

**TOWERGATE CHARITABLE FOUNDATION**  
**Trustees' Report and**  
**Financial Statements**  
**Unaudited**  
**for the year 1 January 2016 to 31 December 2016**

**Registered Charity No: 1117359**  
**Company No.: 06021788**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

The trustees present their report along with the financial statements of the Towergate Charitable Foundation ("the Foundation") for the year ended 31 December 2016.

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** Catherine Lynch – appointed 28<sup>th</sup> January 2016  
Mark Mugge – appointed 28<sup>th</sup> January 2016  
Sarah Dalgarno – appointed 29<sup>th</sup> April 2016

**Company Secretary** N/A

**Treasurer to the Foundation** Michelle Brennan

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

**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. 06021788  
**Registered Charity** No. 1117359

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### ***Nature of the governing document***

The Foundation is a charitable company which for 2016 became dormant with no trading.

The company is registered as a charitable company limited by guarantee and is constituted under a Memorandum and Articles of Association dated 7<sup>th</sup> December 2006.

### **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 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 FCA 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 £nil (2015: £59,708) 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.

### ***ACTIVITIES AND ACHIEVEMENTS***

The Foundation initially committed to a 3 year partnership with each of 4 main charities ("the partner charities") which completed 31st December 2015. The Foundation was closed on that date and raised no funds in 2016.

## **FINANCIAL REVIEW**

### **Fund balance, income and expenditure**

The opening funds of the Foundation at 1 January 2016 stood at £nil. During the year £nil income was received and expenditure of £nil was incurred, giving no movement in funds.

At 31 December 2016 the funds of the Foundation therefore stood at £0.

## **PLANS FOR THE FUTURE**

The Foundation is still going through a period of review and remains closed as at 31st December 2016. Towergate Insurance are looking at ways to re-engage our staff with fundraising, and introduce a volunteering aspect to our work with Charities.

## **PUBLIC BENEFIT**

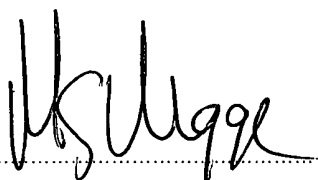
When considering the charity's activities, the Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

## **DISCLOSURE OF INFORMATION**

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 information of which is undisclosed; 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 information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to read 'Mark Mugge', written over a horizontal dotted line.

Mark Mugge  
Trustee

Date:

## **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.

**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 December 2016**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary Income					
- Donations	3	0	0	0	385,186
- Donated Services	2	0	0	0	59,708
Investment Income	4	0	0	0	360
<i>Total incoming resources</i>		<u>0</u>	<u>0</u>	<u>0</u>	<u>445,254</u>
<b>Resources expended</b>					
Charitable Activities					
- Individual Grants	6	0	0	0	(401,276)
Costs of Generating Funds	5	0	0	0	(66,592)
<i>Total resources expended</i>		<u>0</u>	<u>0</u>	<u>0</u>	<u>(467,868)</u>
<i>Net incoming resources</i>		0	0	0	(22,614)
<b>Funds brought forward</b>		0	0	0	22,614
<b><i>Total funds carried forward</i></b>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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 8 to 14 form part of financial statements

The comparative Statements of Financial Activities is shown in note 13 to the accounts.



**BALANCE SHEET**  
**As at 31 December 2016**

	Notes	Total 2016 £	Total 2015 £
<b>Current Assets:</b>			
Debtors	7	0	0
Cash		0	22,500
		<hr/> 0	<hr/> 22,500
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	8	0	(22,500)
		<hr/> 0	<hr/> 0
<i>Total assets less current liabilities</i>		<hr/> 0	<hr/> 0
 <b>Net assets</b>	 10	 <hr/> 0	 <hr/> 0
 <b>The funds of the charity:</b>			
Restricted income funds	9	0	0
Unrestricted income funds	9	0	0
		<hr/> 0	<hr/> 0
<b>Total charity funds</b>		<hr/> 0	<hr/> 0

Company Reg No. 6021788

Registered Charity No. 1117359

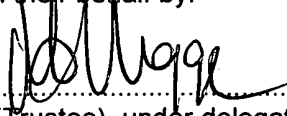
The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2016 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Notes on pages 8 to 14 form part of financial statements

Approved by the Board of Trustees on .....2017  
and signed on their behalf by:

  
.....  
Mark Mugge (Trustee), 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015). The principal 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 cessation basis following the decision to cease operations.

#### 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. The donations and any income derived there from 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 trustees 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.

#### 1.5 Company Status

The company is a company limited by guarantee (company number 06021788). The members of the company are the Trustees, named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The company is also a registered charity, number 1117359.

The company's registered office is Towergate House, Eclipse Park, Sittingbourne Road, Maidstone, Kent, ME14 3EN.

**NOTES** (continued)

## 2 Trustees and staff emoluments and reimbursed expenses

Emoluments and reimbursed expenses were not paid to any trustees during the financial year (2015: nil). No trustees received any remuneration in the year (2015: nil).

The Foundation has no employees (2015: nil), but in 2015 had the benefit from the services of two staff members paid for by Towergate Partnership Limited. This benefit was valued at £59,708 in 2015 (2016: nil). This had been recognised in the SOFA as a donated service.

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	0	52,933
Social security costs	0	6,775
Reimbursed Expenses	0	0
	<u>0</u>	<u>59,708</u>

## 3 Donation income

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
<b>Income</b>				
Income From Client Policies	0	0	0	317,245
Matching Funds	0	0	0	44,390
General Fundraising	0	0	0	22,713
Give As You Earn	0	0	0	838
Special Grants Fund	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>385,186</u>
<b>Donations</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>385,186</u>

## 4 Investment income

	2016 £	2015 £
Interest receivable	<u>0</u>	<u>360</u>

**NOTES** *(continued)*

**5 Costs of generating funds**

	Generation of Client Donations	Generation of General Fundraising	Governance	2016 Total	2015 Total
	£	£	£	£	£
Staff costs	0	0	0	0	59,708
Auditors' fees	0	0	0	0	1,295
Other	0	0	0	0	5,562
Bank charges	0	0	0	0	27
<b>Total resources expended</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,592</b>

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

**6 Grants payable**

During the financial year £nil (2015: £401,277) grants were charged to the Statement of Financial Activities.

Beneficiary	2016 £	2015 £
Childline	0	75,132
Cancer Research UK	0	88,146
Great Ormond Street Hospital	0	79,052
Help the Hospice	0	75,293
Armed Services Charities	0	10,030
Other Charities	0	73,624
	<b>0</b>	<b>401,277</b>

**7 Debtors**

	2016 £	2015 £
Accrued income <sup>1</sup>	0	0

<sup>1</sup> 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.

NOTES (continued)

**8 Creditors: amounts falling due within one year**

	2016	2015
	£	£
Grants payable	0	22,500
Auditor's fees for audit services	0	0
	<u>0</u>	<u>22,500</u>

**9 Movements of funds**

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£	£	£	£
Funds at 1 January 2015	0	0	0	0
Incoming resources	0	0	0	0
Outgoing resources	0	0	0	0
Funds at 1 January 2016	0	0	0	0
Incoming resources	0	0	0	0
Outgoing resources	0	0	0	0
Transfers between funds	0	0	0	0
Total movement of funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds at 31 December 2015	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**10 Analysis of net assets between funds**

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£	£	£	£
Fund balances at 31 December 2016 are represented by:				
Current assets	0	0	0	0
Current liabilities	0	0	0	0
Net assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds at 31 December 2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current assets	0	0	0	0
Current liabilities	0	0	0	0
Net assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds at 31 December 2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NOTES (continued)

## 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 2016 £	Incoming donations and interest £	Transfers between funds to/(from) £	Amounts Expended £	Balance at 31 December 2016 £
General Fundraising	0	0	0	0	0
	0	0	0	0	0

## 11 Related Party Transactions

During this financial year Towergate donated £nil (2015: £44,390) and, in addition, made gifts in kind totalling £nil (2015: £59,708). Additionally, insurance was purchased from Towergate Underwriting Group Limited, a company with common directors, amounting to £nil (2015: £5,400).

## 12 Financial Instruments

	2016 £	2015 £
Financial assets	0	22,500
Financial liabilities	0	22,500

Financial assets measured at amortised cost comprise cash at bank and other debtors.

Financial liabilities measured at amortised cost comprise grants payable.

**NOTES** (continued)

## 13 Comparative Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
<b>Incoming resources</b>				
Incoming resources from generated funds				
Voluntary Income				
- Donations	3	364,679	20,507	385,186
- Donated Services	2	59,708	0	59,708
Investment Income	4	360	0	360
<i>Total incoming resources</i>		<u>424,747</u>	<u>20,507</u>	<u>445,254</u>
<b>Resources expended</b>				
Charitable Activities				
- Individual Grants	6	(380,769)	(20,507)	(401,276)
Costs of Generating Funds	5	(66,592)	0	(66,592)
<i>Total resources expended</i>		<u>(447,361)</u>	<u>(20,507)</u>	<u>(467,868)</u>
<i>Net incoming resources</i>		(22,614)	0	(22,614)
<b>Funds brought forward</b>		22,614	0	22,614
<b><i>Total funds carried forward</i></b>		<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>