

The Quilter Foundation
(A Charitable Incorporated Organisation)
Annual Report and Financial Statements
for the year ended 31 December 2022

The Charity Commission for England and Wales Registered Number: 1175555

The Quilter Foundation

Charity Registered Number: 1175555

Contents

	Pages
Reference and administrative information	1
Trustees' report	2 - 6
Independent auditors' report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

The Quilter Foundation

Charity Registered Number: 1175555

Reference and administrative information

Trustees	Trustees who served during the period and up to the date of this report were as follows: Steven Levin (Chair - Appointed November 2022) Paul William Feeney (Chair - Resigned October 2022) Matthew Charles Burton (Resigned September 2022) Gemma Harle (Resigned October 2022) Philippa Lucy Foster Back, CBE Richard Breen Timothy Edmund Michael Childe (Treasurer) Tosin James-Odukoya (Appointed January 2022) Penny Cole (Appointed October 2022) Stephen Charles Gazard (Appointed October 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 (UK) LLP 4 More London Riverside London SE1 2AU
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants Savannah House 3 Ocean Way Southampton SO14 3TJ
Investment manager and custodian	LGT Wealth Management UK LLP 14 Cornhill London EC3V 3NR

Trustees' report for the year ended 31 December 2022

The Trustees present their report and audited financial statements for The Quilter Foundation ('the Foundation') for the year ended 31 December 2022.

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 and 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 Commission's 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

2022 was the final year of the Foundation's three-year Young Carers Campaign which continued to support young carers across the UK, through core grant funding, as well as fundraising activities and volunteering from Quilter plc group (hereafter "Quilter") employees.

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

- 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.

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.

Trustees' report for the year ended 31 December 2022 (continued)

Achievements and Performance (continued)

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 7,059 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. Since its creation, The Local Community Fund has given grants to 24 organisations totalling £130,956.

Financial Review

During the year, the Foundation received funds of £594,335 (2021: £426,400). This included corporate donations of £419,989 (2021: £261,833) and investment income, including bank interest of £174,346 (2021: £164,567).

Expenditure during the period amounted to £1,052,782 (2021: £506,599), which included accruals for grants payable during the years 2023 and 2024 in relation to agreements which the Foundation has in place with its charitable partners.

The expenditure mainly consisted of grants for the following organisations: MyBnk £510,000 (2021: £nil); Local Community Fund £81,056 (2021: £50,000); Crossroads Care £20,000 (2021: £3,677); Safe New Futures £24,476 (2021: £7,680); Street League £12,193 (2021: £3,800); School of Hard Knocks £12,362 (2021: £nil); KickStart Money £20,000 (2021: £nil); Oasis Lordshill £10,000 (2021: £nil); Vivid Life £8,056 (2021: £1,155); Disasters Emergency Committee £275,550 (2021: £nil); Thrive Jersey £5,000 (2021: £nil); Carers Trust £nil (2021: £286,361) and Christmas Campaign £nil (2021: £10,000).

During the year, payments were made to the charitable partners as follows: Carers Trust £137,488 (2021: £180,692); MyBnk £170,000 (2021: £156,670); Safe New Futures £26,337 (2021: £59,587); School of Hard Knocks £24,724 (2021: £49,448); Street League £28,185 (2021: £48,770); Crossroads Care £20,000 (2021: £15,721); Disasters Emergency Committee £230,790 (2021: £nil) and Local Community Fund £87,066 (2021: £nil). In the prior year, payments were also made to The Mix £25,425 and Vivid Life £1,155.

Total funds for the Foundation at the end of the year are £7,919,370 (2021: £9,754,826).

Investments

The Foundation appoints LGT Wealth Management UK LLP ("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 principal business activities are: tobacco, armaments, pornography or animal testing.

The value of investments managed by LGT Vestra as at 31 December 2022 was £8,249,048 (2021: £9,955,349). The Trustees are satisfied that overall investment performance for the year is in line with the Foundation's investment policy and stated long-term investment objectives.

Trustees' report for the year ended 31 December 2022 (continued)

Financial Review (continued)

Risks

The level and frequency of income from investments and the Foundation's primary donor, Quilter, 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 the Foundation's income through fundraising activity.

Like many charitable foundations, the cost of living crisis has had implications on the operations of the Foundation and its partners. Alongside the operational impact, the crisis 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. The Trustees ensure that all efforts are made to be an active and supportive partner throughout the ongoing impact that the cost of living crisis 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, 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.

The Trustees have agreed to seek to spend down annual investment returns and any donations from Quilter, 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 is a registered charity (Charity number 1175555) with the Charity Commission for 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 (a subsidiary of Quilter plc). If the Foundation is wound up, the Member shall have no liability to contribute to its assets and no legal responsibility for settling its debts and liabilities, and, as the Foundation is a charity, the Member has no entitlement to a share of the Foundation's assets. While the Foundation bears the Quilter trading name, it is independent of the Quilter plc group and the trustees perform their duties under this guiding principle. In addition to the trustees who are also employees of Quilter, there are two fully independent trustees whom sit on the Board of the Foundation.

Trustees' report for the year ended 31 December 2022 (continued)

Structure, Governance and Management (continued)

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 year 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, 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.

No staff or management personnel were employed by the Foundation during the year. The Trustees received no remuneration in respect of their services to the Foundation during the year (2021: £nil).

One Trustee received reimbursement of expenses totalling £73 (for travel) from the Foundation during the financial year (2021: £nil).

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.

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 and 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.

Trustees' report for the year ended 31 December 2022 (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 2023 and beyond, the Trustees seek to increase and diversify the Foundation's income through engagement with Quilter 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 2022 through to 2023 of £1,072,370 (2021: £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 2022 strategic grant making in January 2023.

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
- each of the Trustees has 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

Approved by the Board on 25 July 2023

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 2022 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of financial activities for the year then ended, cash flow statement 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.

Independent auditors' report to the trustees of The Quilter Foundation (continued)

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, 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 the misappropriation of 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;

Independent auditors' report to the trustees of The Quilter Foundation (continued)

- 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
Southampton
25 July 2023

Statement of financial activities
for the year ended 31 December 2022

	Notes	Restricted funds £	Unrestricted funds £	2022 Total £	Restricted funds £	Unrestricted funds £	2021 Total £
Income from:							
Donations	2	151,026	319,825	470,851	33,902	276,217	310,119
Other trading activities	3	63,598	49	63,647	47,240	-	47,240
Investments	4	-	174,346	174,346	-	164,567	164,567
Total Income		214,624	494,220	708,844	81,142	440,784	521,926
Expenditure on:							
Raising funds	5	-	1,343	1,343	-	578	578
Investment management fees	6	-	44,031	44,031	-	47,822	47,822
Charitable activities	7	214,624	792,784	1,007,408	81,142	377,057	458,199
Total expenditure		214,624	838,158	1,052,782	81,142	425,457	506,599
Net (losses)/gains on investments	10	-	(1,491,518)	(1,491,518)	-	794,101	794,101
Net (expense)/income		-	(1,835,456)	(1,835,456)	-	809,428	809,428
(Deficit)/surplus for the year		-	(1,835,456)	(1,835,456)	-	809,428	809,428
Fund balances brought forward		-	9,754,826	9,754,826	-	8,945,398	8,945,398
Fund balances carried forward at 31 December	14	-	7,919,370	7,919,370	-	9,754,826	9,754,826

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

The notes on pages 13 to 20 form an integral part of these financial statements.

Balance sheet
as at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Investments	10	8,249,048	9,955,349
Current assets			
Cash and cash equivalents		168,149	172,054
Total current assets		168,149	172,054
Creditors: amounts falling due within one year	12	327,827	372,577
Net current liabilities		159,678	200,523
Total assets less current liabilities		8,089,370	9,754,826
Creditors: amounts falling due after one year	12	170,000	-
Total net assets		7,919,370	9,754,826
Funds of the charity:			
Unrestricted funds	14	7,919,370	9,754,826
Total charity funds		7,919,370	9,754,826

The notes on pages 13 to 20 form an integral part of these financial statements.

The financial statements on pages 10 to 20 were approved and authorised for issue by the Board of Trustees on 25 July 2023 and were signed on its behalf by:



Timothy Edmund Michael Childe
Treasurer

Statement of cash flows
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Net cash flows from operating activities	13	<u>(349,003)</u>	<u>(255,992)</u>
Investing activities:			
Bank interest	4	98	-
Proceeds from disposal of investments	10	<u>345,000</u>	<u>399,000</u>
Net cash flows generated from investing activities		<u>345,098</u>	<u>399,000</u>
Change in cash and cash equivalents in the reporting period		(3,905)	143,008
Cash and cash equivalents at the beginning of the reporting period		172,054	29,046
Cash and cash equivalents at the end of the reporting period		<u>168,149</u>	<u>172,054</u>

The notes on pages 13 to 20 form an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 December 2022

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 accruals 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 United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) 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. Accordingly, there are no material uncertainties in relation to the Foundation's ability to 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.

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

The Quilter Foundation

Charity Registered Number: 1175555

Notes to the Financial Statements

for the year ended 31 December 2022

1 Accounting policies (continued)

(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 year in which they arise.

Investments have been designated 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 matching of donations made by Quilter employees.

(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.

Notes to the Financial Statements
for the year ended 31 December 2022

1 Accounting policies (continued)

(m) Funds

Restricted funds

Restricted funds comprise amounts donated to the charity for specific objectives specified by the donor or by the nature of the fundraising.

Unrestricted funds

All other funds are unrestricted and are available to the charity to further any of its charitable objectives.

(n) Financial instruments

Financial instruments are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the statement of cash flows, cash and cash equivalents include cash at bank and in hand.

2 Donations

	Restricted funds	Unrestricted funds	2022 Total	2021 Total
	£	£	£	£
Corporate donations	151,026	205,315	356,341	214,593
Donated services and support	-	114,510	114,510	95,526
Total	151,026	319,825	470,851	310,119

Administrative support is provided by Quilter. The value of these services for the year ended 31 December 2022 is estimated at £114,510 (2021: £95,526). 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	2022 Total	2021 Total
	£	£	£	£
Income from Quilter employee fundraising events	63,598	49	63,647	47,240

4 Income from investments

	Restricted funds	Unrestricted funds	2022 Total	2021 Total
	£	£	£	£
Bank interest	-	98	98	-
Net income from LGT Vestra portfolio	-	174,248	174,248	164,567
	-	174,346	174,346	164,567

Net income from LGT Vestra portfolio is comprised of £178,659 (2021: £169,362) of investment income from equities and bonds offset against £4,411 (2021: £4,795) of variable bank charges, custody fees and transactional charges.

5 Expenditure on raising funds

	Restricted funds	Unrestricted funds	2022 Total	2021 Total
	£	£	£	£
JustGiving membership scheme fees	-	562	562	562
Bank charges	-	13	13	16
Other	-	768	768	-
	-	1,343	1,343	578

The Quilter Foundation

Charity Registered Number: 1175555

Notes to the Financial Statements

for the year ended 31 December 2022

6 Expenditure on investment management fees

	Restricted funds	Unrestricted funds	2022 Total	2021 Total
	£	£	£	£
LGT Vestra management fees	-	44,031	44,031	47,822
	-	44,031	44,031	47,822

7 Expenditure on charitable activities

	Restricted funds	Unrestricted funds	2022 Total	2021 Total
	£	£	£	£
Supporting Young Carers:				
Carers Trust - (Charity No: 1145181) ¹	-	(75,795)	(75,795)	286,361
Local Community Fund ¹	85,789	(4,733)	81,056	50,000
Crossroads Care - (Isle Of Man Charity No: 383)	-	20,000	20,000	3,677
	85,789	(60,528)	25,261	340,038
Financial Education:				
Financial Futures Fund (KickStart Money) - The Investing and Savings Alliance - (Company No: 03548792)	-	20,000	20,000	-
MyBnk - (Charity No: 1123791)	-	510,000	510,000	-
	-	530,000	530,000	-
Employment:				
Safe New Futures - (Charity No: 1088357)	-	24,476	24,476	7,680
Street League - (Charity No: 1101313)	-	12,193	12,193	3,800
School of Hard Knocks - (Charity No: 1147009)	-	12,362	12,362	-
	-	49,031	49,031	11,480
Disasters Emergency Committee (DEC) - (Charity No: 1062638):				
Afghanistan	-	50,000	50,000	-
Ukraine	128,835	26,955	155,790	-
Pakistan	-	32,260	32,260	-
Syria/Turkey	-	37,500	37,500	-
	128,835	146,715	275,550	-
Christmas campaign	-	(10,000)	(10,000)	10,000
Vivid Live - (Company No: 11640039)	-	8,056	8,056	1,155
Thrive Jersey - (Jersey Charity No: 1293)	-	5,000	5,000	-
Oasis Academy Lord's Hill - (Charity No: 1138872)	-	10,000	10,000	-
Support costs	-	114,510	114,510	95,526
Total	214,624	792,784	1,007,408	458,199

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

¹ Income figures represent a release of an over accrual from prior year.

8 Analysis of support costs

	Restricted funds	Unrestricted funds	2022 Total	2021 Total
	£	£	£	£
Audit fees	-	5,591	5,591	5,225
Legal fees	-	-	-	875
Donated administrative services	-	108,919	108,919	89,426
	-	114,510	114,510	95,526

The auditors' remuneration of £5,591 (2021: £5,225) was borne by Quilter.

Notes to the Financial Statements
for the year ended 31 December 2022

9 Staff costs and Trustees' remuneration

No staff were employed by the Foundation during the year.

The Trustees and key management personnel received no remuneration in respect of their services to the Foundation during the year (2021: £nil). During the year, one Trustee received reimbursement of expenses of £73 for travel (2021: £nil).

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 year.

10 Investments

	Funds at 1 January 2022	Net (losses)/gains on investments	Net investment income	LGT Vestra Fees	Disposals	Funds at 31 December 2022
	£	£	£	£	£	£
LGT Vestra portfolio	9,955,349	(1,491,518)	174,248	(44,031)	(345,000)	8,249,048
Net assets	9,955,349	(1,491,518)	174,248	(44,031)	(345,000)	8,249,048

	Funds at 1 January 2021	Net (losses)/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

The investment portfolio comprises of:

	Funds at 1 January 2022	Purchases	Net (losses)/gains on investments	Net investment income/ (expense)	LGT Vestra Fees	Disposals	Funds at 31 December 2022
	£	£	£	£	£	£	£
Bonds/fixed interest	2,811,811	994,034	(446,071)	-	-	(637,630)	2,722,144
Equities	2,686,205	454,486	(361,636)	(330)	-	(685,337)	2,093,388
Pooled investment vehicles	4,374,321	1,031,623	(683,811)	-	-	(1,384,030)	3,338,103
Cash	83,012	(2,480,143)	-	174,578	(44,031)	2,361,997	95,413
Total	9,955,349	-	(1,491,518)	174,248	(44,031)	(345,000)	8,249,048

	Funds at 1 January 2021	Purchases	Net (losses)/gains on investments	Net investment income/ (expense)	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

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

Notes to the Financial Statements
for the year ended 31 December 2022

11 Financial instruments

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

	Level 1	Level 2	Level 3	2022
	£	£	£	£
Bonds/fixed interest	2,722,145	-	-	2,722,145
Equities	2,093,387	-	-	2,093,387
Pooled investment vehicles	3,338,101	-	-	3,338,101
Cash	95,415	-	-	95,415
Total	8,249,048	-	-	8,249,048

	Level 1	Level 2	Level 3	2021
	£	£	£	£
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

Notes to the Financial Statements
for the year ended 31 December 2022

12 Creditors

	Within one year	After one year	2022 Total
	£	£	£
Grants payable			
Carers Trust	-	-	-
MyBnk	170,000	170,000	340,000
The Mix	-	-	-
Street League	12,193	-	12,193
School of Hard Knocks	12,362	-	12,362
Safe New Futures	24,476	-	24,476
KickStart Money	20,000	-	20,000
Disaster Emergency Committee - Pakistan Floor	7,260	-	7,260
Disaster Emergency Committee - Syria-Turkey	37,500	-	37,500
Local Community Fund - Central Youth Club	8,990	-	8,990
Local Community Fund - Grow Jersey	5,000	-	5,000
Local Community Fund - Southampton City Farm	10,000	-	10,000
Local Community Fund - SAFE!	10,000	-	10,000
Local Community Fund - Winchester and District Young Carers	10,000	-	10,000
	327,781	170,000	497,781
JustGiving membership scheme fees	46	-	46
Total	327,827	170,000	497,827

	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 Fund	50,000	-	50,000
	356,502	-	356,502
Raised funds due to Carers Trust, Christmas campaign and Street League	16,026	-	16,026
JustGiving membership scheme fees	49	-	49
Total	372,577	-	372,577

There are no other financial commitments on which to report.

13 Net cash from operating activities

	2022	2021
	£	£
Net (deficit)/surplus for the year (as per the statement of financial activities)	(1,835,456)	809,428
Adjustments for:		
Losses/(gains) on investments	1,491,518	(794,101)
Net income from LGT Vestra portfolio	(174,248)	(164,567)
LGT Vestra management fees	44,031	47,822
Bank interest	(98)	-
Decrease in debtors	-	20,220
Increase/(decrease) in creditors	125,250	(174,794)
Net cash from operating activities	(349,003)	(255,992)

Notes to the Financial Statements
for the year ended 31 December 2022

14 Unrestricted funds

	Funds at 1 January 2022	Income	Expenditure	Other (losses)/gains	Funds at 31 December 2022
	£	£	£	£	£
General	9,754,826	494,220	(838,158)	(1,491,518)	7,919,370

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

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

15 Related party transactions

Quilter provides other administrative support totaling £114,510 (2021: £95,526) 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 £5,591 (2021: £5,225), consists of fees in respect of the statutory audit and was borne by Quilter. There are no non-audit fees (2021: £nil).

16 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.