

The Trustees set the strategic goals of the Foundation This includes the choice of Charities supported, the specific projects funded, the level of financial support and any external promotion Trustees seek clear outputs from the beneficiary charities

The Trustees retain responsibility for all policy and decision making Officers, who are employees of the Towergate Partnership Limited, undertake the administration of the Foundation Performance of fundraising and beneficiary projects are reported monthly and analysed quarterly

Related parties

Towergate Underwriting Group Ltd, a subsidiary of TPL, provided goods and services to the value of £49,145 (2011 £46,229) without charge, this has been shown in the financial statements as Income and Expenditure

Risk Management

The Trustees have considered the principal risks to which the Foundation may be exposed and have not identified any areas of significant risk which they consider should be highlighted in this annual report. It is considered that the income is derived from a wide number of sources, namely thousands of clients and staff. Whilst this number may fluctuate, it is not projected to undergo significant change. Ongoing analysis allows the Trustees to be aware of income trends. The charity does not have any financial commitments as costs are directly related to the income raised.

ACTIVITIES AND ACHIEVEMENTS

The Foundation initially committed to a 3 year partnership with each of 4 main charities ("the partner charities") which has been extended until 31st December 2013. Our aim was to provide a minimum support of £100,000 in 2012 for each of them. This was exceeded. Support levels for 2013 are expected to be similar.

In addition to providing significant funding for specific projects agreed with our partner charities, the Foundation also provided donations to nominated military charities and special grants to assist a wide range of charities directly connected to our clients or staff.

The partner charities supported in 2012 allocated the restricted funds to specific projects prior agreed with them. These are explained below.



Help the Hospices

Hospice care is one of the UK's outstanding success stories. It has radically transformed the way we care for those at the end of their life.

Help the hospices is the charity for hospice care representing and supporting local hospices across the UK. Their work includes a wide range of training, education and grant programmes, practical resources for hospice staff, influencing government policy and support for quality care and good practice.

The Towergate Charitable Foundation provides funds for a small grants programme, which aims to help provide funding support to local hospices for equipment and facilities that have a direct impact on improving patient care and comfort. Grants are also provided to assist in the development of hospice professionals' skills. These include grants for a Masters in Hospice Leadership and Professional Development Grants.



Cancer Research UK

Cancer Research UK is the world's leading charity dedicated to beating cancer through research. CRUK are funding the work of more than 4,500 scientists, doctors and nurses throughout the UK who are committed to improving our understanding of cancer and investigating how best to prevent, diagnose and treat the disease.

Towergate Charitable Foundation is providing significant funding towards a team of world-class scientists based in Oxford headed up by Professor Adrian Harris. They are finding ways to block tumours from hijacking the blood supply which can then grow and spread round the body.



ChildLine a service of the NSPCC

ChildLine is the free, 24-hour confidential helpline for children and young people provided by the NSPCC. Since its 1986 launch, ChildLine has saved children's lives, found refuge for those in danger, and given hope to children who believed no one else cared.

Towergate donations pay for the recruitment and training of volunteer counsellors. It costs £1,600 to train each volunteer. Through donations Towergate has paid for an additional 625 counsellors.



Great Ormond Street Children's Hospital Charity

Great Ormond Street Hospital (GOSH) is one of the world's leading children's hospitals with the broadest range of dedicated, children's healthcare specialists under one roof in the UK. It is the largest centre in the UK for children with heart or brain problems and the largest centre in Europe for children with cancer. With the UCL Institute of Child Health, Great Ormond Street is also Europe's largest research centre dedicated to improving the health of children with severe or life-limiting diseases.

During 2012 Towergate supported the following projects:

- Pioneering better bone marrow transplants in children
- Treating children with immune system deficiencies and diseases using minimal chemotherapy and gene therapy
- Two isolation rooms in Cardiac Ward

Making a difference for Military Personnel

We understand the risks faced on the front-line which is why we are doing something to care for the welfare of military personnel and their families

The Towergate Charitable Foundation launched the Military Charities Grant Fund in January 2011. Grants are allocated to a small number of UK registered charities whose purpose is to take care of military veterans and/or their families. A premium is placed on those charities that provide direct care or are considered to be centres of excellence in their field.

FINANCIAL REVIEW

Fund balance, income and expenditure

The opening funds of the Foundation at 1 January 2012 stood at £8,214. During the year income of £1,257,968 was received and expenditure of £1,256,402 was incurred, giving rise to a net increase in funds of £1566.

At 31 December 2012 the funds of the Foundation therefore stood at £9,780. All of which were unrestricted.

Review of financial position

Reserves policy

The Foundation aims to hold sufficient reserves to pay outstanding liabilities. These will be the Quarterly payment to the partner charities plus any associated administration costs. We aim to continue holding a reserve of not less than £5,000 during the next financial year.

PLANS FOR THE FUTURE

The Charity aims to deliver the required funding to achieve the goals agreed with each of the partner charities.

During 2013 the charity will continue to provide grants for professional development and local hospices through Help the Hospices. The Foundation will also continue to fund the CRUK angiogenesis project run by Professor Adrian Harris and the training of volunteer counsellors for ChildLine. The charity aims to provide funding for a Cardiac Day Treatment Room for GOSHCC as well as continuing support for Prof Bobby Gaspar's research into children born without a functioning immune system.

Disclosure of information to auditors

The trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the Board



Peter Cullum
Trustee

Date 12th September 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 charitable company will continue its activities

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP, 1 Forest Gate, Crawley, West Sussex, RH11 9PT

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TOWERGATE CHARITABLE FOUNDATION

We have audited the financial statements of Towergate Charitable Foundation for the year ended 31 December 2012 set out on pages 10 to 17

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, 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.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 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 UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

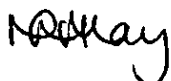
In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TOWERGATE CHARITABLE FOUNDATION *(continued)*

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records 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



Nicola May (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Forest Gate

Brighton Road

Crawley

RH11 9PT

Date 18th September 2013

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income					
- Donations		1,163,795	43,462	1,207,257	868,557
- Donated Services	2	49,145	0	49,145	46,229
Investment Income	3	1,566	0	1,566	915
<i>Total incoming resources</i>		<u>1,214,506</u>	<u>43,462</u>	<u>1,257,968</u>	<u>915,701</u>
Resources expended					
Charitable activities					
Individual Grants	4, 5	(1,141,542)	(43,462)	(1,185,004)	(833,591)
Costs of Generating Funds	4	(56,489)	0	(56,489)	(65,731)
Governance costs	4	(14,909)	0	(14,909)	(15,464)
<i>Total resources expended</i>		<u>(1,212,940)</u>	<u>(43,462)</u>	<u>(1,256,402)</u>	<u>(914,786)</u>
<i>Net incoming resources</i>		1566	0	1566	915
Opening Retained Funds		8,214	0	8,214	7,299
<i>Total funds carried forward</i>		<u>9,780</u>	<u>0</u>	<u>9,780</u>	<u>8,214</u>

The statement of financial activities includes all gains and losses recognised in the year

All incoming resources and resources expended derive from continuing activities

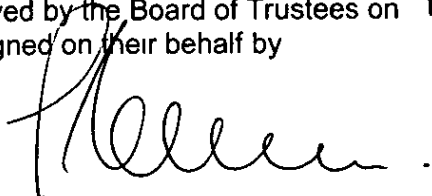
Notes on pages 12 to 17 form part of financial statements

BALANCE SHEET
As at 31 December 2012

	Notes	Total 2012 £	Total 2011 £
Current Assets:			
Debtors	6	90,197	67,878
Cash		374,494	277,124
		<u>464,691</u>	<u>345,002</u>
Liabilities:			
Creditors amounts falling due within one year	7	(454,911)	(336,788)
<i>Total assets less current liabilities</i>		<u>9,780</u>	<u>8,214</u>
 Net assets	 9	 <u>9,780</u>	 <u>8,214</u>
 The funds of the charity:			
Restricted income funds	8	0	0
Unrestricted income funds	8	9,780	8,214
Total charity funds		<u>9,780</u>	<u>8,214</u>

Company Reg No 6021788 Registered Charity No 1117359

Approved by the Board of Trustees on 12 September 2013
and signed on their behalf by



Peter Cullum, under delegated authority

NOTES

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared on the basis of historical cost in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2005) and applicable accounting standards and with the Charities Act 2011. The principle accounting policies adopted are set out below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

The accounts are prepared on a going concern basis.

1.1 Fund accounting

The Foundation has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Restricted funds

Donations that are subject to specific conditions specified by the donor are recorded as restricted funds. From these funds, the donations and any income derived therefrom may only be utilised in accordance with the specified conditions.

Unrestricted funds

The Foundation has two categories of unrestricted funds:

- **General Funds**

These funds are expendable at the discretion of the trustees in furtherance of the objects of the Foundation. These resources arise from the accumulated surpluses and deficits on the provision of general charitable activities.

- **Designated Funds**

These funds have a designated purpose as determined by the trustees. They remain at the discretion of the trustees and may be transferred to general funds if deemed necessary.

Transfers are made from general funds to designated funds to cover the expected value of grants to be made following recommendations by retirees and for employee matched giving in the coming financial year.

1.2 Incoming resources

All incoming resources are accounted for on an accruals basis and are included in the Statement of Financial Activities when:

- The Foundation becomes entitled to the resources
- The trustees are virtually certain that they will receive the resources and
- The monetary value can be measured with sufficient reliability

1.2.1 Donations

These are mainly from Towergate Partnership Limited.

1.2.2 Gifts in kind

These comprise the value of accounting and administration support provided to the Foundation by employees of Towergate Partnership Ltd.

1.2.3 Investment income

This comprises bank interest receivable on short-term deposits.

NOTES (continued)

1 Accounting policies (continued)

1.3 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Foundation to pay out resources

1.3.1 Grants

A grant given by the Foundation with conditions for its payment being a specific level or service or output to be provided is only accounted for when the recipient of the grant has provided the specified service or output

A grant given without performance conditions is only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Foundation

1.3.2 Governance costs

These include the costs of preparation and examination of statutory accounts, the costs of trustees meetings and the cost of any legal advice given to the trustees on governance or constitutional matters

1.3.3 Other expenditure

This is accounted for on an accruals basis inclusive of any Value Added Tax

1.3.4 Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

1.4 Cash flow statement

The Foundation meets the criteria to be classified as a small charity and as such is exempt from the requirement to prepare a cash flow statement

2 Trustees and staff emoluments and reimbursed expenses

Emoluments and reimbursed expenses were not paid to any trustees during the financial year (2011 nil)

The Foundation has no employees (2011 nil), but benefits from the services of two staff members paid for by Towergate Partnership Limited. This benefit was valued at £49,145 for the year (2011 46,229) and has been recognised in the SOFA as a donated service

The aggregate payroll costs of these persons were as follows

	2012	2011
	£	£
Wages and salaries	34,748	37,226
Social security costs	4,447	4,765
Reimbursed Expenses	9,950	4,238
	<u>49,145</u>	<u>46,229</u>

NOTES (continued)

3 Investment income

	2012	2011
	£	£
Interest receivable	<u>1566</u>	<u>915</u>

4 Total resources expended

	Donations Towergate Policy Sales £	General Fundraising £	Governance £	2012 Total £	2011 Total £
Staff costs	33,491	6,924	8,730	49,145	46,229
Auditors' fees	0	0	6,102	6,102	7,150
Other	16,075	0	0	16,075	27,714
Bank charges	0	0	77	77	102
Total resources expended	49,566	6,924	14,909	71,399	81,195

The expenditure for staff costs, auditors' fees and annual report relate to gifts in kind received from Towergate Partnership Limited

NOTES (continued)

5 Grants payable

During the financial year £1,185,004 (2011 £833,591) grants were charged to the Statement of Financial Activities

Beneficiary	2012 £	2011 £
Childline	267,822	174,600
Cancer Research UK	302,673	223,635
Great Ormond Street Hospital	272,520	174,333
Help the Hospice	257,049	176,015
Armed Services Charities	11,000	24,500
Other Charities	73,940	60,508
	<u>1,185,004</u>	<u>833,591</u>

Grant write backs of £ nil (2011 £ nil) have arisen as a result of grants being offered and accrued in previous years not being paid in full due to the conditions for these grants not being met or the projects being completed below budget

6 Debtors

	2012 £	2011 £
Accrued income ¹	<u>90,197</u>	<u>67,878</u>

¹ The total of Accrued Income is receivable from Towergate Partnership Limited to cover the cost of the auditor's fees, matched funds and entry fees

7 Creditors: amounts falling due within one year

	2012 £	2011 £
Grants payable	447,411	329,045
Auditor's fees for audit services	7,500	7,743
	<u>454,911</u>	<u>336,788</u>

NOTES (continued)

8 Movements of funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Funds at 1 January 2012	8,214	0	0	8,214
Incoming resources	1,040,626	173,880	43,462	1,257,968
Outgoing resources	(1,039,060)	(173,880)	(43,462)	(1,256,402)
Transfers between funds	0	0	0	0
Total movement of funds	9,780	0	0	9,780
Funds at 31 December 2012	9,780	0	0	9,780

9 Analysis of net assets between funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fund balances at 31 December 2012 are represented by:				
Current assets	461,330	1,671	1,690	464,691
Current liabilities	(451,550)	(1,671)	(1,690)	(454,911)
Net assets	9,780	0	0	9,780
Funds at 31 December 2012	9,780	0	0	9,780

10 Funds

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects

Restricted funds are funds which have been given for particular purposes and projects. Movements on current restricted funds during the year were as follows

	Balance at 1 January 2012 £	Incoming donations and interest £	Transfers between funds to/(from) £	Amounts Expended £	Balance at 31 December 2012 £
Towergate Policy Sales	0	0	0	0	0
General Fundraising	0	41,812	0	(41,812)	0
Special Grants Funds	0	1,650	0	(1,650)	0
	0	43,462	0	(43,462)	0

NOTES *(continued)*

11 RELATED PARTY TRANSACTIONS

Donations from current and former trustees of the Foundation during the year were as follows

	2012	2011
	£	£
Paul Dyer	nil	nil
Peter Cullum	nil	300
Andy Homer	nil	nil
Mel Sims	nil	nil