

The Quilter Foundation
(A Charitable Incorporated Organisation)
Report and Financial Statements
for the year ended 31 December 2021

The Charity Commission of England and Wales Registered Number: 1175555

The Quilter Foundation

Charity Registered Number: 1175555

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The Quilter Foundation

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Reference and administrative information

Trustees	Trustees who served during the period and up to the date of this report were as follows: Paul William Feeney (Chair) Matthew Charles Burton Philippa Lucy Foster Back, CBE Richard Breen Timothy Edmund Michael Childe (Treasurer) Jane Sarah Goodland (Resigned July 2021) Gemma Harle (Appointed August 2021) Tosin James-Odukoya (Appointed January 2022)
Registered office	Quilter Plc Senator House 85 Queen Victoria Street London EC4V 4AB
Member	Quilter Holdings Limited Senator House 85 Queen Victoria Street London EC4V 4AB Registered in England and Wales, Company Number: 01606702
Banker	National Westminster Bank Plc 135 Bishopsgate London EC2M 3UR
Solicitor	Womble Bond Dickinson 4 More London Riverside London SE1 2AU
Auditor	PricewaterhouseCoopers LLP Chartered Accountants Savannah House 3 Ocean Way Southampton SO14 3TJ
Investment manager and custodian	LGT Vestra 14 Cornhill London EC3V 3NR

The Quilter Foundation

Charity Registered Number: 1175555

Trustees' report for the year ended 31 December 2021

The Trustees present their report and audited financial statements for The Quilter Foundation ('the Foundation') for the year ended 31 December 2021

The Trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') (effective 1 January 2015) - ('Charities SORP (FRS 102)') and the Charities Act 2011 in preparing the report and financial statements of the Foundation.

These financial statements have been prepared on a going concern basis and in accordance with the historical cost convention as modified by the revaluation of investments to fair value.

Objectives and Activities

The Foundation's mission is to empower young people to fulfil their potential, thrive and prosper.

The Foundation seeks to achieve its mission primarily through grant making to carefully selected charity partners and is guided by three themes:

- Education – enhancing financial education and capability;
- Employment – building skills, experience and confidence to help young people work and earn; and
- Health & Wellbeing – enhancing health and wellbeing to help young people flourish and thrive.

The Foundation aims to fund high impact programmes which significantly improve outcomes for young people, and applies a responsible and rigorous process to its choice of charity partners to ensure that long-term sustainable partnerships are created.

The Foundation aims to grow its impact by working with partners who reflect its strategy of providing support to empower young people to fulfil their potential, thrive and prosper.

The Foundation does not provide funding to: 1) organisations directly affiliated to a political party, associated political bodies or with a strong wider political association; 2) single-faith religious organisations; and 3) profit-making organisations.

The Trustees confirm that they have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and seeking grant making policy for the year.

Achievements and Performance

Charitable Partnerships

The Foundation's 3-year Young Carers Campaign continued to support young carers across the UK (and the Isle of Man until October 2021), through core grant funding, as well as fundraising activities and volunteering from Quilter plc employees.

Working together with three leading charities as part of the Foundation's Young Carers Campaign: Carers Trust; The Mix; and Crossroads Care; the Foundation provides funding and support to young carers across the UK, empowering them to fulfil their potential, thrive and prosper.

The Quilter Foundation

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Trustees' report for the year ended 31 December 2021 (continued)

Achievements and Performance (continued)

Charitable Partnerships (continued)

- Carers Trust works to improve support services and recognition for anyone living with the challenges of unpaid caring.
- The Mix is a free, confidential digital support service for under 25s that connects young people to experts and their peers to talk and receive access to support.
- Crossroads Care is the leading provider of practical and emotional support for carers in the Isle of Man.

Working together collaboratively, the key objectives of the partnerships are:

- 1 Providing immediate relief – through direct grants programmes that provide immediate relief to young carers who face barriers to their wellbeing, education or employment prospects.
- 2 Inspiring long-term, positive change – the development, piloting and evaluation of new innovative programmes which support young carers to transition into positive adulthood.

Focusing on enhancing financial education and capability, the Foundation continued to support the charity MyBnk. Grants made to the charity enabled the Foundation to deliver financial education to 6,336 young people in Southampton and London. Furthermore, the Foundation provides funding to The Centre for Financial Capability, an industry collaboration with MyBnk to give primary school children vital money skills and to campaign to firmly place financial education on the primary school curriculum.

The Foundation continued its work through the £450,000 Secure Futures Fund, launched in 2019. The Secure Futures Fund is designed to help young people, aged between 16-25 years old, overcome barriers to employment and help build positive futures. With funding from the Foundation the charities: Safe New Futures, School of Hard Knocks and Street League will deliver innovative programmes in Southampton, London and Birmingham respectively.

The Foundation launched a new small grants programme in December 2021. 'The Local Community Fund', seeded with £50,000, acts as a vehicle to direct the funds raised by Quilter employees, who are able to nominate local charities to benefit from the grants up to a maximum of £10,000. Nine charities benefited from small grants totaling £10,000 in 2021.

Financial Review

During the period the Foundation received funds of £426,400 (2020: £707,160). This included corporate donations of £261,833 (2020: £546,550) and investment income, including bank interest of £164,567 (2020: £160,610).

Expenditure during the period amounted to £506,599 (2020: £634,466), which included accruals for grants payable during the years 2021 and 2022 in relation to agreements which the Foundation has in place with its charitable partners.

The expenditure mainly consisted of grants for the following organisations: Carers Trust £286,361 (2020: £183,058); Local Community £50,000 (2020: £nil); Crossroads Care £3,677 (2020: £20,000); Safe New Futures £7,680 (2020: £nil); Street League £3,800 (2020: £nil); Christmas Campaign £10,000 (2020: £nil); Vivid Life £1,155 (2020: £nil); KickStart Money £nil (2020: £40,000); Disasters Emergency Committee £nil (2020: £244,492).

During the period payments were made to the charitable partners as follows: Carers Trust £180,692 (2020: £417,847); My Bnk £156,670 (2020: £156,700); Safe New Futures £59,587 (2020: £75,220); School of Hard Knocks £49,448 (2020: £74,172); Street League £48,770 (2020: £73,155); The Mix £25,425 (2020: £50,700); Crossroads Care £15,721 (2020: £27,354); and Vivid Live £1,155 (2020: £nil). In the prior year payments were also made to the Disasters Emergency Committee for £244,492, and KickStart Money for £20,000.

Total funds for the Foundation at the end of the period are £9,754,826 (2020: £8,945,398).

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Trustees' report for the year ended 31 December 2021 (continued)

Financial Review (continued)

Investments

The Foundation appoints LGT Vestra as the Foundation's investment manager.

As per the Trustees investment mandate, LGT Vestra's objective is capital appreciation over the long-term and stable income for grant making. As such, the Foundation's investments are primarily balanced across fixed income and equities. The Trustees have taken account of relevant environmental, social and governance considerations and as such have instructed LGT Vestra not to directly invest in companies where principle business activities are: tobacco, armaments, pornography or animal testing.

The value of investments managed by LGT Vestra as at 31 December 2021 was £9,955,349 (31 December 2020: £9,443,503). The Trustees are satisfied that overall investment performance for the reporting period is in line with the Foundation's investment policy and stated long-term investment objectives.

Risks

The level and frequency of income from investments and the Foundation's primary donor, Quilter plc, is uncertain. The Trustees identify this as the Foundation's principal risk, which could prevent it from delivering public benefit and achieving its stated objectives over the long-term. The Trustees have set out to mitigate this risk by establishing an expendable endowment managed by LGT Vestra and invested across a diversified portfolio of sufficiently liquid assets. The Trustees retain discretion to expend some or all of the endowment fund should they choose in order to meet the Foundation's charitable objectives, now or in the future. Furthermore, the Trustees have actively sought to increase and further diversify its income through fundraising activity.

Like many charitable foundations, the emergence of the COVID-19 pandemic continued to have implications on the operations of the Foundation and its partners. Alongside the operational impact, the pandemic has also evidently had a major impact on the communities the Foundation seeks to serve.

Therefore, the Foundation team has maintained close dialogue with its funding partners to ensure it understands the risks presented to delivery arising from the crisis. Where necessary, the team continue to work with their partners to explore alternative mechanisms of delivery and where this is not feasible, they are in active dialogue to deliver an appropriate flexible diversion of funds. Trustees hold the position that all efforts should be made to be an active and supportive partner throughout the ongoing impact that the pandemic presents.

Reserves Policy

The Trustees wish to establish a sustainable financial platform to enable the Foundation to continue to deliver public benefit and achieve its stated objectives over the long-term.

As the level and frequency of financial support from the Foundation's primary donor, Quilter plc, is uncertain, the Trustees have sought to establish an expendable endowment fund to provide sufficient future income should there be an unforeseen change in donations.

The expendable endowment consists of donations from Quilter plc and other funders, alongside gains and losses arising from the investment assets. The Trustees retain discretion to expend some or all of the endowment should they choose in order to achieve agreed charitable aims now or in the future.

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Trustees' report for the year ended 31 December 2021 (continued)

Reserves Policy (continued)

The Trustees have agreed to seek to spend down annual investment returns and any donations from Quilter plc, its employees or other sources, recognising however that the Foundation's commitments are likely to extend over multiple years.

The expendable endowment investments are held in sufficiently liquid assets to enable the Trustees to meet commitments made and to subsequently remove material uncertainty that the Foundation can continue to operate as a going concern. This ensures that despite the Foundation being in a net current liability position, liquid assets can be withdrawn from the investments so that the Foundation is not restricted in meeting its obligations.

The Reserves Policy is monitored regularly by the Trustees.

Structure, Governance and Management

Constitution

The Quilter Foundation ('the Foundation') is a registered charity (Charity number 1175555) with the Charity Commission of England and Wales, incorporated 3 November 2017. The charity is managed by a Board of Trustees.

The Foundation is a Charitable Incorporated Organisation, governed by its association model constitution which set out its objects, powers and matters relating to its governance. The sole Member of the Foundation is Quilter Holdings Limited (formerly Old Mutual Wealth Holdings Limited). If the Foundation is wound up, the Member shall have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities, and, as it is a charity, the Member has no entitlement to a share of the Foundation's assets.

Trustees

The names of the Trustees of the Foundation are listed in the Reference and Administrative Information on page 1. The Trustees all held office throughout the period unless otherwise shown. The Foundation has indemnified all Trustees in respect of any liabilities properly incurred in running the Foundation.

The Foundation's sole Member, Quilter Holdings Limited (formerly Old Mutual Wealth Holdings Limited), may appoint Trustees. When recruiting new Trustees, the Trustees or Member (as appropriate) give regard to the knowledge, skills and experience which are required for the robust and effective management of the Foundation. Training is arranged for all Trustees and all Trustees must sign a Trustee declaration which states that they understand their duties as a Trustee and have read the relevant conflict of interest policies. The Trustees are responsible for the oversight and governance which includes approval of all grants made by the Foundation.

Organisational Structure

The Trustees are responsible for the management of the Foundation's business, for which purpose they may exercise all powers of the Foundation.

At the quarterly Trustees meetings, the Trustees agree the strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves and risk management policies and performance.

The Quilter Foundation

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Trustees' report for the year ended 31 December 2021 (continued)

Structure, Governance and Management (continued)

No staff or management personnel were employed by the Foundation during the period. The Trustees received no remuneration in respect of their services to the Foundation during the period.

No Trustee received any reimbursement of expenses from the Foundation during the financial year.

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, 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 charity will continue in business; and

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Quilter Foundation

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Trustees' report for the year ended 31 December 2021 (continued)

Structure, Governance and Management (continued)

Public Benefit

The Trustees are mindful of their duty under the Charities Act 2011 to ensure that the Foundation's activities exist for the public benefit. The Trustees are satisfied that the performance and achievements of the Foundation during the year have benefitted the public.

Plans for Future Period

Income Generation

In 2022 and beyond, the Trustees seek to increase and diversify the Foundation's income through engagement with Quilter plc and its employees.

Grant Making and Partnership Building

The Foundation's strategy is to achieve its mission through grant making partnerships with charitable organisations that align with its stated objectives and grant making themes. The Foundation has made multi-year commitments to charity partners, with grants payable during 2021 through to 2022 of £708,722.

Evaluation

The Foundation appoints Bean Research to manage and maintain an evaluation framework and theory of change for the Foundation, allowing the Trustees to effectively monitor and evaluate the impact of the Foundation's funding in achieving its stated aims and objectives. Bean Research provided an independent impact evaluation of the Foundation's 2021 strategic grant making in January 2022.

Disclosure of Information to the Auditors

So far as each of the Trustees is aware at the time the report is approved:

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

Signed on behalf of the Board of Trustees



Timothy Edmund Michael Childe
Treasurer of the Board of Trustees

Approved by the Board on 31 October 2022

Independent auditors' report to the trustees of The Quilter Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Quilter Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of financial activities for the year then ended, statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK Charities regulatory principles, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to misappropriate cash and bias in areas of estimation such as the fair value of the investment portfolio. Audit procedures performed included:

- Holding discussions with management (Trustees, Responsible business manager and Finance), including consideration of their process for identifying and responding to the risk of fraud, and any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing relevant meeting minutes of the Trustee board;
- Identifying and testing all material journal entries that credit cash;
- Obtaining an independent confirmation of the investment portfolio held by the charity;
- Performing independent testing of the valuation of the investment portfolio;
- Designing audit procedures to incorporate unpredictability around the nature, timing, or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume

responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 October 2022

Statement of financial activities
for the year ended 31 December 2021

		Restricted funds	Unrestricted funds	2021 Total	Restricted funds	Unrestricted funds	2020 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations	2	33,902	276,217	310,119	170,708	344,558	515,266
Other trading activities	3	47,240	-	47,240	125,842	-	125,842
Investments	4	-	164,567	164,567	-	160,610	160,610
Total income		81,142	440,784	521,926	296,550	505,168	801,718
Expenditure on:							
Raising funds	5	-	578	578	-	7,501	7,501
Investment management fees	6	-	47,822	47,822	-	44,857	44,857
Charitable activities	7	81,142	377,057	458,199	296,550	285,558	582,108
Total expenditure		81,142	425,457	506,599	296,550	337,916	634,466
Net gains on investments	11	-	794,101	794,101	-	378,955	378,955
Net income		-	809,428	809,428	-	546,207	546,207
Surplus for the year		-	809,428	809,428	-	546,207	546,207
Fund balances brought forward		-	8,945,398	8,945,398	-	8,399,191	8,399,191
Fund balances carried forward at 31 December	15	-	9,754,826	9,754,826	-	8,945,398	8,945,398

All of the charity's activities derive from continuing activities during the above period.

The notes on pages 14 to 22 form an integral part of these financial statements.

The Quilter Foundation

Charity Registered Number: 1175555

Balance sheet

as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	11	9,955,349	9,443,503
Current assets			
Debtors due within one year	10	-	20,220
Cash and cash equivalents		172,054	29,046
Total current assets		172,054	49,266
Creditors: amounts falling due within one year	13	372,577	471,925
Net current liabilities		200,523	422,659
Total assets less current liabilities		9,754,826	9,020,844
Creditors: amounts falling due after one year	13	-	75,446
Total net assets		9,754,826	8,945,398
Funds of the charity:			
Restricted income funds		-	-
Unrestricted funds	15	9,754,826	8,945,398
Total charity funds		9,754,826	8,945,398

The notes on pages 14 to 22 form an integral part of these financial statements.

The financial statements on pages 11 to 22 were approved and authorised for issue by the Board of Trustees on 31 October 2022 and were signed on its behalf by:



Timothy Edmund Michael Childe
Treasurer

The Quilter Foundation

Charity Registered Number: 1175555

Statement of cash flows

for the year ended 31 December 2021

	Notes	2021 £	2020 £
Net cash flows used in from operating activities	14	<u>(255,992)</u>	<u>(589,745)</u>
Investing activities:			
Bank interest	4	-	153
Proceeds from disposal of investments	11	<u>399,000</u>	<u>460,000</u>
Net cash flows generated from investing activities		<u>399,000</u>	<u>460,153</u>
Change in cash and cash equivalents in the reporting period		143,008	(129,592)
Cash and cash equivalents at the beginning of the reporting period		29,046	158,638
Cash and cash equivalents at the end of the reporting period		<u>172,054</u>	<u>29,046</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

The Quilter Foundation

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Notes to the Financial Statements

for the year ended 31 December 2021

Charity Information

The Quilter Foundation Trust is a Charitable Incorporated Organisation (CIO) registered with the Charities Commission of England and Wales. Its charity registration number is 1175555.

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements and which have been consistently applied (except where indicated) are set out as follows:

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to recognise financial investments at fair value, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. They are presented in pounds sterling.

The financial statements have been prepared on the accrual basis in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The Quilter Foundation is a public benefit entity as defined by FRS 102.

(b) Judgements in applying accounting policies and key sources of estimation uncertainty

The Trustees evaluate judgements and estimates as required, based on historical experience with other factors including expectations of future events. The details, if material, are reflected in the accounting policies.

There are no material judgements requiring disclosure. Whilst some financial assets are measured at fair value, their valuation is based upon readily available pricing information and therefore the Trustees do not consider there to be a significant level of estimation involved in determining their fair value. There are no other material estimates in the financial statements.

(c) Going concern

The Trustees consider that there are no material uncertainties about The Quilter Foundation's ability to continue to operate for the foreseeable future and are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Foundation's investments are held in sufficiently liquid assets to enable the Trustees to meet commitments made and to subsequently remove material uncertainty that the Foundation can continue to operate as a going concern. This ensures that despite the Foundation being in a net current liability position, liquid assets can be withdrawn from the investments so that the Foundation is not restricted in meeting its obligations.

Notes to the Financial Statements

for the year ended 31 December 2021

1 Accounting policies (continued)

(d) Income

Donations are included in the Statement of financial activities when the Foundation is entitled to the income, receipt is probable and the amount receivable can be measured reliably. Investment income is stated gross in the period it is due.

(e) Donated services and support

Quilter plc has provided administrative support at no cost. These donated services are included in the financial statements in the financial year in which they are receivable, where they are quantifiable and based on an average rate for the services at cost to Quilter plc; with a corresponding amount then recognised in expenditure in the period of receipt.

(f) Expenditure

All expenditure including membership fees and bank charges is included on an accruals basis as a liability is incurred. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Grants are recognised in the financial statements as liabilities after they have been approved by the Trustees and the recipients have been notified.

(g) Taxation

The Foundation is a registered Charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the provisions of Section 505, Income and Corporation Taxes Act 1988.

The Foundation is grant-giving which is not a business activity, therefore Value Added Tax incurred on related expenditure is irrecoverable.

(h) Investments

Investments are included in the financial statements at fair value. Realised and unrealised gains and losses on investments are included net in the statement of financial activities in the financial year in which they arise.

Investments have been defined as fair value through profit or loss.

Fair values are determined according to the following hierarchy based on the valuation technique used to determine fair value.

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability.

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Unquoted /level 2 investments are stated at fair value based on professional valuations at the balance sheet date or nearest available date to it. Valuations are provided by third-party fund administrators (LGT Vestra).

The portfolio is managed by an appointed wealth management firm, according to the Trustees' strategic preferences.

(i) Debtors

Debtors are recognised at the recoverable amount due when it is probable that the future economic benefits will flow to the Foundation and the asset has a value that can be measured reliably. These include Quilter plc matching of employee donations.

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Notes to the Financial Statements

for the year ended 31 December 2021

1 Accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents in the financial statements comprise cash at bank and in hand.

(k) Fund accounting

The unrestricted fund comprises a general fund which is used to meet the charitable objectives of the Foundation at the discretion of the Trustees. The restricted fund consists of monies raised for, and their use restricted to, a specific purpose.

(l) Creditors

Membership fees and grants payable are recognised where it is more likely than not that there is a legal or constructive obligation committing the Foundation to pay out resources and the amount of the obligation can be measured with reasonable certainty.

2 Donations

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
Corporate donations	33,902	180,691	214,593	420,708
Donated services and support	-	95,526	95,526	94,558
Total	33,902	276,217	310,119	515,266

Administrative support is provided by Quilter plc. The value of these services for the year ended 31 December 2021 is estimated at £95,526 (2020: £94,558). The value of these services is recognised within income as a donation, and an equivalent charge is included within expenditure as support costs.

3 Other trading activities

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
Income from Quilter plc employee fundraising events	47,240	-	47,240	125,842

4 Income from investments

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
Bank interest	-	-	-	153
Net income from LGT Vestra portfolio	-	164,567	164,567	160,457
	-	164,567	164,567	160,610

Net income from LGT Vestra portfolio is comprised of £169,362 (2020: £165,280) of investment income from equities and bonds offset against £4,795 (2020: £4,823) of variable bank charges, custody fees and transactional charges.

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5 Expenditure on raising funds

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
JustGiving membership scheme fees	-	562	562	562
Bank charges	-	16	16	29
Other	-	-	-	6,910
	-	578	578	7,501

6 Expenditure on investment management fees

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
LGT Vestra management fees	-	47,822	47,822	44,857
	-	47,822	47,822	44,857

7 Expenditure on charitable activities

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
Supporting Young Carers:				
Carers Trust - (Charity No: 1145181)	77,465	208,896	286,361	183,058
Local Community	-	50,000	50,000	-
Crossroads Care - (Isle Of Man Charity No: 383)	3,677	-	3,677	20,000
	81,142	258,896	340,038	203,058
Financial Education:				
Financial Futures Fund (KickStart Money) - The Investing and Savings Alliance (Company No: 03548792)	-	-	-	40,000
	-	-	-	40,000
Employment:				
Safe New Futures - (Charity No: 1088357)	-	7,680	7,680	-
Street League - (Charity No: 1101313)	-	3,800	3,800	-
	-	11,480	11,480	-
Disasters Emergency Committee (DEC) - (Charity No: 1062638)	-	-	-	244,492
Christmas campaign	-	10,000	10,000	-
Vivid Live	-	1,155	1,155	-
Support costs	-	95,526	95,526	94,558
Total	81,142	377,057	458,199	582,108

The support costs relate to the administrative services provided by Quilter plc at no charge, an equivalent sum is included in income.

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8 Analysis of support costs

	Restricted funds	Unrestricted funds	2021 Total	2020 Total
	£	£	£	£
Audit fees	-	5,225	5,225	5,000
Legal fees	-	875	875	8,701
Donated administrative services	-	89,426	89,426	80,857
	-	95,526	95,526	94,558

The auditors' remuneration of £5,225 (2020: £5,000) was borne by Quilter plc.

9 Staff costs and Trustees' remuneration

No staff were employed by the Foundation during the period.

The Trustees and key management personnel received no remuneration in respect of their services to the Foundation during the period. No Trustees or key management personnel received any other benefit or reimbursement of expenses during the period.

Some trustees are employed in other roles by a related entity, and receive remuneration and other benefits from the related entity, that are unrelated to their services to the Foundation during the period.

10 Debtors due within one year

	2021	2020
	£	£
Accrual for Quilter plc matching of employee donations	-	20,220

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Notes to the Financial Statements

for the year ended 31 December 2021

11 Investments

	Funds at 1 January 2021	Net gains on investments	Net investment income	LGT Vestra Fees	Disposals	Funds at 31 December 2021
	£	£	£	£	£	£
LGT Vestra portfolio	9,443,503	794,101	164,567	(47,822)	(399,000)	9,955,349
Net assets	9,443,503	794,101	164,567	(47,822)	(399,000)	9,955,349

	Funds at 1 January 2020	Net gains on investments	Net investment income	LGT Vestra fees	Disposals	Funds at 31 December 2020
	£	£	£	£	£	£
LGT Vestra portfolio	9,408,948	378,955	160,457	(44,857)	(460,000)	9,443,503
Net assets	9,408,948	378,955	160,457	(44,857)	(460,000)	9,443,503

The investment portfolio comprises of:

	Funds at 1 January 2021	Purchases	Net (losses)/gains on investments	Net investment income	LGT Vestra Fees	Disposals	Funds at 31 December 2021
	£	£	£	£	£	£	£
Bonds/Fixed interest	3,081,881	581,333	(128,906)	-	-	(722,497)	2,811,811
Equities	2,551,268	208,103	440,129	(316)	-	(512,979)	2,686,205
Pooled investment vehicles	3,639,347	1,115,781	482,878	-	-	(863,685)	4,374,321
Cash	171,007	(1,905,217)	-	164,883	(47,822)	1,700,161	83,012
Total	9,443,503	-	794,101	164,567	(47,822)	(399,000)	9,955,349

	Funds at 1 January 2020	Purchases	Net gains/(losses) on investments	Net investment income	LGT Vestra Fees	Disposals	Funds at 31 December 2020
	£	£	£	£	£	£	£
Bonds/Fixed interest	3,112,177	530,015	134,509	-	-	(694,820)	3,081,881
Equities	2,366,355	591,782	(232,018)	(328)	-	(174,523)	2,551,268
Pooled investment vehicles	3,633,270	882,339	476,464	2,153	-	(1,354,879)	3,639,347
Cash	297,146	(2,004,136)	-	158,632	(44,857)	1,764,222	171,007
Total	9,408,948	-	378,955	160,457	(44,857)	(460,000)	9,443,503

LGT Vestra is the investment partner managing the portfolio on behalf of the Foundation.

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for the year ended 31 December 2021

12 Financial instruments

Investments have been defined as fair value through profit or loss.

	Level 1	Level 2	Level 3	2021 Total
	£	£	£	£
Bonds/Fixed interest	2,293,133	518,678	-	2,811,811
Equities	2,686,205	-	-	2,686,205
Pooled investment vehicles	4,374,321	-	-	4,374,321
Cash	83,012	-	-	83,012
Total	9,436,671	518,678	-	9,955,349

	Level 1	Level 2	Level 3	2020 Total
	£	£	£	£
Bonds/Fixed interest	1,146,389	1,935,492	-	3,081,881
Equities	2,551,268	-	-	2,551,268
Pooled investment vehicles	3,639,347	-	-	3,639,347
Cash	171,007	-	-	171,007
Total	7,508,011	1,935,492	-	9,443,503

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13 Creditors

	Within one year	After one year	2021 Total
	£	£	£
Grants payable			
Carers Trust	211,056	-	211,056
MyBnk	-	-	-
The Mix	-	-	-
Street League	24,385	-	24,385
School of Hard Knocks	24,724	-	24,724
Safe New Futures	26,337	-	26,337
KickStart Money	20,000	-	20,000
Local Community	50,000	-	50,000
	356,502	-	356,502
Raised funds due to Carers Trust, Christmas campaign and Street League	16,026	-	16,026
Just Giving membership scheme fees	49	-	49
Total	372,577	-	372,577

	Within one year	After one year	2020 Total
	£	£	£
Grants payable			
Carers Trust	75,795	-	75,795
MyBnk	156,670	-	156,670
The Mix	25,425	-	25,425
Street League	48,770	24,385	73,155
School of Hard Knocks	49,448	24,724	74,172
Safe New Futures	51,907	26,337	78,244
KickStart Money	20,000	-	20,000
	428,015	75,446	503,461
Raised funds due to Crossroads Care and Carers Trust	43,863	-	43,863
Just Giving membership scheme fees	47	-	47
Total	471,925	75,446	547,371

There are no other financial commitments on which to report.

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Notes to the Financial Statements

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14 Net cash used in from operating activities

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	809,428	546,207
Adjustments for:		
Gains on investments	(794,101)	(378,955)
Net income from LGT Vestra portfolio	(164,567)	(160,457)
LGT Vestra management fees	47,822	44,857
Bank interest	-	(153)
Decrease in debtors	20,220	10,846
Decrease in creditors	(174,794)	(652,090)
Net cash used in from operating activities	(255,992)	(589,745)

15 Unrestricted funds

	Funds at 1 January 2021	Income	Expenditure	Other gains	Transfer	Funds at 31 December 2021
	£	£	£	£	£	£
General	8,945,398	440,784	(425,457)	794,101	-	9,754,826

	Funds at 1 January 2020	Income	Expenditure	Other gains	Transfer	Funds at 31 December 2020
	£	£	£	£	£	£
General	8,399,191	505,168	(337,916)	378,955	-	8,945,398

A separate disclosure on restricted income funds has not been reported as there was no outstanding balance for the current or prior year reporting years.

16 Related party transactions

Quilter plc provides other administrative support totaling £95,526 (2020: £94,558) to the Foundation. The estimated value of these donated services is recognised within income as a donation, and an equivalent charge is included within expenditure as support costs.

The auditors' remuneration of £5,225 (2020: £5,000) was borne by Quilter plc.

17 Post Balance sheet events

There are no events that have occurred, between the reporting date and the date of the financial statements have been authorised for issue, that require disclosure.